

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1163
Arlington Telephone Company of Ar-)
lington, Nebraska seeking approval)
of modification to certain existing) GRANTED
Rural Electrification Association)
loans and certain documents evidenc-)
ing said loans.) Entered: April 18, 1995

PRELIMINARY MATTERS

Arlington Telephone Company, (Arlington), of Arlington, Nebraska filed this application March 9, 1995. The company seeks approval of a modification to Rural Electrification Association (REA), now known as the Rural Utilities Service (RUS), loans previously approved by this Commission in Applications C-445 and C-960. Notice of the application appeared in the Omaha Daily Record, March 14, 1995. No protests to the application were received; therefore, we will proceed pursuant to the Commission's Rule of Modified Procedure.

BY THE COMMISSION

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

Upon consideration of the application, the governing statutes and rules and being fully informed, the Commission is of the opinion and finds:

Arlington is a Nebraska corporation with its principal office in Arlington, Nebraska. It furnishes telecommunications services to approximately 981 subscribers in Washington County, Nebraska. Arlington is an intrastate telecommunications common carrier and is therefore regulated by the Commission pursuant to the Nebraska statutes found in Chapter 75, Articles 1 and 3 and Chapter 86, Article 8.

Pursuant to an Order issued in Application No. C-445, the Commission approved loans to Arlington totalling \$1,811,500 of which \$1,381,000 was to be an REA (RUS) loan at five percent interest and \$430,500 to be a Rural Telephone Bank loan at ten percent interest. The loan agreement provided that advances on the loan were to be made during a period to end on or before December 14, 1992 (the "basis date") at which time loan servicing was to begin and that payments on the interest alone were to be made payable during the advance period. At the expiration of the basis date, December 14, 1992, unadvanced principal remained totalling \$458,000.

Accordingly, Arlington filed an application, C-960, with the Commission to amend the agreement with the REA (RUS) to

Application No. C-1163

PAGE TWO

establish a new basis date that would expire in two years. The Commission approved this request on December 22, 1992.

The continued basis date has expired and unadvanced principal in the amount of \$184,000 on the REA (RUS) loan has not been drawn. The applicant and the RUS have reached agreement, subject to the Commission's approval, that a new basis date will be established covering the original note and extending the terms of said note.

Arlington requests an extension in order to use the unadvanced portion remaining on the loan and argues that approval of the application allows it to obtain financing at interest rates and repayment terms superior to conventional financing. Accordingly, approval of the application would be in the public's interest as the company, and ultimately, its subscribers benefit from the lower cost.

Based on the application and the original order issued in Applications C-445 and C-960, Application C-1163 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-1163 be, and it is hereby, granted and Arlington Telephone Company is hereby authorized to amend its agreement with the RUS to establish a new basis date and to extend the original loan note as it effects the previously unadvanced principal of \$184,000. All other terms and conditions of the original note subject to Application C-445 shall remain in effect.

IT IS FURTHER ORDERED that a signed copy of the loan agreement between the RUS and Arlington Telephone Company, Inc. 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 18th day of April, 1995.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

[Signature]
//s//Rod Johnson
//s//Daniel G. Urwiller

[Signature]
Daniel G. Urwiller
Chairman

ATTEST:

[Signature]
Robert R. Logsdon
Executive Director