

HAWAII PUBLIC UTILITIES COMMISSION  
465 SOUTH KING STREET, ROOM 103  
HONOLULU, HAWAII 96813  
PHONE: (808) 586-2020  
FACSIMILE: (808) 586-2066  
ELECTRONIC MAIL: [Hawaii.PUC@hawaii.gov](mailto:Hawaii.PUC@hawaii.gov)  
WEBSITE: [www.hawaii.gov/budget/puc](http://www.hawaii.gov/budget/puc)

**NEWS RELEASE**

For Immediate Release: September 22, 2010

**Public Utilities Commission Approves  
Applicable Portions of the Chapter 11 Reorganization Plan  
of Hawaiian Telcom, Inc. and Hawaiian Telcom Services Company, Inc.**

**(PUC Docket No. 2010-0001)**

HONOLULU – Today, the Hawaii Public Utilities Commission (“Commission”) issued a Decision and Order approving applicable portions of Hawaiian Telcom, Inc.’s and Hawaiian Telcom Services Company, Inc.’s (collectively, “Hawaiian Telcom”) Joint Chapter 11 Plan of Reorganization (the “Reorganization Plan”). The Reorganization Plan was previously confirmed by the United States Bankruptcy Court for the District of Hawaii in In re Hawaiian Telcom Communications, Inc., et al., Case No. 08-02005.

Under the Reorganization Plan, Hawaiian Telcom will be able to reduce its debt from approximately \$1.075 billion to about \$300 million, with the option for an additional \$30 million revolving credit line. The Commission found the Reorganization Plan to be reasonable and in the public interest. The Commission’s approval includes approval of related financing arrangements to the extent necessary to effectuate and carryout the Reorganization Plan. The Commission also required Hawaiian Telcom to adhere to certain reporting and regulatory conditions, as described in the Decision and Order.

The Commission recognizes, however, that successful implementation of the Reorganization Plan is dependent on the success of Hawaiian Telcom’s strategic business plan and the accuracy of its financial projections and assumptions, which will be dependent on its ability to generate revenues from new service offerings, particularly its proposed “next generation” television service that it plans to offer soon.

Hawaiian Telcom assured the Commission that its current rates and terms for service will not be affected upon emergence from bankruptcy under the Plan and that it intends to retain generally all of its 1,450 employees.

The Commission’s decision today provides Hawaiian Telcom with State regulatory approval to emerge from bankruptcy under Chapter 11 of the Bankruptcy Code.

For more information regarding the Decision and Order and Docket No. 2010-0001, please go to [www.hawaii.gov/budget/puc](http://www.hawaii.gov/budget/puc).

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Contact: Carlito P. Caliboso  
Chairman  
Hawaii Public Utilities Commission  
Phone: (808) 586-2020