

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-883
of Pierce Telephone Co., Inc.,)
Pierce, Nebraska, for 1. Approval)
of the execution of an amendment to)
telephone loan contract, United)
States of America acting through)
the administration of the Rural)
Electrification Administration and)
the Rural Telephone Bank; 2.)
Approval of and authority to borrow)
an amount not in excess of)
\$3,182,550.00 and to execute a note)
and mortgage to the United States)
of America; 3. Approval of and)
authority to replace buried toll) GRANTED
telephone facilities between the)
Pierce and Hoskins exchanges of)
applicant and to meet point on US)
West's digital lightwave cable; 4.)
Approval of and authority to)
replace existing mechanical central)
office equipment with digital)
central office equipment and to add)
related central office improvements)
and provide interactive television)
capabilities to serve schools; 5.)
Approval of and authority to re-)
inforce air core cable with gel)
filled cable.) Entered: May 21, 1991

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed March 25, 1991, the Pierce Telephone Co., Inc., Pierce, Nebraska, seeks authority to borrow from the United States of America through the Rural Electrification Administration.

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 May 21, 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 Pierce, Nebraska. It is engaged in the telephone business as a common carrier and serves approximately 1,700 subscribers through exchanges at Pierce and Hoskins, Nebraska.

2. Applicant proposes certain service improvements including the replacement of electro-mechanical central office equipment with digital equipment, the addition of equal access and SS7 capabilities, replacement of toll cable with digital lightwave facilities, and to provide interactive TV capabilities for schools in its exchanges. These improvements are estimated to require the expenditure of \$3,182,550.00.

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

4. Applicant proposes to execute and deliver a note and a supplemental mortgage to the United States of America for \$3,182,550.00 payable within 22 years. The notes issued under the loan will bear interest at varying rates as determined by the Rural Electrification Act of 1936 as amended and the regulations promulgated thereunder. Copies of the Supplemental Mortgage and Security Agreement, Mortgage Note and Telephone Loan Contract Amendment are attached to the application and are incorporated herein by reference.

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

ORDER

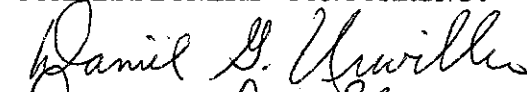

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-883 be and it is hereby granted and the Pierce Telephone Co., Inc., be and it is hereby authorized to borrow up to \$3,182,550.00 from the United States of America through the Rural Electrification Administration and the Rural Telephone Bank under the terms and conditions set forth in the Supplemental Mortgage and Security Agreement, Mortgage Note and Telephone Loan Contract Amendment referred to in the Opinion and Findings, which by this reference is made a part hereof.

MADE AND ENTERED at Lincoln, Nebraska this 21st day of May, 1991.

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

COMMISSIONERS CONCURRING:

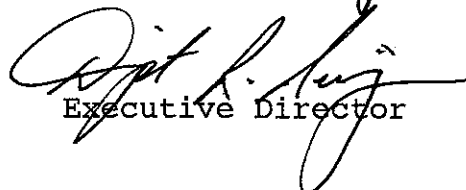



//s//Frank E. Landis, Jr.

//s//James F. Munnelly

//s//Eric Rasmussen

ATTEST:


Executive Director