

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application by) Application No. C-963
Diller Telephone Company, Diller,)
Nebraska seeking approval of an "H8") GRANTED
loan from the Rural Electrification)
Administration.) Entered: January 5, 1993

BY THE COMMISSION

Diller Telephone Company ("Diller"), Diller, Nebraska filed this application November 13, 1992. The applicant seeks approval of a Rural Electrification Administration ("REA") loan to finance certain upgrades to the company's physical plant facilities.

Notice of the application was published in the Omaha Daily Record November 16, 1992. No one protested the application and it is therefore processed pursuant to the Commission's modified procedure rule.¹

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. Diller 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 Diller, Nebraska. The company serves approximately 870 subscribers.

2. Diller now proposes to finance the purchase and installation of new central office switches located at Diller, Harbine, Odell, and Virginia, Nebraska. On December 8, 1992, the Commission approved Diller's application to revise its depreciation rates as they pertain to certain outdated switches located at the central offices described above (See Application No. C-954). This application is therefore the second stage of Diller's plan for upgrading its facilities.

3. The REA authorized Diller in 1956 to borrow \$382,000. This amount has increased over a period of years to a figure of \$2,616,000. To finance the upgrade, Diller needs to borrow \$4,136,000. This means borrowing \$1,520,000 in addition to the \$2,616,000 already authorized. The REA has approved an additional loan in the amount needed and has designated the additional loan as "Nebraska 527-H8 Diller."

4. Diller therefore has proposed to execute and deliver a note to the United States of America for \$1,520,000 at five percent

¹ Title 291 Neb. Admin. Regs. Ch. 1, Rule 018.03.

Application No. C-963

Page 2

interest per year on the amount remaining unpaid for a period of 19 years. The loan is secured by a mortgage, security agreement, and financing statement.

Based upon review and consideration of the order entered in Application No. C-954 and the proposal before us, this application 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-963 be, and it is hereby, granted and Diller Telephone Company is authorized to borrow an additional \$1,520,000 from the Rural Electrification Administration under the designation "Nebraska 527-H8 Diller" to finance the project described previously.

IT IS FINALLY ORDERED that a signed copy of the loan agreement between the REA and Diller 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 5th day of January, 1993.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel S. Hewitt

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

//s//James F. Munnelly

//s//Eric Rasmussen

Frank E. Landis, Jr.
Chairman

ATTEST:

Debra R. King
Executive Director