

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-872
Northeast Nebraska Telephone Company,)
Jackson, Nebraska for (1) approval of)
and authority to execute an amendment)
to telephone loan contract with the)
United States of America, Department of)
Agriculture, Rural Electrification)
Administration; (2) approval of and)
authority to borrow \$4,485,000.00 and)
to execute a note and restated mortgage)
to the United States of America; (3) a) GRANTED
Certificate of Convenience and)
Necessity to construct new toll tele-)
communication facilities and offer toll)
service over a portion of U.S. West's)
toll facilities serving the Clearwater,)
Nebraska Exchange; and (4) approval of)
and authority to replace buried copper)
toll telephone facilities with fiber-)
optic toll telephone facilities at the)
Coleridge, Dixon, Obert, Martinsburg)
and Newcastle, Nebraska Exchanges.) Entered: February 19, 1991

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed December 14, 1990, the Northeast Nebraska Telephone Company, Jackson, Nebraska, seeks authority to borrow \$4,485,000 from the United States of America through the Rural Electrification Administration; a Certificate of Convenience and Necessity to construct toll facilities at Clearwater, Nebraska; and authority to replace existing toll facilities at Coleridge, Dixon, Obert Martinsburg and Newcastle, Nebraska.

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, the application was processed administratively on February 12, 1991.

Upon consideration of the application and being fully advised, the Commission is of the opinion and finds that:

1. Applicant is a corporation organized and existing under the laws of the State of Nebraska with its principal place of business at Jackson, Nebraska. It is engaged in the telephone business as a common carrier and serves approximately 3,785 subscribers in twelve exchanges in Nebraska.

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2. Applicant proposes certain service improvements including the replacement of the Craig central office with a digital switch; updating all digital offices with equal access and SS7 capabilities; adding Automatic Message Accounting (AMA) to all offices; making the Jackson and Weston offices access tandems; converting all existing toll facilities to digital; adding remote subscriber line testing; reinforcing exchange cable in Coleridge; and modifying the Craig exchange building for digital switching. These improvements are estimated to require the expenditure of \$4,485,000.00.

3. In order to provide the necessary funds, applicant has secured a loan from the United States of America through the Rural Electrification Administration.

4. Applicant proposes to execute and deliver a note and a supplemental mortgage to the United States of America for \$4,485,000.00 bearing interest at 5% per annum payable within 20 years. Copies of the Restated Mortgage, Mortgage Note and Telephone Loan Contract Amendment are attached to the application and are incorporated herein by reference.

5. Toll facilities serving applicant's Clearwater exchange are presently owned by US West Communications. Applicant seeks to replace the US West facilities with new fiber-optic facilities and to meet US West's toll facilities at the Northeast Quarter (NE 1/4) of Section One (1), Township 25, Range 8 West, Antelope County, Nebraska. US West is agreeable with this proposal and its consent thereto is attached to the application.

6. Applicant also proposes to replace the existing US West toll facilities serving applicant's Coleridge, Dixon, Obert, Martinsburg and Newcastle exchanges with digital fiber-optic cable facilities. The new toll cable facilities will meet the US West cable at approximately the Northwest Corner of Section 19, Township 28 North, Range 2 East, Cedar County, Nebraska. US West is agreeable with this proposal and its consent thereto is attached to the application. Applicant's new cable will be routed through the Belden exchange of Eastern Nebraska Telephone Company. Eastern is agreeable with the route chosen by applicant and its consent is attached to the application.

7. 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 No. C-872 be and it is hereby granted and the Northeast Nebraska Telephone Company be and it is hereby authorized to borrow up to \$4,485,000.00 from the United States of

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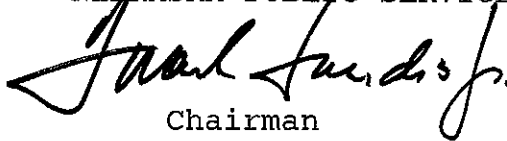
America through the Rural Electrification Administration under the terms and conditions set forth in the Restated Mortgage, Mortgage Note and Telephone Loan Contract Amendment referred to in the Opinion and Findings, which by this reference is made a part hereof.

IT IS FURTHER ORDERED that applicant be and it is hereby authorized to construct own and maintain toll telephone facilities serving the Clearwater, Coleridge, Dixon, Obert, Martinsburg and Newcastle exchanges as set forth in the Opinion and Findings herein.

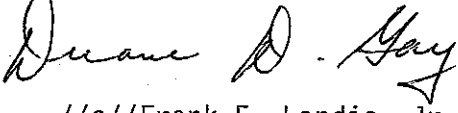
IT IS FURTHER ORDERED that this order be and it is hereby made the Commission's official Certificate of Convenience and Necessity to construct, own and maintain the toll facilities as set forth in the Opinion and Findings herein.

MADE AND ENTERED at Lincoln, Nebraska this 19th day of February, 1991.

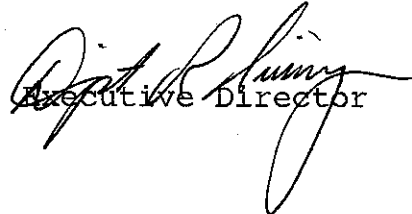
NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

COMMISSIONERS CONCURRING:


//s//Frank E. Landis, Jr.
//s//James F. Munnelly
//s//Eric Rasmussen

ATTEST:


Executive Director