

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application	)	Application No. C-696
of The Lincoln Telephone and	)	
Telegraph Company, Lincoln,	)	GRANTED
Nebraska, for Authority to Issue	)	
and Sell Securities.	)	Entered: December 23, 1986

APPEARANCES: For the Applicant  
J. Taylor Greer  
Paul M. Schudel  
Attorneys  
1500 American Charter Center  
206 South 13th Street  
Lincoln, Nebraska 68508

OPINION AND FINDINGS

BY THE COMMISSION:

By its Application filed on November 13, 1986. The Lincoln Telephone and Telegraph Company of Lincoln, Nebraska, seeks authority to issue and sell securities.

Notice of the filing of the Application was published pursuant to the provisions of this Commission's Rules and Regulations. No protests to this Application were filed.

Pursuant to notice required by law, this matter was set for deposition in accordance with modified procedures under Rule 018.03 on December 23, 1986, at the regular session of the Commission in the Commission Hearing Room, Lincoln, Nebraska, with appearances as set forth above.

Upon consideration of the Application, the evidence filed and submitted herewith and being fully advised in the premises, the Commission is of the opinion and finds that:

1. Applicant is a corporation organized under and by virtue of the laws of the State of Delaware and is domesticated under the laws of the State of Nebraska.
2. Applicant is engaged in the telecommunications business in the State of Nebraska providing service through 137 exchanges in a 22-county area of southeastern Nebraska.
3. Applicant seeks Commission approval to issue \$20,000,000 of First Mortgage Bonds, Series J, the proceeds of which, less expenses thereof, will be primarily used to redeem the unpaid principal amount, together with accrued interest to the date of redemption and redemption premium of Applicant's Series H Bonds, with any remaining balance of said financing to be used in connection with the ongoing program of Applicant to construct and improve its facilities for the provision of telecommunications services.

4. Applicant's First Mortgage 10 1/8% Bonds, Series H, in the presently unpaid principal amount of \$18,000,000 are due and payable on October 1 of the years 1987 through and including 1995. The interest payable on said Series H Bonds is at the rates of 10.125% per annum. Pursuant to the terms of said Bonds, Applicant may redeem the balance owing on said Bonds, upon at least thirty (30) days' notice to the holders thereof by paying the unpaid principal amount together with accrued interest to the date of redemption and a redemption premium of 104.290% of said unpaid principal amount when redeemed within the twelve months ending September 30, 1987.

5. Applicant represents that, in general, the terms of the proposed First Mortgage Bonds, Series J, will be no less favorable than the terms of said Series H Bonds, and due to present market conditions, the Series J Bonds can be issued in a private placement at an interest rate considerably less than the existing rate of interest on the Series H Bonds, which will benefit Applicant's customers and stockholders alike.

6. The Commission finds that the Application filed herein is in general compliance with the requirements of Rule 022 of the Rules of Commission Procedure, and that attached to said Application are documents required by said Rule.

7. The Commission is of the opinion that the use of the capital to be secured by the issue of First Mortgage Bonds, Series J, is reasonably required for the discharge and lawful refunding of the Series H Bonds and the construction and improvement of Applicant's facilities used in the provision of telecommunications services.

8. The Application is fair and reasonable and is in the public interest and should be granted.

#### ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-696 be and it is hereby granted and that The Lincoln Telephone and Telegraph Company be, and it is hereby authorized to issue and sell up to twenty million dollars (\$20,000,000) principal amount of First Mortgage Bonds, Series J, upon the most favorable terms and conditions as may be appropriate and desirable. Applicant is further authorized to use the funds thereby obtained for the purposes hereinabove set forth and as set forth in the Application. Applicant is further authorized to take all other such actions as are necessary and appropriate in connection with the accomplishment of the foregoing.

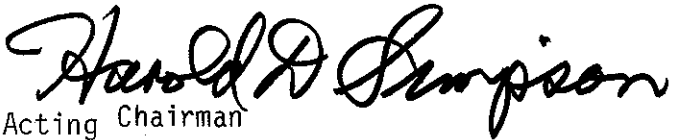
IT IS FURTHER ORDERED that Applicant shall, within sixty (60) days hereof, file with this Commission a specimen copy of a Series J Bond and the Tenth Supplemental Indenture pursuant to which said Series J Bonds will be issued.

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MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of December, 1986.

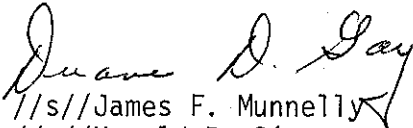
NEBRASKA PUBLIC SERVICE COMMISSION

  
Acting Chairman

ATTEST:

  
Executive Secretary

COMMISSIONERS CONCURRING:

  
//s//James F. Munnelly  
//s//Harold D. Simpson