

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Applica-)	Application No. C-2951
tion of Cozad Telephone Com-)	
pany of Cozad, Nebraska, seeking)	
authority to borrow for the)	GRANTED
United States of America,)	
through the Rural Utility Service)	
and the Rural Telephone Bank.)	Entered: June 25, 2003

BY THE COMMISSION:

On May 15, 2003, Cozad Telephone Company (hereinafter CTC) of Cozad, Nebraska, filed an application with the Commission for authority to borrow from the United States of America, through the Rural Utility Service and the Rural Telephone Bank. Notice of the application was published in The Daily Record, Omaha, Nebraska on May 19, 2003. 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.

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:

CTC is a Nebraska corporation which has been duly issued a certificate of convenience and necessity as a telecommunications common carrier by the Commission and has been certificated by the Commission as a local exchange carrier to offer and provide telecommunications services to individuals, businesses and governmental entities within the Cozad exchange in Dawson County, Nebraska, and is a common carrier as described in Neb. Rev. Stat. § 75-109.

CTC, in its application, seeks approval and authority to borrow \$3,638,000 from the United States of America, and \$2,116,800 from the Rural Telephone Bank, for the purpose of partially financing improvements to its operations and telephone facilities including the construction and upgrading of new facilities that will be used to provide new and improved services to its customers, as evidenced by the following:

(a) The Amended Loan Contract, dated as of April 1, 2003, among CTC, United States of America, and Rural Telephone Bank which provides for the borrowing of amounts not to exceed \$3,638,000 from the United States of America, and \$2,116,800 from Rural Telephone 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) Mortgage Note, dated April 1, 2003, made by CTC to United States of America, the aggregate principal amount of \$3,638,000, a true and correct copy of which is attached to the application as Exhibit B.

(c) Mortgage Note, dated April 1, 2003, made by CTC to Rural Telephone Bank in the aggregate principal amount of \$2,116,800, a true and correct copy of which is attached to the application as Exhibit C.

(d) Restated Mortgage, Security Agreement and Financing Statement, dated as of April 1, 2003, made by and among CTC, United States of America, and Rural Telephone Bank, a true and correct copy of which is attached to the application as Exhibit D.

The borrowings described above constitute notes and other evidence of indebtedness payable at periods of more than twelve months after the date thereof, and are necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations.

The disbursement of funds from the United States of America and Rural Telephone Bank for the partial financing of CTC's improvements to its operations and telephone facilities, including the construction and upgrading of new facilities will be made upon compliance with the terms and conditions of the Loan Contract.

In support of its application, CTC has submitted to the Commission a certified copy of its articles of incorporation and bylaws. Further, certified copies of the resolutions of CTC'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 financing CTC's improvements to its operations and telephone facilities including the construction and upgrading 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-2951 filed by CTC of Cozad, Nebraska, be, and is hereby granted and the executed documents mentioned herein by CTC are approved and CTC is authorized to issue long-term indebtedness in favor of the United States of America in the amount of \$3,638,000, and in favor of the Rural Telephone Bank in the amount of \$2,116,800, and the execution and delivery of such documents prior to the date of this order is hereby authorized, approved and ratified, all in accordance with the Opinion and Findings set forth herein above.

IT IS FURTHER ORDERED that the executed documents mentioned herein are authorized and approved and CTC is authorized to deliver the following executed documents in connection with the borrowing of the aforementioned funds, and the execution and delivery of such documents prior to the date of this Order is hereby authorized, approved and ratified:

(a) Loan Contract, dated as of April 1, 2003, among CTC, United States of America, and Rural Telephone Bank, which restates a loan agreement and provides for the borrowing of additional amounts not to exceed \$3,638,000 from United States of America, and \$2,116,800 from Rural Telephone Bank, a true and correct copy of which is attached to the application as Exhibit A.

(b) Mortgage Note, dated April 1, 2003, made by CTC to United States of America in the aggregate principal amount of \$3,638,000, a true and correct copy of which is attached to the Application as Exhibit B.

(c) Mortgage Note, dated April 1, 2003, made by CTC to Rural Telephone Bank payable in the aggregate principal amount of \$2,116,800, a true and correct copy of which is attached to the Application as Exhibit C.

(d) Restated Mortgage, Security Agreement and Financing Statement, dated as of April 1, 2003, made by and among CTC, United States of America, and Rural Telephone Bank, a true and correct copy of which is attached to the application as Exhibit D.

IT IS FURTHER ORDERED that Cozad Telephone Company, Cozad, Nebraska, 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 Cozad Telephone Company is authorized to take all actions necessary and appropriate in connection with the accomplishment of the foregoing.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of June, 2003.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director