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Attorneys for Midvale Telephone Exchange, Incorporated

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IDAHO PUBLIC
UTILITIES COMMISSION

NEW CASE

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF MIDVALE TELEPHONE EXCHANGE, INCORPORATED FOR AUTHORITY TO ISSUE SECURITIES TO/BORROW FROM THE BANK OF THE CASCADES AND LANE R. WILLIAMS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$336,000.00; AND FOR AUTHORITY TO ISSUE SECURITIES TO/BORROW FROM DELOS N. LEE AND BARBARA V. LEE, TRUSTEES OF THE LEE FAMILY TRUST u/t/d DECEMBER 17, 2002, IN THE AMOUNT OF \$75,000.

Case No. MID-T-11-02

**APPLICATION OF MIDVALE
TELEPHONE EXCHANGE,
INCORPORATED**

Midvale Telephone Exchange, Incorporated ("Midvale" or "Applicant"), by and through its attorneys, Cynthia A. Melillo PLLC, makes this Application pursuant to Idaho Code § 61-901 for authority to execute two promissory notes for the purchase of real property in an amount not to exceed \$336,000.00 in the aggregate with Lane R. Williams and Bank of the Cascades; and one promissory note for the purchase of real property in the amount of \$75,000 with Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002. In support of its Application, Midvale states as follows:

1. Applicant is a certificated telephone corporation organized under the laws of the state of Idaho providing telecommunication services including local exchange service within the state of Idaho.

2. All notices and communications with regard to this Application should be served upon:

Cynthia A. Melillo
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8385 W. Emerald Street
Boise, ID 83704
cam@camlawidaho.com

Steve Child
Midvale Telephone Exchange, Incorporated
2205 Keithley Creek Road
Midvale, ID 83645
Steve.child@mtecom.com

3. The proposed financing for the purchase of three parcels of real property owned by Lane Williams but used in the operation of the business of Applicant shall consist of two separate promissory notes. The first promissory note shall be given to the Bank of the Cascades which currently holds a security interest in one of the parcels of the real property in connection with a personal line of credit issued to Lane R. Williams. As part of the purchase price for the purchase of the real property, Midvale shall assume the obligation for the repayment of the remaining outstanding balance of the line of credit. The approximate outstanding balance of such line of credit is \$70,000, but the promissory note shall reflect the actual outstanding balance on the date of closing of the purchase. The second promissory note shall be given to Lane R. Williams for carry back financing in the approximate amount of \$266,000, but the promissory note shall reflect the actual amount derived by taking the \$336,000 purchase price less the outstanding balance of the Bank of the Cascades line of credit. In no event will the promissory notes given by Applicant in connection with the purchase of the real property owned by Lane R. Williams exceed \$336,000.00. The promissory note for Lane R. Williams shall be unsecured, and the promissory note for Bank of the Cascades shall continue to be secured by the real property being purchased by Applicant.

4. The proposed financing for the purchase of the parcel of real property owned by Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002, shall consist of one promissory note in the amount of \$75,000.

5. The proposed transactions are consistent with the public interest. The property owned by Lane R. Williams is currently used for the placement of equipment used in the operation of the Applicant's business and ownership of the property ensures that Applicant will have perpetual use of that property. The property owned by Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002, will be used for a future corporate office in Applicant's competitive local exchange carrier service area.

6. A copy of the Applicant's most recent Annual Report showing the authorized and outstanding classes of Applicant's securities is on file with the Commission, and the Applicant respectfully requests the Commission take official notice thereof.

7. A Proposed Order granting this Application is attached hereto as Exhibit A.

8. Notice of this Application will be published within seven days in *The Idaho Statesman* (Boise). A copy of this Notice is attached as Exhibit B.

9. Applicant submits that the public interest does not require a hearing on this matter, and it requests that the Commission process this Application and determine this matter by Modified Procedure, pursuant to Rule 23 of the Commission's Rules of Practice and Procedure. In the event the Commission determines that formal proceedings on this Application are necessary, Applicant stands ready for immediate hearing.

10. Applicant has therefore attached its filing fee, calculated pursuant to Section 61-905, Idaho Code, in the amount of ONE HUNDRED SEVENTY SEVEN AND 75/100ths DOLLARS (\$177.75).

WHEREFORE, Applicant respectfully requests an Order of this Commission:

1. Granting the foregoing Application of Midvale Telephone Exchange, Incorporated to execute and deliver to Lane R. Williams and the Bank of the Cascades two separate promissory notes for an amount not to exceed \$336,000.00, and to execute and deliver

to Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002,
a promissory note in the amount of \$75,000; and

2. Granting such other relief as the Commission deems just and reasonable in this
matter.

DATED this 21st day of December 2011.

Cynthia A. Melillo PLLC

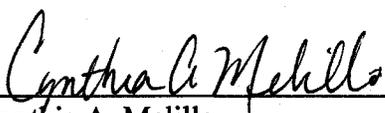
By Cynthia A. Melillo
Cynthia A. Melillo
Attorneys for Midvale Telephone Exchange,
Incorporated

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21st day of December 2011, I caused to be served a true and correct copy of the foregoing document by the method indicated below, and addressed to the following:

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, ID 83720-0074

- | | |
|-------------------------------------|----------------|
| <input type="checkbox"/> | U.S. Mail |
| <input checked="" type="checkbox"/> | Hand Delivered |
| <input type="checkbox"/> | Overnight Mail |
| <input type="checkbox"/> | Facsimile |



Cynthia A. Melillo

EXHIBIT A

Proposed Order

[attached]

Cynthia A. Melillo [ISB No. 5819]
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8385 W. Emerald Street
Boise, ID 83704
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Attorneys for Midvale Telephone Exchange, Incorporated

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF MIDVALE TELEPHONE EXCHANGE,
INCORPORATED FOR AUTHORITY TO
ISSUE SECURITIES TO/BORROW FROM
THE BANK OF THE CASCADES AND
LANE R. WILLIAMS IN AN AGGREGATE
AMOUNT NOT TO EXCEED \$336,000.00;
AND FOR AUTHORITY TO ISSUE
SECURITIES TO/BORROW FROM DELOS
N. LEE AND BARBARA V. LEE,
TRUSTEES OF THE LEE FAMILY TRUST
u/t/d DECEMBER 17, 2002, IN THE
AMOUNT OF \$75,000.

Case No.

ORDER

On December 21, 2011, Midvale Telephone Exchange, Incorporated (hereinafter "Applicant"), filed an Application for authority to execute two promissory notes for the purchase of real property in an amount not to exceed \$336,000.00 in the aggregate with Lane R. Williams and Bank of the Cascades, and one promissory note for the purchase of real property in the amount of \$75,000 with Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002.

In support of said Application, Applicant alleges that the proposed financing will be used to purchase property owned by Lane R. Williams that is currently used for the placement of equipment used in the operation of the Applicant's business and ownership of the property ensures that Applicant will have perpetual use of that property. Applicant further alleges that the remaining portion of the proposed financing will be used to purchase property owned by Delos

N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002, for use as a future corporate office in Applicant's competitive local exchange carrier service area.

After examining the Application and supporting documents and being fully advised in the premises, the Commission hereby finds that a hearing in this matter is not required and that the proposed transactions are consistent with the public interest and the Applicant's proper performance of its duties as a public utility.

IT IS THEREFORE ORDERED that the Application of Midvale Telephone Exchange, Incorporated, for authority to execute two promissory notes for the purchase of real property from Lane R. Williams in an amount not to exceed \$336,000.00 in the aggregate with Lane R. Williams and Bank of the Cascades be, and the same is hereby granted.

IT IS FURTHER ORDERED, that the Application of Midvale Telephone Exchange, Incorporated, for authority to execute one promissory note for the purchase of real property in the amount of \$75,000 to Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002, be and the same is hereby granted.

DONE by Order of the Idaho Public Utilities Commission this ____ day of _____
201__.

Paul Kjellander, President

Mack A. Redford, Commissioner

Marsha H. Smith, Commissioner

ATTEST:

EXHIBIT B

Copy of Notice of Application to be published in *The Idaho Statesman*

[attached]

**LEGAL NOTICE OF MIDVALE TELEPHONE EXCHANGE, INCORPORATED'S
APPLICATION FOR AUTHORITY TO BORROW FUNDS**

NOTICE IS HEREBY GIVEN that on December 21, 2011, Midvale Telephone Exchange, Incorporated completed and filed with the Idaho Public Utilities Commission an Application for authority to borrow up to \$336,000 from Lane R. Williams and the Bank of the Cascades, for the purchase of certain real property used in connection with the operation of the business of Midvale Telephone Exchange, Incorporated, and in connection with the borrowing, to execute two separate promissory notes; and for authority to borrow up to \$75,000 from Delos N. Lee and Barbara V. Lee, Trustees of the Lee Family Trust u/t/d December 17, 2002, for the purchase of certain real property to be used as a future corporate office for Applicant.

The Application is on file and is available for public inspection at the Idaho Public Utilities Commission. Any person desiring to comment on said Application must file petitions or protests with the Idaho Public Utilities Commission within fourteen (14) days of the filing date. If no protests are received within this time limit, the Commission may consider the Application and enter its Order without setting the matter for hearing. If written protests are filed with the Commission within the time limit set, the Commission will consider the same and, in its discretion, may set a hearing. Petitions or protests must be filed with: Jean Jewell, Secretary, Idaho Public Utilities Commission, Statehouse, Boise, Idaho 83720.

Jean Jewell, Secretary
Idaho Public Utilities Commission