(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF ALBION TELEPHONE COMPANY FOR AUTHORITY TO BORROW FROM COBANK, ACB IN THE AMOUNT OF $500,000. | ))))) | CASE NO. ALB-T-98-2ORDER NO.  27714 |

On August 7, 1998, Albion Telephone Company applied to the Commission for authority to borrow, in the aggregate, a principal amount not to exceed five hundred thousand dollars ($500,000) under a revolving line of credit from CoBank, ACB.  The specific terms are described in the loan documents filed as an exhibit to the Application.

The Idaho Public Utilities Commission, having fully considered the Application and exhibits attached thereto, and all of the Commission’s files and records pertaining to this Application, grants the Application.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that Albion and its Application are subject to the jurisdiction of the Idaho Public Utilities Commission by virtue of Chapter 9, Title 61, Idaho Code.  In support of the Application, Albion asserted that the loan proceeds will be used to fund general operations, and equipment purchases, repairs and replacements as may be necessary in the ordinary course of business.  Albion also stated that the purpose of the line of credit is to reimburse cash requirements, if necessary.  Cash has been spent to upgrade switches to be year 2000 compatible and provide better maintenance.  The Albion host switch and five (5) remote switches have been upgraded.  Albion further stated that the loan will be secured by a first lien on all of Albion’s equity requirement in CoBank.

The Commission further finds that the proposed borrowing by Albion, as authorized in this Order, will be for a lawful purpose in accordance with and permitted by the provisions of the governing statutes under which the Application is made.  However, this is only a general approval and is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order.  The issuance of an order authorizing the proposed borrowing does not constitute agency determination/approval of the type of financing or the related costs for rate making purposes.  The Commission does not have before it for determination and, therefore, does not determine the effect of the proposed transactions on rates to be charged by Albion to consumers in the state of Idaho.  The Commission further finds that the proposed transaction is in the public interest and a formal hearing on this matter would serve no public purpose.

The Commission finds that all lawful fees have been paid by Albion, as provided by Idaho Code § 61-905.

O R D E R

IT IS HEREBY ORDERED that Albion Telephone Company is authorized to execute and deliver to CoBank the loan documents and to borrow thereby an amount not to exceed in the aggregate $500,000 as short term debt in a revolving line of credit through July 1, 1999, pursuant to the terms contained in the loan documents.

 IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluation, estimates or determination of costs, or any other matter that may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code or any act or deed done and performed in connection with this Order shall be construed to obligate the state of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed under the provisions of said Chapter 9, Title 61, Idaho Code.

IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of Albion Telephone Company’s exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. ALB-T-98-2 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. ALB-T-98-2.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of September 1998.

DENNIS S. HANSEN, PRESIDENT

RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 3, 1998