

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1166
Clarks Telephone Company, of Clarks)
Nebraska seeking approval of a loan) GRANTED
in the amount of \$1,660,000 and cer-)
tain documents evidencing said loans.) Entered: May 2, 1995

PRELIMINARY MATTERS

By application filed March 23, 1995, Clarks Telephone Company, (Clarks), of Clarks, Nebraska seeks authorization to receive a loan from the United States Department of Agriculture, Rural Utility Service (RUS) to finance the installation of central office equipment, buried cable facilities and other plant improvements. Notice of the application appeared in the Omaha Daily Record, on March 27, 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:

Clarks Telephone Company is a Nebraska corporation with its principal office in Clarks, Nebraska. It furnishes telecommunications services in Butler, Hamilton, Merrick, Nance, Polk and Seward Counties in Nebraska. It provides service to customers through approximately 971 access lines. Clarks 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.

RUS has agreed to lend Clarks \$1,660,000 to be expended toward plant modernization and service improvements. Specifically, the loan will be used for the installation of fiber optic cable to a meet point with U.S. West for toll facilities; the installation of fiber optic cable to a recreational lake area south of Clarks and for software upgrades to central office switches.

As of December 31, 1994, Clarks had outstanding debts in the amounts of \$1,961,266 for an REA long-term loan which is due July 1, 2021; a current loan to REA for \$63,742 which is due April 14, 1997 and other debt totalling \$99,600 due in the year 2000 with interest assessed at the rate of 9%. The balances owed on the long-term and current loan bear interest rates between 2% and 5% per annum.

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Clarks states the loan described herein can be obtained at interest rates and repayment terms substantially more favorable than could be obtained through conventional sources; therefore, approving the application would be in the public's best interest, as the company and ultimately its subscribers benefit from the lower costs.

Based on the application and the exhibits, Application C-1166 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-1166 be, and it is hereby, granted and Clarks Telephone Company is hereby authorized to obtain a loan from the Rural Utility Service in the amount of \$1,660,000 for construction, completion and improvement of its telephone plant and equipment.

IT IS FURTHER ORDERED that a signed copy of the loan agreement between the RUS and Clarks 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 2nd day of May, 1995.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Rod Johnson

//s//Frank E. Landis

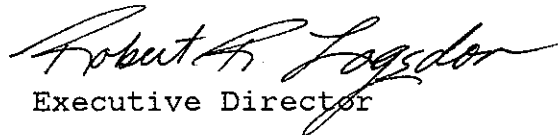
//s//James F. Munnely

//s//Daniel G. Urwiller



Chairman

ATTEST:



Executive Director