

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-1837  
GTE Midwest Incorporated, Wentzville, )  
Missouri, which seeks an order ) GRANTED  
authorizing it to issue long-term )  
promissory notes to GTE Corporation. ) Entered: August 25, 1998

BY THE COMMISSION:

By application filed July 9, 1998, GTE Midwest Incorporated (GTE Midwest) of Wentzville, Missouri, petitions the Commission to approve the issuance of long-term promissory notes to GTE Corporation. GTE Midwest is a telephone common carrier which holds a certificate of authority to provide local exchange telecommunications services in Nebraska intrastate commerce. Therefore, this application is governed by Neb. Rev. Stat. Sections 75-146 to 75-151 (1996), which prescribe that securities issued by common carriers are subject to approval by this Commission. Notice of this application was published in The Daily Record on July 13, 1998. No protests were filed. Therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

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

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

GTE Midwest is a corporation organized under the laws of the State of Delaware and is qualified to transact business as a foreign corporation in the State of Nebraska. GTE Midwest is certificated to provide, and is currently providing, intrastate local exchange, access, and intraLATA interexchange telecommunications services in Nebraska.

In this application, GTE Midwest seeks authority to borrow up to \$300,000,000 from GTE Corporation through December 31, 2000. The financing would be in the form of long-term promissory notes. The notes would have maturities of up to 40 years. The interest rate to be paid by GTE Midwest would be based on the average of two quotes obtained from large investment banks within 30 days of the actual transaction.

In support of the application, GTE Midwest states that during the years 1998-2000, it will continue to make significant capital expenditures which allow it to meet present and projected growth and continued demand for service. Capital expenditures are currently projected to be \$158.5 million in 1998, \$140.8 million in 1999, and \$129.1 million in 2000, which respectively include \$5.5 million, \$5.4 million, and \$5.7 million in Nebraska.

Application No. C-1837

PAGE TWO

We find the contents of GTE Midwest's application persuasive and that the application is reasonable. GTE Midwest should be authorized to enter into the proposed agreement for financing as set forth in the application. The public will benefit from this increased investment by GTE Midwest.

GTE Midwest should also be ordered to take all action required of it in connection with said application as is necessary to complete the security transaction.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the application should be granted.

O R D E R

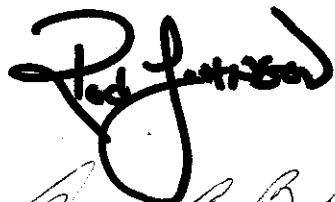
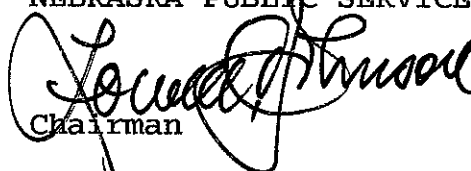
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1837 be, and it is hereby, granted and GTE Midwest Incorporated is authorized to incur long-term indebtedness not to exceed \$300,000,000 through the issuance of long-term promissory notes to GTE Corporation, as set forth in the application.

IT IS FURTHER ORDERED that applicant shall take all action required of it in connection with said application as is necessary to complete the security agreement.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of August, 1998.

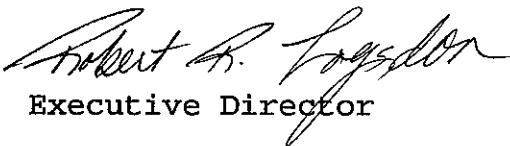
COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Executive Director

//s//Lowell C. Johnson  
 //s//Frank E. Landis  
 //s//Daniel G. Urwiller