

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-859
of GTE North Incorporated for)
authority to issue and sell)
securities and related matters.) Entered: October 1, 1991

Appearances: For the Applicant
Paul M. Schudel, Attorney
1500 American Charter Center
206 South 13th Street
Lincoln, NE 68508

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed August 28, 1990, and upon leave granted by the Commission, amended on July 30, 1991, GTE North Incorporated, Columbus, Nebraska, seeks authority to issue and sell securities and related matters.

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

Pursuant to notice required by law, this matter was set for disposition by modified procedure under Rule 018 of the Rules of Commission Procedure on September 3, 1991, 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 submitted, and being fully advised, 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 Wisconsin and duly qualified to transact business as a foreign corporation in the state of Nebraska.

2. Applicant is engaged in the business of owning and operating telephone systems, exchanges, toll systems and related properties and of conducting a general telephone business in the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Wisconsin, Ohio and Pennsylvania providing telephone service to 3,623,427 access lines as of March 31, 1991, through 1,466 telephone exchanges in the eleven-state area.

3. Of the total of 3,623,427 access lines served on March 31, 1991, 57,955 access lines were in Nebraska and the two principal exchanges in Nebraska, with number of access lines served as of this date were:

Kearney	25,624
Columbus	12,920

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4. The demand for telephone service has required the applicant to provide a substantial amount of new plant and facilities to meet and adequately satisfy such service requirements. During the twelve months ended March 31, 1991, there was a net system increase in access lines served of 48,849 or 1.4 percent and while applications for new telephone service are being handled on a current basis, applications are pending for upgrading service in Nebraska.

5. Gross additions to the Nebraska telephone plant during 1991 are estimated at \$6.4 million. The principal items of the Nebraska construction program are in the Central Office Equipment and Outside Plant Accounts.

6. Applicant requires additional capital to provide funds to pay and discharge commercial paper which were in the total amount of \$218,200,000 at March 31, 1991, and will be between \$300 million and \$350 million at the time of issuance of the proposed securities.

7. Applicant proposes to issue and sell up to \$300,000,000 of First Mortgage Bonds ("New Bonds") by public offering via competitive bidding at not less than 98 percent nor more than 102 percent of the aggregate principal amount of the New Bonds.

8. Applicant also proposes to sell and issue up to 50,000 shares of no par common stock with a stated value of \$1,000 per share to GTE Corporation, applicant's parent corporation.

9. Applicant will execute and deliver its Twenty-Fourth Supplemental Indenture with The First National Bank of Chicago, Trustee, supplementing the original Indenture between said parties dated as of February 1, 1940, and as previously amended, supplemented, and restated.

10. There is on file with the Commission, in connection with prior security applications and the corporate merger of the applicant, a certified copy of the Restated Articles of Incorporation of applicant with all amendments thereto, together with a certified copy of the By-Laws, as amended, and no other amendments have since been made or adopted.

11. An affidavit from Roger L. Utzinger, Acting Vice President of Finance, was received in support of the application. Affiant stated that the Board of Directors of GTE North Incorporated on September 19, 1991, adopted a resolution authorizing the issuance of stock in the above stated matter and that the copy of such resolution was attached to his affidavit.

12. The Commission finds that the application filed herein is in 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.

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13. The Commission is of the opinion that the uses of the capital to be secured by the issue of the First Mortgage Bonds are reasonably required for the purposes set forth in paragraphs 5 and 6 hereinabove, and is necessary for the discharge of applicant's short-term indebtedness and the construction and improvement of facilities to provide for the improvement and maintenance of applicant's service.

14. The application is fair and reasonable, is in the public interest and should be granted.

ORDER

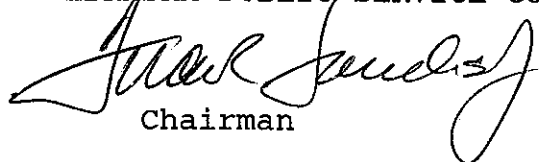
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-859 be and it is hereby granted and that GTE North Incorporated be and it is hereby authorized to issue and sell up to \$300,000,000 of its First Mortgage Bonds, and to issue and sell up to 50,000 shares of no par common stock with a stated value of \$1,000 per share to GTE Corporation, applicant's parent corporation, as set forth in the Opinion and Findings, which by this reference is made a part hereof.

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.


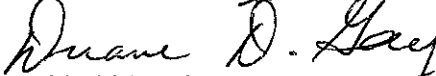
IT IS FURTHER ORDERED that applicant shall, within sixty (60) days of the issuance of the bonds, file with this Commission a specimen copy of a Bond and the Twenty-Fourth Supplemental Indenture pursuant to which said Series K Bonds will be issued.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of October, 1991.

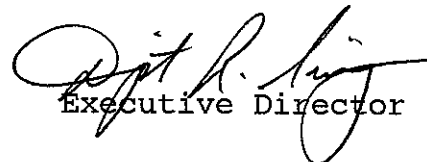
NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

COMMISSIONERS CONCURRING:



//s//Frank E. Landis, Jr.

ATTEST:


Executive Director