

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1058
of Plainview Telephone Company,)
Inc., Plainview, Nebraska, which) GRANTED
seeks authority to execute a new)
basis date agreement on an existing) REA loan.) Entered: April 26, 1994

BY THE COMMISSION:

Plainview Telephone Company, Inc. ("Plainview") of Plainview, Nebraska filed this application March 7, 1994. The applicant seeks to amend its Rural Electrification Administration (REA) loan agreement previously approved by the Commission in Application No. C-751 (March 29, 1988).

Notice of the application was published in the Omaha Daily Record on March 10, 1994. No protests were filed and the application will therefore be processing the Commission's modified procedure rule.

OPINION AND FINDINGS

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

1. Plainview is a telecommunications common carrier regulated by the Commission pursuant to Nebraska statutes found in Chapter 75, Articles 1 and 6 and Chapter 86, Article 8. The applicant is a Nebraska corporation with its principal place of business at Plainview, Nebraska.

2. The applicant's services are furnished under rates and charges as filed with the Commission and its records and books are maintained according to the Commission's standard as incorporated from the FCC's Class A System of Accounts.

3. In Application No. C-751, the Commission approved a loan to Plainview totaling \$2,139,000 from the REA at five percent interest and repayable according to certain terms and conditions set forth in its accompanying loan documents.

4. By the terms of the loan documents, advances on the loan were to be made by the REA during a period to end on the basis date. At the end of this period, loan servicing was scheduled to begin. In the case of this particular loan, \$412,000 was not drawn down prior to the basis date.

5. On March 4, 1994, Plainview's Board of Directors approved amending the loan agreement with the REA at a special meeting of the Board.

6. Both Plainview and the REA have re-negotiated the loan agreement to establish a new basis date for the remaining \$412,000 and to extend the terms of the loan agreement in this

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regard. All other terms and conditions of the agreement will remain in force and effect if the proposed modification is approved by the Commission.

7. The REA and Plainview have offered for our consideration a copy of the unsigned agreement which, subject to the Commission's approval in this application, will establish the new basis date for advancement of the remaining \$412,000.

8. Plainview argues in support of the application that the financing offered through this amendment to the original REA loan is superior to other financing methods in its terms and interest rate and that therefore the public interest will benefit from the lower cost of capital.

Based on the original order in Application No. C-751 and the amendment proposed thereto in this proceeding, Application No. C-1058 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-1058 be, and it is hereby granted, and Plainview Telephone Company, Plainview, Nebraska, is authorized to amend its agreement with the REA to establish a new basis date and to extend the original loan note in Application No. C-751 as it affects the previously unadvanced principal of \$412,000. All other terms and conditions of the original agreement shall remain in effect.

IT IS FURTHER ORDERED that a signed copy of the amended loan agreement between the REA and Plainview Telephone Company be filed with the Commission and be made a part of the record in this docket.

MADE AND ENTERED at Lincoln, Nebraska this 26th day of April, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel G. Unwiller
Duane D. Gray

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

Mark J. Smith
Chairman

ATTEST:

Mark J. Smith
Acting Executive Director