

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Northeast Nebraska Telephone Company, Jackson, seeking approval of and authority to execute (1) an amending telephone loan contract with the Rural Utilities Service and the Rural Telephone Bank; (2) notes made payable to the Rural Utilities Service and the Rural Telephone Bank; and (3) the supplemental mortgage, security agreement and financing statement with the Rural Utilities Service and the Rural Telephone Bank. ) Application No. C-2173  
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) Entered: January 19, 2000

BY THE COMMISSION:

On December 6, 1999, an application was filed by Northeast Nebraska Telephone Company (Northeast) of Jackson, Nebraska, seeking authority to issue long-term indebtedness for the purpose of partially financing improvements to its operations and telephone facilities, including the construction of new facilities that will be used to provide new and improved services to its customers. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 7, 1999. No protests were filed; therefore, we process this application 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, the evidence submitted, and being fully advised, the Commission is of the opinion and finds:

Northeast is a Nebraska nonprofit corporation certificated by the Commission as a local exchange carrier to offer and provide telecommunications services to individuals, businesses and governmental entities within a twelve-county area in northeast and north-central Nebraska.

Northeast, in its application, seeks approval of and authority to borrow \$15,000,000 from the United States of America, acting through the Administrator of the Rural Utilities Service (Government) and \$5,250,000 from the Rural Telephone Bank, acting through the Governor of the Bank (Bank) for the purpose of partially financing improvements to its operations and telephone facilities, including the construction of new facilities that will be used to provide new and improved services to its customers.

Northeast seeks approval and authority to execute and deliver the following documents:

- (a) the loan contract, dated as of September 24, 1999, with Government and Bank, which amends a prior loan agreement and provides for the borrowing of additional amounts, not to exceed \$15,000,000 from Government and \$5,250,000 from Bank, as further explained and provided for in the loan contract, a true and correct copy of which is attached to the application as Exhibit "A."
- (b) the note, dated November 1, 1999, made payable to the order of Government, in the aggregate principal amount of \$10,000,000, a true and correct copy of which is attached to the application as Exhibit "B1."
- (c) the note, dated November 1, 1999, made payable to the order of Government, in the aggregate principal amount of \$5,000,000, a true and correct copy of which is attached to the application as Exhibit "B2."
- (d) the note, dated November 1, 1999, made payable to the order of Bank in the aggregate principal amount of \$5,250,000, a true and correct copy of which is attached to the application as Exhibit "B3."
- (e) the supplemental mortgage, security agreement and financing statement, dated as of November 1, 1999, made by and among the Applicant, Government and Bank, a true and correct copy of which is attached to the application as Exhibit "C."

The disbursement of funds from Government and Bank for the partial financing of Northeast's improvements to its operations and telephone facilities, including the construction of new facilities, will be made upon compliance with the terms and conditions of the loan agreement.

In support of its application, Northeast has submitted to the Commission a certified copy of its amended and restated articles of incorporation and its amended bylaws. Further, certified copies of the resolutions of Northeast's board of directors authorizing the borrowing 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 Government and Bank are reasonably required for the purpose of partially financing of Northeast's improvements to its operations and telephone facilities, including the construction of new facilities. 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 No. C-2173 filed by Northeast Nebraska Telephone Company of Jackson, Nebraska be, and it is hereby granted, and the Applicant is authorized to issue long-term indebtedness in favor of the United States of America, acting through the Administrator of the Rural Utilities Service in the amount of \$15,000,000 and the Rural Telephone Bank, acting through the Governor of the Bank in the amount of \$5,250,000 in accordance with the Opinion and Findings set forth herein above.

IT IS FURTHER ORDERED that Northeast Nebraska Telephone Company is authorized to execute and deliver the following documents in connection with the borrowing of the aforementioned funds:

- (a) the loan contract, dated as of September 24, 1999, with the Government and Bank, which amends a prior loan agreement and provides for the borrowing of additional amounts not to exceed \$15,000,000 from Government and \$5,250,000 from Bank, as further explained and provided for in the loan contract, a true and correct copy of which is attached to the application as Exhibit "A."
- (b) the note, dated November 1, 1999, made payable to the order of Government, in the aggregate principal amount of \$10,000,000, a true and correct copy of which is attached to the application as Exhibit "B1."
- (c) the note, dated November 1, 1999, made payable to the order of Government, in the aggregate principal amount of \$5,000,000, a true and correct copy of which is attached to the application as Exhibit "B2."
- (d) the note, dated November 1, 1999, made payable to the order of Bank, in the aggregate principal amount of \$5,250,000, a true and correct copy of which is attached to the application as Exhibit "B3."
- (e) the supplemental mortgage, security agreement and financing statement, dated as of November 1, 1999, made by and among the Applicant, Government and Bank, a true and correct copy of which is attached to the application as Exhibit "C."

IT IS FINALLY ORDERED that Northeast Nebraska Telephone Company is authorized to use the funds to be borrowed from Government and Bank for the purpose herein above and that Northeast is authorized to take all actions necessary and appropriate in connection with the accomplishment of the foregoing.

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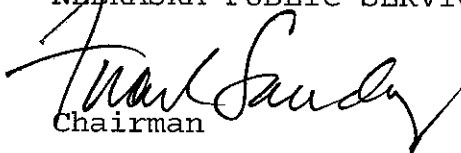
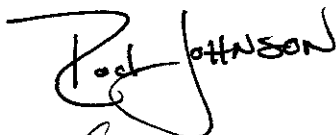
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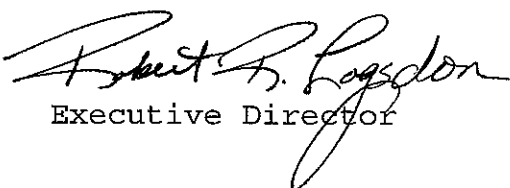
MADE AND ENTERED at Lincoln, Nebraska, this 19th day of January, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
Chairman

ATTEST:

  
Executive Director

//s//Frank E. Landis  
//s//Daniel G. Urwiller