

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3440
of the Blair Telephone Company,)
Blair, for Authority to Issue) GRANTED
Long-Term Indebtedness.)
) Entered: August 9, 2005

BY THE COMMISSION:

On June 27, 2005, an application was filed by Blair Telephone Company (Blair Telephone) of Blair, Nebraska, seeking authority to borrow and refinance existing debt from the United States of America through the Rural Utility Service (RUS) and Rural Telephone Bank (RTB). Notice of the application was published in The Daily Record, Omaha, Nebraska, on July 1, 2005. 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, the evidence submitted, and being fully advised, the Commission is of the opinion and finds:

Blair Telephone is a Nebraska corporation, which has been issued a Certificate of Convenience and Necessity as a telecommunications common carrier by the Commission and has been certificated as a local exchange carrier to offer and provide telecommunications services within Nebraska.

Blair Telephone seeks approval and authority to borrow \$2,798,000 from the RUS and \$1,959,300 from the RTB. Applicant is borrowing these funds for the purpose of refinancing RTB and RUS existing indebtedness. Blair Telephone will be required to execute and deliver the following documents in connection with the loans:

(a) Loan Agreement Amendment, dated as of May 25, 2005, among Blair Telephone, United States of America, and RTB, which provides for the borrowing of amounts of \$2,798,000 for RUS Cost-of-Money Increase and \$1,959,300 for a Bank Loan Increase, as further explained and provided for in the Loan Agreement Amendment, a true and correct copy of which has been filed with the Commission under seal as Exhibit A attached to the application.

(b) Promissory Note, dated May 25, 2005, made by Blair Telephone to RUS, in the amount of \$2,798,000, a true and correct copy of which was filed with Exhibit A attached to the application.

(c) Promissory Note, dated May 25, 2005, made by Blair Telephone to RTB in the amount of \$1,959,300, a true and correct copy of which was filed with Exhibit A attached to the application.

(d) Resolutions, dated as of June 24, 2005, made by and among Blair Telephone, United States of America, RUS and RTB, a true and correct copy of which is attached to the application hereto as Exhibit C.

The borrowings described above constitute notes and other evidence of indebtedness payable at periods of more than 12 months after the date thereof, and are necessary to refinance existing indebtedness.

The disbursement of funds from the United States of America, RUS and RTB for the refinancing of Blair's debt will be made upon compliance with the terms and conditions of the Loan Agreement Amendment.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purpose of Blair Telephone. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3440 be, and is hereby, granted.

IT IS FURTHER ORDERED that the executed documents mentioned herein are authorized and approved and Applicant 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 Agreement Amendment, dated as of May 25, 2005, among Blair Telephone, United States of America, and RTB, which provides for the borrowing of amounts of \$2,798,000 for RUS

Cost-of-Money Increase and \$1,959,300 for a Bank Loan Increase, as further explained and provided for in the Loan Agreement Amendment, a true and correct copy of which has been filed with the Commission under seal as Exhibit A attached to the application.

(b) Promissory Note, dated May 25, 2005, made by Blair to RUS, in the amount of \$2,798,000, a true and correct copy of which was filed with Exhibit A attached to the application.

(c) Promissory Note, dated May 25, 2005, made by Blair Telephone to RTB in the amount of \$1,959,300, a true and correct copy of which was filed with Exhibit A attached to the application.

(d) Resolutions, dated as of June 24, 2005, made by and among Blair Telephone, United States of America, RUS and RTB, a true and correct copy of which is attached to the application hereto as Exhibit C.

IT IS FURTHER ORDERED that Blair Telephone Company of Blair, Nebraska, is authorized to use the funds to be borrowed from United States of America, Rural Telephone Bank, and Rural Utilities Service for the purposes herein above stated and that Blair 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 9th day of August, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

