

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application by )      Application No. C-960  
Arlington Telephone Company, Arling-)   
ton, Nebraska seeking approval of a )   
modification to certain existing )      GRANTED  
Rural Electrification Association )   
loans and certain documents evidenc-)   
ing the loans. )      Entered: December 22, 1992

BY THE COMMISSION

Arlington Telephone Company ("Arlington"), Arlington, Nebraska filed this application October 30, 1992. The applicant seeks approval of a modification to Rural Electrification Association ("REA") loans previously approved by this Commission in Application No. C-445 (entered December 6, 1983) and certain documents evidencing those loans.

Notice of the application was published in the Omaha Daily Record November 2, 1992. No party protested the application. The application is therefore processed pursuant to the Commission's modified procedure rule.<sup>1</sup>

O P I N I O N   A N D   F I N D I N G S

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

1. Arlington is a telecommunications common carrier regulated by the Commission pursuant to the Nebraska statutes found in Chapter 75, articles 1 and 3 and Chapter 86, article 8. The applicant is a Nebraska corporation with its principal office in Blair, Nebraska. The company serves approximately 939 subscribers.

2. Arlington maintains its records and books under the Federal Communications Commission Class A System of Accounts as adopted by this Commission. The rates charged by Arlington are the same as were in effect December 6, 1983.

3. In Application No. C-445, the Commission approved loans to Arlington totaling \$1,811,500. \$1,381,000 was designated as an REA loan at five percent interest and \$430,000 was designated as an Rural Telephone Bank loan at ten percent interest. By the terms of the agreement, advances on the REA loan were to be made by the REA during a period to end on or before December 14, 1992. At the end of the period (the "basis date"), loan servicing is scheduled to begin. Payments on the interest only were payable during the advance period prior to December 14, 1992.

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<sup>1</sup> Title 291 Neb. Admin. Regs. Ch. 1, Rule 018.03.

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4. The REA loan currently has an unadvanced principal of \$458,000 which will not be drawn down by the expiration of the basis date. The REA and Arlington have offered for our consideration an unsigned agreement (see Exhibit 1) which, subject to approval of the Commission, will establish a new basis date and will extend the original note. All other terms and conditions of the original note subject to Application No. C-445 remain in effect.

5. Arlington proposes that the amendment for which it seeks approval means the company will thereby obtain financing at interest rates and repayment terms superior to conventional financing and the Commission's approval is therefore in the public interest.

Based on the original order in Application No. C-445 and the amendment proposed in this application, Application No. C-960 is fair and reasonable, serves the public interest, and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-960 be, and it is hereby, granted and Arlington Telephone Company is authorized to amend its agreement with the REA to establish a new basis date and to extend the original loan note as it effects the previously unadvanced principal of \$458,000. All other terms and conditions of the original note subject to Application No. C-445 shall remain in effect.

IT IS FINALLY ORDERED that a signed copy of the loan agreement between the REA and Arlington Telephone Company be filed with the Commission and be made a part of the record in this docket as a late-filed exhibit.

MADE AND ENTERED at Lincoln, Nebraska this 22nd day of December, 1992.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

*Daniel G. Hurdler*  
*Duane D. Gay*

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

*Frank Landis*  
Chairman

ATTEST:

*D. R. L.*  
Executive Director