BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of GTE Midwest Incorporated, Wentzville, Missouri, which seeks an order authorizing it to issue long-term promissory notes to GTE Finance Corporation.	) Application No. C-1055)) GRANTED))) Entered: May 3, 1994

ON BEHALF OF THE APPLICANT: James C. Stroo
Associate General Counsel
P.O. Box 307
Wentzville, Missouri 63385

BY THE COMMISSION:

By application filed February 25, 1994, GTE Midwest Incorporated, (GTE Midwest) of Wentzville, Missouri petitions the Commission to approve the issuance of long-term promissory notes to GTE Finance Corporation. GTE Midwest is a telephone common carrier which holds a certificate of authority to provide local exchange telecommunications services in Nebraska intrastate commerce. This application is governed by Neb. Rev. Stat. 75-146 to 75-151 (1990 Reissue) which prescribe that securities issued by common carriers are subject to approval by this Commission.

Notice of the application was published in the Omaha Daily Record March 9, 1994, and no one protested the application. Absent a protest, we proceed with this application pursuant to our modified procedure rule.

Upon consideration of the application, the affidavit, and being fully advised, the Commission is of the opinion and finds:

GTE Midwest is a corporation duly organized and exists under the laws of the State of Delaware and is qualified to transact business as a foreign corporation in the State of Nebraska. As a telecommunications carrier, GTE Midwest is a common carrier subject to the Commission's jurisdiction pursuant to both constitutional provision and statute.

GTE Finance Corporation (GTE Finance) is a corporation organized under the laws of the State of Delaware. GTE Finance serves as a major international financing corporation formed primarily to borrow funds and to make loans to GTE Corporation and its subsidiaries. GTE Finance is a wholly owned subsidiary of GTE Corporation. As such, the Company and GTE Finance are affiliates.

GTE Midwest now proposes to borrow up to $150,000,000 from GTE Finance, in the form of long-term promissory notes. The notes would have maturities of up to 10 years, and the interest rate to be paid would be based on the average of two quotes obtained from large investment banks within 30 days of the actual transaction.

Printed with soy ink on recycled paper

In support of the application, GTE Midwest states that during 1994, the Company will continue to make significant capital expenditures which allow it to meet present and projected growth and continued demand for service. Capital expenditures are projected to be $128 million in 1994, which includes $12.8 million in Nebraska. The proceeds from this note will be used by the Company to reduce its short-term debt levels. In addition, the arrangement with GTE Finance will provide expedited financing to the Company with a minimum of administrative negotiations.

We find the contents of GTE Midwest's petition persuasive and that the application is reasonable. GTE Midwest should be authorized to enter into the proposed agreement for financing as set forth in the application because GTE Midwest's subscribers will benefit from the expenditures related to this on-going operations and construction program.

GTE Midwest should also be ordered to take all action required of it in connection with said application as is necessary to complete the security transaction.

The application is fair and reasonable, is in the public interest, and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1055 be, and it is hereby, granted and GTE Midwest Incorporated is authorized to incur long-term indebtedness not to exceed $150,000,000 through the issuance of long-term promissory notes to GTE Finance Corporation, an affiliate, as set forth in the application.

IT IS FURTHER ORDERED that the applicant shall take all action required of it in connection with said application as is necessary to complete the security agreement.

MADE AND ENTERED at Lincoln, Nebraska, this 3rd day of May, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Duane D. Gay

Daniel G. Urwiller

//s//Rod Johnson
//s//Frank E. Landis, Jr.
//s//James F. Munnelly

Chairman

ATTEST:

Executive Director

Printed with soy ink on recycled paper