

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2435
of The Glenwood Telephone Member-)
ship Corporation, a Nebraska) GRANTED
corporation of Blue Hill, seeking)
authority to issue securities.) Entered: January 23, 2001

BY THE COMMISSION:

On November 28, 2000, an application was filed by The Glenwood Telephone Membership Corporation (Glenwood) of Blue Hill, Nebraska, seeking authority to issue securities. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 1, 2000. 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

Glenwood, a Nebraska corporation subject to the Commission's jurisdiction as a common carrier of telecommunications services, presently owns and operates telephone exchanges furnishing local telephone service to approximately 2,950 subscribers in various exchanges in south-central Nebraska.

Glenwood seeks Commission approval of an issuance of securities, pursuant to the governing statutes, *Neb. Rev. Stat.* §§ 75-146 to 75-151 (Reissue 1996). Glenwood states that it has applied to the United States of America through the Rural Utilities Service and was granted a hardship loan in an amount not to exceed \$6,150,000.00 and additional funds in an amount not to exceed \$5,437,000.00. Glenwood also applied to the Rural Telephone Bank and was granted a loan in an amount not to exceed \$3,171,000.00. These proceeds would be used to significantly upgrade the facilities in Glenwood's current service area to the benefit of its subscribers. Specifically, Glenwood would:

- a) Connect 139 new subscribers;
- b) Upgrade Nortel DMS-10 digital switch at Blue Hill, including the replacement of the external recording system with an integrated hardware-based system;
- c) Replace remotes and DMS-10 SSO at Funk, Nebraska, with digital loop carrier (DLC) equipment;
- d) Install electronic equipment to overlay rural portions of the exchanges with fiber-fed carrier serving areas (CSA's);

- e) Equip the central offices and DLC equipment with digital subscriber line transmission technology;
- f) Equip all new DLC's with digital subscriber line access multiplexing capabilities;
- g) Configure new and existing fiber optic cables such that a survivable ring topology will completely serve all of Glenwood's exchanges;
- h) Replace current lightwave equipment at all exchanges with SONET OC-12 lightwave equipment;
- i) Construct new fiber optic facilities to serve the proposed CSA's;
- j) Install new buried copper facilities;
- k) Purchase work equipment;
- l) Complete prior loan outside plant projects; and
- m) Provide other system improvements.

As previously authorized by Glenwood's board of directors and upon approval by this Commission, Glenwood will execute and deliver notes in the amount of \$6,150,000.00 to the United States of America acting through the Rural Utilities Service, in the amount of \$5,437,000.00 to the United States of America acting through the Rural Utilities Service, and in the amount of \$3,171,000.00 to the Rural Telephone Bank.

Neb. Rev. Stat. § 75-148 (Reissue 1996) allows common carriers to issue notes or other evidence of indebtedness when necessary for the improvement of facilities or service, inter alia. However, such action may only be taken upon Commission authorization and a finding that the use of the capital to be secured by the notes is reasonably required for the purposes of the carrier.

Based upon the evidence presented to us by the applicant, we find that the use of the capital to be secured by the notes is reasonably required for the purposes of Glenwood. The upgrade of facilities made possible by the issuance of securities will allow Glenwood to provide higher quality telecommunications services to its customers. The loans obtained from the Rural Utilities Service and the Rural Telephone Bank are at interest rates and repayment terms more favorable to Glenwood than could be obtained elsewhere, and thus benefit Glenwood and its subscribers. The application is in the public interest and should be granted.

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O R D E R

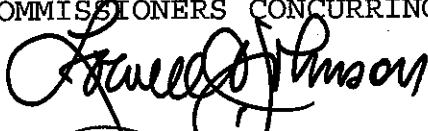
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that The Glenwood Telephone Membership Corporation is authorized to enter into a loan contract amendment, mortgage notes and a supplemental mortgage, security agreement and financing statement with the United States of America through the Rural Utilities Service and Rural Telephone Bank as set out above and in the application.

IT IS FURTHER ORDERED that The Glenwood Telephone Membership Corporation is authorized to take all action required or contemplated in connection with the described loan agreements as is necessary to borrow funds from the United States of America and the Rural Telephone Bank, in order to improve and upgrade the facilities of the applicant.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of January, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



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


Chairman

ATTEST:


Executive Director

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