

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF RURAL TELEPHONE COMPANY FOR)	CASE NO. RUR-T-11-01
AUTHORITY TO BORROW FROM THE)	
RURAL UTILITIES SERVICE (RUS) IN THE)	
AMOUNT OF NOT MORE THAN \$728,700)	ORDER NO. 32193
)	

On January 24, 2011, Rural Telephone Company filed an Application for Loan Approval with the Commission requesting authorization to execute a Promissory Note in the amount of \$728,700 in favor of the United States, acting through the Rural Utilities Service (RUS) to be secured by a Loan/Grant and Security Agreement and Rural Telephone's pre-existing Mortgage.

Rural Telephone has qualified for a grant from RUS under the federal Broadband Initiatives Program (BIP) in the amount of \$1,700,300. As a condition of the grant, Rural Telephone is required to provide 25% match of funds, to be derived from the \$728,700 RUS loan evidenced by the Promissory Note. The Promissory Note will be secured by a Loan/Grant and Securing Agreement (Agreement) to be executed by the RUS in connection with the Note, and by Rural Telephone's pre-existing RUS Restated Mortgage, Security Agreement and Financing Statement dated March 9, 2005, which Mortgage was approved by the Commission in Case No. RUR-T-04-01, Order No. 29566.

In support of its Application, Rural Telephone alleges that the proposed RUS loan proceeds will be used to extend ADSL2+ services to Rural Telephone's North Fork, Tuscarora, and Jarbidge service areas, which are situated in Elko County, Nevada. Certain of these new facilities will be interconnected with Rural Telephone's existing Idaho telecommunications facilities. Rural Telephone further alleges that the proposed RUS loan is consistent with the public interest inasmuch as construction and upgrading of high-speed infrastructure will improve service for Rural Telephone's customers, including to some extent, its Idaho customers, will further the goals of universal service and provide economic stimulus to rural communities in southern Idaho and northern Nevada.

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. The Commission also finds the proposed transaction is consistent with the public interest.

ORDER

IT IS THEREFORE ORDERED that the Application of Rural Telephone Company for authority to execute and deliver to the Rural Utilities Service a Promissory Note in an amount not to exceed \$728,700, a Grant/Loan and Security Agreement and related documents in connection with the Grant and Loan is hereby granted.

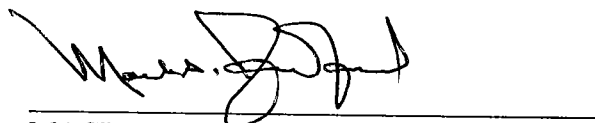
IT IS FURTHER ORDERED that Rural Telephone Company file with this Commission the Close Out Report to the RUS and all supplemental Close Out Reports.

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 24th day of February 2011.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary