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

ORDER NO. 32433

On December 21, 2011, Midvale Telephone Exchange, Inc. (MTE or 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 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, 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 the property. MTE 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.

The proposed loan proceeds will be used to finance the purchase of real property currently used by MTE to provide service to customers or is included in the Company's operation plan to be available to serve customers of MTE. The purchases include four properties with the following general use description:

1. Midvale shop and land properties are immediately adjacent to the MTE Central Office in Midvale. MTE currently leases part of this property for its equipment shop/storage. Midvale anticipates that it will need to expand its CO in the future and having ownership of the adjacent land ensures that

MTE will not have to incur greater expense to relocate. The current lease payments for the shop property will be eliminated.

- 2. Lakeview property is the land where Midvale currently owns a building housing central office equipment.
- 3. Cascabel, AZ property is a building leased by MTE for its central office. This property will not be allocated to MTE's Idaho customers.
- 4. Weiser property is a vacant lot on the main street in Weiser, immediately adjacent to MTE's current central office. MTE's future plans include a more secure building to house the CO and equipment.

After examining the Application and supporting documents and being fully advised in the premises, the Commission 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. The regulatory treatment, including inclusion of costs in rates, will be determined in a future rate proceeding. The financial statements of MTE provide adequate information to find that MTE should be able to support these notes. The Commission approves the loan request with the requirements that MTE provide to the Commission (1) copies of the final loan approval and documentation; (2) a copy of any executed collateral documentation; (3) the "Report of Securities Issued."

ORDER

IT IS THERFORE ORDERED that the Application of Midvale Telephone Exchange, Inc. 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 in the aggregate with Lane R. Williams and Bank of the Cascades is hereby granted.

IT IS FURTHER ORDERED that the Application of Midvale Telephone Exchange, Inc. 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 is hereby granted.

IT IS FURTHER ORDERED that MTE provide to the Commission (1) copies of the final loan approval and documentation; (2) a copy of any executed collateral documentation; (3) the "Report of Securities Issued."

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. 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 $//^{\tau h}$ day of January 2012.

PAUL KJELLANDER, PRESIDENT

MACK A. REDFORD, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell Commission Secretary

bls/O:MID-T-11-02-ws