

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-2251
NebCom, Inc., Jackson, Nebraska, for)
approval and authority to execute)
(1) telephone loan contract with)
United States of America and Rural)
Telephone Bank; (2) mortgage notes) GRANTED
payable to United States of America)
and Rural Telephone Bank; and)
(3) restated mortgage, security)
agreement and financing statement)
with United States of America, Rural)
Telephone Bank and Rural Telephone)
Finance Cooperative.) Entered: May 2, 2000

BY THE COMMISSION:

On March 23, 2000, NebCom, Inc. (NebCom) of Jackson, Nebraska, filed an application with the Commission for 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 on March 25, 2000. 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).

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:

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

NebCom, in its application, seeks approval and authority to borrow \$7,020,000 from the United States of America, \$3,685,000 from the Rural Telephone Bank and \$3,220,107 as a hardship loan from the United States of America, 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.

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

(a) Loan contract dated as of September 28, 1999, among NebCom, United States of America and Rural Telephone Bank which provides for the borrowing of amounts not to exceed \$7,020,000 from the United States of America, \$3,685,500 from Rural Telephone Bank, and \$3,220,107 as a hardship loan from

Application No. C-2251

PAGE 2

United States of America, 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) Mortgage note dated February 1, 2000, made by NebCom to United States of America, the aggregate principal amount of \$7,020,000, a true and correct copy of which is attached to the application as Exhibit B.

(c) Mortgage note dated February 1, 2000, made by NebCom to Rural Telephone Bank in the aggregate principal amount of \$3,685,500, a true and correct copy of which is attached to the application as Exhibit C.

(d) Mortgage note dated February 1, 2000, made by NebCom to the United States of America in the aggregate principal amount of \$3,220,107, a true and correct copy of which is attached to the application as Exhibit D.

(e) Revised mortgage, security agreement and financing statement dated as of February 1, 2000, made by and among NebCom, United States of America, Rural Telephone Bank, and Rural Telephone Finance Cooperative, a true and correct copy of which is attached to the application as Exhibit E.

The disbursement of funds from the United States of America and Rural Telephone Bank for the partial financing of NebCom'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, NebCom has submitted to the Commission a certified copy of its articles of incorporation and bylaws. Further, certified copies of the resolutions of NebCom'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 United States of America and the Rural Telephone Bank are reasonably required for the purpose of partially financing NebCom'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-2251 filed by NebCom, Inc., of Jackson, Nebraska, be, and is hereby granted and the applicant is authorized to issue long-term indebtedness in favor of the United

States of America in the amount of \$7,020,000, Rural Telephone Bank in the amount of \$3,685,500, and United States of America as a hardship loan in the amount of \$3,220,107, in accordance with the Opinion and Findings set forth herein above.

IT IS FURTHER ORDERED that NebCom, Inc., is authorized to execute and deliver the following documents in connection with the borrowing of the aforementioned funds:

(a) Loan contract dated as of September 28, 1999, among NebCom, United States of America and Rural Telephone Bank, which restates a loan agreement and provides for the borrowing of additional amounts not to exceed \$7,020,000 from United States of America, \$3,685,000 from Rural Telephone Bank, and \$3,220,107 as a hardship loan from United States of America, 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) Mortgage note dated February 1, 2000, made by NebCom to United States of America in the aggregate principal amount of \$7,020,000, a true and correct copy of which is attached to the application as Exhibit B.

(c) Mortgage note dated February 1, 2000, made by NebCom to Rural Telephone Bank payable in the aggregate principal amount of \$3,685,000, a true and correct copy of which is attached to the application as Exhibit C.

(d) Mortgage note dated February 1, 2000, made payable to United States of America in the aggregate principal amount of \$3,220,107, a true and correct copy of which is attached to the application as Exhibit D.

(e) Revised mortgage, security agreement and financing statement dated as of February 1, 2000, made by and among NebCom, United States of America, Rural Telephone Bank and Rural Telephone Finance Cooperative, a true and correct copy of which is attached to the application as Exhibit E.

IT IS FURTHER ORDERED that NebCom, Inc., is authorized to use the funds to be borrowed from United States of America and Rural Telephone Bank for the purposes herein above stated and that NebCom is authorized to take all actions necessary and appropriate in connection with the accomplishment of the foregoing.


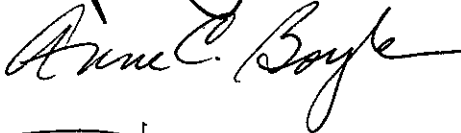
Application No. C-2251

PAGE 4

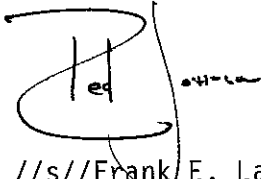
MADE AND ENTERED at Lincoln, Nebraska, this 2nd day of May, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

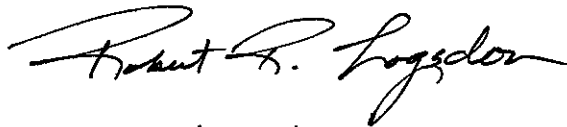
COMMISSIONERS CONCURRING:


Chairman

ATTEST:



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



Executive Director