

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	Application No. C-975
the Glenwood Telephone Membership)	
Corporation, a Nebraska corporation,))	GRANTED
of Blue Hill, Nebraska which seeks)	
authority to issue securities.)	
) Entered: March 22, 1993	

APPEARANCES

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BY THE COMMISSION

By application filed February 12, 1993, the Glenwood Telephone Membership Corporation ("Glenwood") of Blue Hill, Nebraska petitions the Commission to approve an issuance of securities. Glenwood is a telephone common carrier which holds a certificate of authority to provide local exchange telecommunications services in Nebraska intrastate commerce. This application is governed specifically by Neb. Rev. Stats. 75-146 to 75-151 (1990 Reissue) which prescribe that securities issued by common carriers are subject to approval of the Nebraska Public Service Commission.

Notice of the application was published in the Omaha Daily Record February 15, 1993. No one protested the application. Because of the absence of a protest, we proceed with this application pursuant to our modified procedure rule.¹

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

Glenwood is a non-profit Nebraska corporation which furnishes telephone service to approximately 2,547 subscribers in exchanges at Blue Hill, Bladen, Campbell, Lawrence, Norman, Upland, Roseland, Holstein, and Funk, Nebraska. The company is a common carrier subject to the Commission's jurisdiction pursuant to both constitu-

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

tional provision and statute.²

The company applied to the Rural Electrification Administration ("REA") and was granted a loan of additional funds not to exceed \$4.1 million (contingent upon approval by this Commission) and is designated "NEBRASKA 526-G8 GLENWOOD". These proceeds would be used to:

1. Provide a new digital host switch in the Blue Hill exchange, new digital remotes at Bladen, Campbell, Lawrence, Norman, Roseland, and Upland exchanges, and a new class 5 digital switch in the Funk exchange;
2. Provide new fiber optic facilities to handle the host-remote traffic;
3. Provide for modifications of the electrical, grounding, and air conditioning in the existing central office buildings;
4. Provide other system improvements; and
5. Cover engineering fees and contingencies.

The company asserts there is a substantial need for the debt issuance based on the needed improvements described above. Glenwood's current VIDAR switches are not adequate to provide equal access, SS-7, and other advanced communications services subscribers require. The current VIDAR switches cannot be sufficiently upgraded on a cost effective basis. The Funk exchange switch is an analog switch. A new switch there will permit remote billing as well as upgraded services to those switched subscribers. Glenwood also desires to install the fiber loop to improve trunk handling capacity and to provide an alternate traffic route between exchanges. The Applicant also intends to add additional copper cable in areas where there is insufficient capacity.

Pending approval of this Commission, Glenwood has entered into a telephone loan contract amendment with the REA. Upon approval by this Commission, Glenwood will execute and deliver to the United States government a note in the amount of \$4.1 million and a supplemental mortgage. Attached as an exhibit (No. 6) is a certified portion of the minutes of the meeting of the board of directors authorizing this transaction. Since Glenwood is subscriber-owned, it will file a supplemental affidavit to the Application verifying that its membership has also approved entering into the transaction.

²Nebraska Constitution, Art. IV, Sec. 20 and Neb. Rev. Stats. 75-601 et. seq. (Reissue 1990) and 86-801 et seq. (Reissue 1987 and 1992 Cumm. Supp.).

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We find the contents of Glenwood's petition persuasive. the subscribers served by Glenwood will benefit from the proposed upgrade of facilities. The financing of the upgrade by the method proposed should be more cost effective than other means of financing. Glenwood should be authorized to enter into a Loan Contract Amendment, a Mortgage Note and a Restate Mortgage, Security Agreement, and Financing Statement with the United States of America through the Rural Electrification Administration as set out in the application.

Glenwood should also be ordered to take all action required of it in connection with said loan documents as is necessary to borrow funds from the United States of America in order to enable it to improve and upgrade its current facilities.

After review the use of the capital to be secured by the security issuance is reasonably required for the purposes cited by the Applicant. The application is fair and reasonable, is in the public interest, and should be granted.

O R D E R

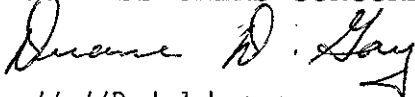
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-975 be, and it is hereby, granted and Glenwood Telephone Membership Corporation, Blue Hill, Nebraska is authorized to enter into a Loan Contract Amendment, a Mortgage Note and a Restate Mortgage, Security Agreement, and Financing Statement with the United States of America through the Rural Electrification Administration as set out in the application.

IT IS FURTHER ORDERED that the Applicant shall take all action required of it in connection with said loan documents as is necessary to borrow funds from the United States of America in order to enable Applicant to improve and upgrade the current facilities of the Applicant.

MADE AND ENTERED at Lincoln, Nebraska this 22nd day of March, 1993.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING



//s//Rod Johnson

//s//Daniel G. Urwiller



Vice Chairman

ATTEST:



Acting Executive Director