

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1376
of Rock County Telephone Company,))
of Blair, Nebraska seeking) GRANTED
approval of a modification of))
existing loan and certain))
documents evidencing the loan.) Entered: August 20, 1996

PRELIMINARY MATTERS

On July 16, 1996, Rock County Telephone Company of Blair, Nebraska filed an application with the Commission seeking approval of a modification of existing loan and certain documents evidencing the loan. Notice of the application was published in the Omaha Daily Record on July 18, 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

Rock County Telephone Company (hereinafter referred to as Rock County) is a corporation organized under and by virtue of the laws of the State of Nebraska and is engaged in the provision of telephone communication service in Rock County, Nebraska through an exchange located in Bassett and Newport, Nebraska. The applicant provides telephone service to approximately 937 subscribers.

By order entered March 13, 1984 at Application No. C-475, the Commission approved a loan to Rock County in the total amount of \$1,404,000.00 from the Rural Electrification Administration at 5% interest and payable on terms and conditions as set forth in the loan documents which were approved.

The loan documents thus approved were executed as of March 19, 1984. By the terms of the loan documents, advances were to be made by the Rural Electrification Administration on its loan during a period to end on or before March 20, 1993 (the "basis date") at which time loan servicing was to begin and that payments on the interest only were to be payable during the advance period.

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On April 28, 1993, there was unadvanced principal in the amount of \$535,000.00 on the REA loan which had not been drawn down and, by Agreement dated as of April 28, 1993, the basis date was extended for an additional two year period, which said agreement was approved by the Nebraska Public Service Commission by Order entered August 16, 1993 on Application No. C-997.

Currently there is unadvanced principal in the amount of \$150,000.00 on the REA loan which will not be drawn down prior to the expiration of the basis date, as extended. Rock County and the Rural Electrification Administration have reached an agreement, subject to the approval of the Commission, to establish a new basis date covering the original note and to extend the terms of said note.

Attached is Exhibit "A", a copy of the proposed Agreement between the Applicant and the REA to modify the loan as described. The said Agreement is to be dated effective as of June 3, 1996.

Rock County's Board of Directors, at a special meeting held on July 10, 1996, took proper corporate action regarding the financing proposal and authorized the filing of this Application No. C-1376. Attached is Exhibit "B", a Certificate of the Secretary of Rock County reflecting the action taken at the special meeting.

The proposed amendment to the loan can be obtained at interest rates and repayment terms which are substantially more favorable than could be obtained through conventional sources and that, therefore, the amendment to the loan is to the benefit of Rock County and its subscribers.

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 the Commission's Rules of Procedure and that the modification of existing loan and certain documents evidencing th loan funds 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-1376 filed by Rock County Telephone Company, of Blair, Nebraska be, and it is hereby granted and the applicant has approval to modify existing loan and certain documents evidencing the loan in accordance with the Opinion and Findings set forth hereinabove.

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IT IS FURTHER ORDERED 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 20th day of August, 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

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
