

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-3405  
of Benkelman Telephone Co., Inc., )  
Benkelman, to borrow from the )  
United States of America, through ) APPROVED  
the Rural Utility Service and the )  
Rural Telephone Bank. ) Entered: May 17, 2005

BY THE COMMISSION:

On April 5, 2005, an application was filed by Benkelman Telephone Co., Inc., (Benkelman) Benkelman, seeking authority to borrow 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 April 13, 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:

Benkelman 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 in Nebraska.

Benkelman, in its application, seeks approval and authority to borrow \$1,151,000 from the RUS and \$806,400 from the RTB. Applicant is borrowing said funds for the purpose of refinancing RTB and RUS existing indebtedness. Benkelman will be required to execute and deliver the following documents in connection with the loans:

(a) Loan Agreement Amendment, dated as of February 25, 2005, among Benkelman, United States of America, and RTB, which provides for the borrowing of amounts of \$1,151,000 for RUS Cost-of-Money Increase and \$806,400 for a Bank Loan Increase, as further explained and provided for in the Loan Agreement Amendment, a true and correct copy of which is attached hereto as Exhibit A.

(b) Promissory Note, dated February 25, 2005, made by Benkelman to RUS, in the amount of \$1,151,000, a true and correct copy of which is attached hereto as Exhibit B.

(c) Promissory Note, dated February 25, 2005, made by Benkelman to RTB in the amount of \$806,400, a true and correct copy of which is attached hereto as Exhibit C.

(d) Resolutions, dated as of February 25, 2005, made by and among Benkelman, United States of America, RUS, and RTB, a true and correct copy of which is attached hereto as Exhibit D.

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 Benkelman'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 Benkelman. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3405 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 February 25, 2005, among Benkelman, United States of America, and RTB, which provides for the borrowing of amounts of \$1,151,000 for RUS Cost-of-Money Increase and \$806,400 for a Bank Loan Increase, as

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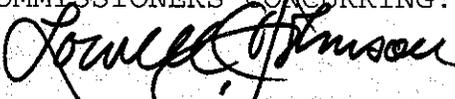
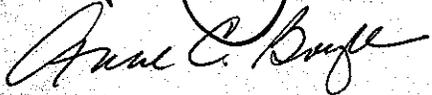
(d) Resolutions, dated as of February 25, 2005, made by and among Benkelman, United States of America, RUS, and RTB, a true and correct copy of which is attached hereto as Exhibit D.

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

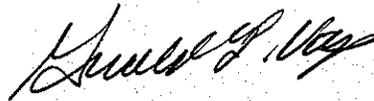
MADE AND ENTERED at Lincoln, Nebraska, this 17th day of May, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman



ATTEST:

//s// Frank E. Landis

//s// Gerald L. Vap



Executive Director