

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-4402
of the Hemingford Co-operative)
Telephone Company, Hemingford,) GRANTED
seeking authority to issue long-)
term indebtedness.) Entered: October 4, 2011

BY THE COMMISSION:

On August 17, 2011, an application was filed by Hemingford Co-operative Telephone Company ("Hemingford" or "Applicant"), Hemingford, Nebraska, seeking authority to issue long-term indebtedness. Notice of the application was published in The Daily Record, Omaha, Nebraska, on August 22, 2011. 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:

Hemingford is a Nebraska cooperative corporation with its principle office located in Hemingford, Nebraska. Applicant provides local exchange telecommunications services in the Hemingford Exchange. Hemingford owns and operates a wholly-owned subsidiary, Mobius Communications, Inc. d/b/a Mobius Communications Company ("Mobius"), which provides diversified telecommunication services in the Nebraska Panhandle.

Hemingford seeks approval and authority to obtain long-term financing from the United States of America through the Administrator of the Rural Utilities Service of the United States Department of Agriculture (the "RUS") pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when 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 if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

Applicant seeks to obtain financing from the RUS in an amount not to exceed \$10,280,000.00. Hemingford intends to construct a fiber-to-the-home network in the Hemingford Exchange. Applicant must, as a condition to obtaining such financing from the RUS, enter into a Loan Agreement with the RUS and pledge certain assets to the RUS in accordance with the terms of the Loan Agreement. Applicant states that the proposed indebtedness is necessary to construct the fiber-to-the-home network it proposes.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purposes of Hemingford Co-operative Telephone Company. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4402 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of October, 2011.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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//s// Frank Landis

//s// Tim Schram



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