

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint                    ) Application No. C-764  
Application of Rodeo Telephone,            )  
Inc., Burwell, Nebraska, to Sell            )  
and The Nebraska Central                    )  
Telephone Co., Gibbon, Nebraska,            )  
to Acquire All of the Operating            )  
Property and Assets of Rodeo                ) GRANTED  
Telephone, Inc. and for a                    )  
Certificate of Convenience and                )  
Necessity for The Nebraska                  )  
Central Telephone Co. to Provide            )  
Telecommunications Services to                )  
the Telephone Exchanges of Rodeo            )  
Telephone, Inc.                                ) Entered: December 6, 1988

APPEARANCES

For Applicant, Rodeo Telephone, Inc.:

Paul M. Schudel, Esq., 13723 of  
WOODS, AITKEN, SMITH, GREER,  
OVERCASH & SPANGLER  
1500 American Charter Center  
206 South 13th Street  
Lincoln, Nebraska 68508  
(402) 474-0321

For Applicant, The Nebraska Central Telephone Co.:

Theodore L. Kessner, Esq., #12209 of  
CROSBY, GUENZEL, DAVIS, KESSNER & KUESTER  
134 South 13th Street  
400 Lincoln Benefit Life Building  
Lincoln, Nebraska 68508  
(402) 475-5131

OPINION AND FINDINGS

By the Commission:

By Joint Application filed on October 11, 1988, Rodeo Telephone, Inc., Burwell, Nebraska ("Rodeo") and The Nebraska Central Telephone Co., Gibbon, Nebraska ("Nebraska Central"), seek a Certificate of Public Convenience and Necessity and authority for Nebraska Central to acquire all of the operating properties and assets of Rodeo.

Notice of the filing of the Joint Application was published pursuant to the provisions of the Commission's Rules and Regulations. No protest to the Joint Application was filed.

Pursuant to Rule 018.03 of the Rules of Commission Procedure, the Applicants have requested that this Joint Application be processed administratively by use of Affidavit in a modified procedure.

Upon consideration of the Affidavit of William R. Beat, President of Rodeo, the Joint Application, the evidence adduced at the modified hearing and being fully advised, the Commission is of the opinion and finds that:

(1) Rodeo is a non-profit corporation organized and existing pursuant to the Nebraska Non-Profit Corporation Act with its principal place of business in Burwell, Nebraska. It is engaged in providing telecommunications services as a cooperative telephone company to subscribers in the Burwell, North Burwell, Taylor, Ericson, Scotia and North Loup, Nebraska telephone exchanges subject to the jurisdiction of this Commission.

(2) Nebraska Central is a corporation organized and existing pursuant to the Nebraska Business Corporation Act with its principal place of business in Gibbon, Nebraska. It is engaged in providing telecommunications services to subscribers in the Gibbon, Shelton, Sargent, Comstock, Ansley and Arcadia, Nebraska telephone exchanges subject to the jurisdiction of this Commission.

(3) Rodeo and Nebraska Central have entered into an Asset Purchase Agreement dated September 1, 1988, a true and correct copy of which is attached to the Joint Application as Exhibit A. Pursuant to the terms of such Asset Purchase Agreement, Nebraska Central has agreed to purchase, and Rodeo has agreed to sell, all of its operating assets and properties, subject to the approval of this Commission, the approval of the Membership of Rodeo and the approval of the Rural Electrification Administration of the assumption by Nebraska Central of certain long term indebtedness of Rodeo.

(4) By the Asset Purchase Agreement dated September 1, 1988, the basic purchase price that Nebraska Central shall pay for all the assets is \$6,200,000, less the amount of the debt owed by Rodeo as of the closing date, to Rural Electrification Administration (REA Debt) which is assumed by Nebraska Central.

(5) By the Asset Purchase Agreement dated September 1, 1988, Nebraska Central will continue to provide service equal to the current service at current rates charged by Rodeo for 24 months following the closing dates, unless unanticipated economic events occur.

(6) By the Asset Purchase Agreement dated September 1, 1988, Nebraska Central will offer employment to all of the current employees of Rodeo for not less than 12 months subject to dismissal for cause.

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(7) By the Asset Purchase Agreement dated September 1, 1988, Nebraska Central agrees to assume and satisfy any further claims of Rodeo for federal or state income tax deficiencies based upon operational receipts and expenditures for 1988 and prior years.

(8) By the Asset Purchase Agreement dated September 1, 1988, Nebraska Central agrees to maintain in effect Rodeo's currently existing Extended Area Service.

(9) At a duly convened meeting of the Membership of Rodeo held in Burwell, Nebraska on September 27, 1988, the Membership of Rodeo approved the sale of the operating assets and properties to Nebraska Central by a vote in excess of the two-thirds (2/3) majority which is required for approval of such sale in accordance with the Nebraska Non-Profit Corporation Act.

(10) The effective date of closing is on December 30, 1988 at the Rodeo office in Burwell, Nebraska or at such time mutually agreed upon by both parties.

(11) The management and personnel of Nebraska Central have had broad experience in the Communication field and are qualified and capable of providing a commercial grade of telephone service to those subscribers located in the exchange service areas of Rodeo, as well as the subscribers presently being served.

(12) The acquisition of the operating assets and properties of Rodeo by Nebraska Central is of advantage to the persons to whom service is currently being rendered by Rodeo, the Joint Application is fair and reasonable, is in the public interest and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-764 be and it is hereby granted and that Rodeo Telephone, Inc. is authorized to sell and transfer, and The Nebraska Central Telephone Co. is authorized to acquire all of the operating assets and properties of Rodeo Telephone, Inc., as set forth in the Asset Purchase Agreement referred to in the opinion and findings herein.

IT IS FURTHER ORDERED that this Order be and it is hereby made the Commission's official Certificate of Public Convenience and Necessity to the Nebraska Central Telephone Co. to provide telecommunications services to subscribers in the Burwell, North Burwell, Taylor, Ericson, Scotia and North Loup, Nebraska telephone exchanges and to the service areas comprising such exchanges.

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IT IS FURTHER ORDERED that a combined balance sheet as of January 1, 1989 be filed on or before February 1, 1989 unless the closing date is extended.

MADE AND ENTERED in Lincoln, Nebraska this 6th day of December, 1988.

NEBRASKA PUBLIC SERVICE COMMISSION

*Daniel G. Urwiller*

Chairman

COMMISSIONERS CONCURRING:

*Duane D. Gay*

//s//James F. Munnelly

//s//Eric Rasmussen

//s//Harold D. Simpson

//s//Daniel G. Urwiller

ATTEST:

*Pat R. King*  
Executive Secretary