

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3952
of Northeast Nebraska Telephone)
Company, Jackson, for approval)
and authority to execute (1) an)
amended and restated loan)
agreement with Rural Telephone)
Finance Cooperative; (2) a)
substitute secured promissory) APPROVED
note payable to Rural Telephone)
Finance Cooperative; (3) a)
restated mortgage, security)
agreement and financing)
statement with United States of)
America, The Rural Telephone)
Bank of Rural Telephone Finance)
Cooperative.) Entered: September 16, 2008

BY THE COMMISSION:

On July 29, 2008, an application was filed by Northeast Nebraska Telephone Company ("NNTC" or "Applicant"), Jackson, Nebraska, seeking approval and authority to execute and deliver an amended and restated loan agreement with Rural Telephone Finance Cooperative; a substitute secured promissory note payable to Rural Telephone Finance Cooperative; and a restated mortgage, security agreement and financing statement with United States of America, The Rural Telephone Bank of Rural Telephone Finance Cooperative. Notice of the application was published in The Daily Record, Omaha, Nebraska, on August 5, 2008. 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:

NNTC is a Nebraska Non-Profit Corporation offering local and long distance telecommunications services to individuals, businesses, and governmental entities within twenty county areas in northeast and north central Nebraska. On November 25, 2003, the Commission approved the joint application in Docket C-3028, for transfer of authority held by NebCom, Inc. ("NebCom") to

NNTC as NebCom was effecting a statutory dissolution and transferring assets and operations to its parent company, NNTC.¹

Applicant seeks approval and authority to execute and deliver the following: (a) an amended and restated loan agreement between NNTC and Rural Telephone Finance Cooperative. The restated loan agreement replaces the loan agreement with NebCom. (b) a substitute secured promissory note dated May 19, 2008, made by NNTC to Rural Telephone Finance Cooperative. And (c) a restated mortgage, security agreement and financing statement dated May 19, 2008, made by and between NNTC, United States of America, The Rural Telephone Bank, and Rural Telephone Finance Cooperative. Applicant seeks approval from the Commission 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.

The debt financing arrangement proposed would not involve the borrowing of further funds by the Applicant. The substitute promissory note dated May 19, 2008, made by NNTC to Rural Telephone Finance Cooperative will be for the principle sum of \$9,505,263.00.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably

¹ See *In the Matter of the Application of NebCom, Inc., a wholly owned subsidiary of Northeast Nebraska Telephone Company, and Northeast Nebraska Telephone Company seeking to Transfer Authority granted to NebCom, Inc. in Docket C-1446 to Northeast Nebraska Telephone Company., Granted, (November 25, 2003).*

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required for the purposes of Northeast Nebraska Telephone Company. Therefore, the application should be granted.

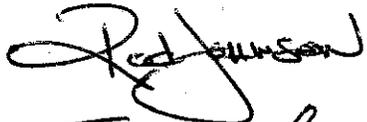
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3952 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of September, 2008.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s// Anne C. Boyle
//s// Frank E. Landis



Chair

ATTEST:



Executive Director