

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
CAMBRIDGE TELEPHONE COMPANY FOR ) CASE NO. CAM-T-03-2  
AN AMENDMENT TO THE AUTHORITY TO )  
BORROW \$17.5 MILLION )  
 )  
 ) ORDER NO. 29502  
 )**

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On May 10, 2004, Cambridge Telephone Company (Cambridge) requested an amendment to its authority to borrow up to \$17.5 million from the Rural Telephone Utilities Service (RUS) and Rural Telephone Bank (RTB) as provided by Commission Order No. 29399. In Order No. 29399 the Commission found Cambridge's proposal to borrow \$17.5 million consistent with the public interest and with the Company's proper performance as a public utility. Order No. 29399 at 2. This financing was expected to be structured with three loans: a RUS loan of \$7,500,000 that qualifies for the 5% hardship interest rate with a 15-year loan maturity, a RUS loan of \$6,096,000 and a RTB loan of \$3,547,950. The amendment is to recognize that RUS, in the loan agreement dated April 1, 2004, now proposes four loans instead of three. The total amount remains the same at up to \$17.5 million but the loan details are slightly different. The loans will be as follows:

- 1) RUS note for \$6,096,000 with the interest rate to be determined prior to taking the advance and a maturity date of March 1, 2019.
- 2) RUS note for \$4,857,000 with the interest rate of 5% and a maturity date of March 1, 2019.
- 3) RUS note for \$2,643,000 with the interest rate of 5% and a maturity date of March 1, 2012.
- 4) RTB note for \$3,457,950 with the interest rate to be determined prior to taking the advance and a maturity date of March 1, 2019.

The remaining terms and purpose of the notes continue to be consistent with Order No. 29399.

**STAFF RECOMMENDATION**

Staff recommended approval of the loan amendment with the requirement that all other applicable terms and conditions of Order No. 29399 remain the same.

## COMMISSION FINDINGS AND DECISION

Cambridge Telephone Company is a telephone corporation within the definition of *Idaho Code* § 61-121 and is a public utility in the definition of *Idaho Code* § 61-129. The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* § 61-901 *et seq.*

After examining the Application and Staff's recommendation, the Commission finds that the proposed amendment to the previously approved borrowing authority in Order No. 29399 is consistent with the public interest and Cambridge's proper performance of its duties as a public utility.

The Commission finds that the amendment does not change the overall amount to be borrowed by Cambridge. Thus, no additional regulatory fees are required to be paid. *See Idaho Code* § 61-905. However, the amendment does propose a change in the number and details of the component loans that make up the aggregate amount. The Commission still finds that with the amendment the general purposes to which the loan funds will be utilized are still lawful purposes under the public utilities law and are compatible with the public interest. In addition, the approval of the general purposes to which the funds will be put to use is neither a finding of fact nor a conclusion of law that any particular project, program or future cost recovery is authorized. Approval of this Order shall not be construed to approve any particular use of the funds which Cambridge may benefit by the approval of this Order.

The Commission further finds that the issuance of an Order authorizing the amendment to the authority to borrow funds up to \$17.5 million does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes. The Commission expressly reserves the ratemaking implication from these loans until an appropriate future proceeding.

The Commission's approval of this Application is conditioned upon Cambridge satisfying the four reporting requirements contained in Order No. 29399 that were initially recommended by the Staff. Order No. 29399 at 2. Cambridge is reminded that compliance with reporting requirements does not guarantee that the cost of the loans or the use of such funds will be automatically recovered in the next rate case. To the extent that these loan funds are used for non-regulated services, any adjustment associated with non-regulated costs will occur in a future rate case.

## ORDER

IT IS THEREFORE ORDERED that Cambridge Telephone Company's Application for an amendment to the authority it received to borrow \$17.5 million in Order No. 28399 is granted.

IT IS FURTHER ORDERED that Cambridge may execute the loan documents with the Rural Utility Service and Rural Telephone Bank in the manner described above.

IT IS FURTHER ORDERED that this authorization to borrow not more than \$17,500,000 is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluations, estimates, or determination of costs, or the allocation of costs between regulated and non-regulated activities, 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 provision of Idaho Code, Title 61, Chapter 9, or any act or deed done or performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any funds authorized by the Commission.

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

IT IS FURTHER ORDERED that approval of this amendment is conditioned upon all remaining terms and conditions of Order No. 29399 remaining in effect including the reporting requirements.

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. CAM-T-03-2 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. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

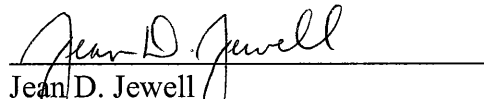
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25<sup>th</sup>  
day of May 2004.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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