

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1330
of Arapahoe Telephone Company of)
Arapahoe, Nebraska seeking) GRANTED
authority to issue long-term)
indebtedness.) Entered: June 4, 1996

PRELIMINARY MATTERS

On May 1, 1996, Arapahoe Telephone Company (Arapahoe) of Arapahoe, Nebraska filed an application with the Commission for authority to issue long-term indebtedness for the purpose of partially financing its proposed acquisition of exchanges from US West Communications, Inc. (US West), as described in Application No. C-1311. Notice of the application was published in the Omaha Daily Record on May 2, 1996. No protests or petitions for formal intervention to the application were filed. Therefore, this application will be processed pursuant to the Commission's Rule of Modified Procedure (see Rule 018.03).

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 evidence submitted, and being fully advised, the Commission is of the opinion and finds:

Arapahoe is a corporation organized under and by virtue of the laws of the State of Nebraska and is engaged in the provision of general telecommunications services, currently serving three exchanges in southwest Nebraska, which as of December 31, 1995, had 1,081 access lines.

On March 13, 1996, the applicant, together with three other independent telephone companies, entered into an Agreement for Purchase and Sale of Exchanges (the "Purchase Agreement") with US West pursuant to which the applicant agreed to purchase four exchanges which served 1,429 access lines as of December 31, 1994. The Agreement and circumstances surrounding the transaction described in the Agreement are the subject of Application No. C-1311, which was granted by this Commission on May 21, 1996.

In the present application, Arapahoe requests authority to borrow from CoBank, ACB the sum of \$5,600,000 for the purpose of partially financing the acquisition and upgrade of facilities of the purchased exchanges from US West pursuant to the Purchase Agreement. CoBank and the applicant have entered into a written agreement specifying the terms of such financing, a copy of which is attached to the application as Exhibit A.

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The disbursement of funds by CoBank for the partial financing of the applicant's purchased exchanges from US West will be made upon compliance with all terms and conditions of the Purchase Agreement and upon approval by the Federal Communications Commission.

In support of its application, Arapahoe has submitted to the Commission a certified copy of its Revised Articles of Incorporation and its Bylaws. Further, certified copies of the Resolutions of the applicant's Board of Directors authorizing the partial financing of the acquisition of the purchased exchanges from US West have been provided to the Commission.

Based upon the above information, the Commission is hereby of the opinion and finds that the application filed herein is in compliance with the applicable Nebraska statutes and the requirements of Rule 022 of the Commission's Rules of Procedure and that the funds to be acquired through the issuance of long-term indebtedness to CoBank are reasonably required for the acquisition of the purchased exchanges from US West. The application is fair, 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 C-1330 filed by Arapahoe Telephone Company, of Arapahoe, Nebraska be, and it is hereby granted and the applicant is authorized to issue long-term indebtedness in favor of CoBank ACB in the amount of \$5,600,000 in accordance with the Opinion and Findings set forth hereinabove.

IT IS FURTHER ORDERED that the applicant is authorized to use the funds to be borrowed from CoBank for the purposes hereinabove and that the applicant is authorized to take all actions necessary and appropriate in connection with the accomplishment of the foregoing.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of June, 1996.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


 //s//Rod Johnson
 //s//Frank E. Landis
 //s//James F. Munnelly
 //s//Daniel G. Urwiller

Chairman

ATTEST:


 Executive Director