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

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| IN THE MATTER OF THE APPLICATION OF SILVER STAR TELEPHONE COMPANYFOR AUTHORITY TO BORROW FROM THE RURAL UTILITIES SERVICE AND THE RURAL TELEPHONE BANK IN THEAMOUNT OF $2,225,050. | ))))))) | CASE NO.  SIL-T-96-1ORDER NO.  26329 |

On January 9, 1996, Silver Star Telephone Company (Silver Star), filed an Application for Loan Approval with this Commission requesting authority to execute a loan contract amendment and supplemental mortgage in the amount of $1,405,000 with the United States of America, acting through the Rural Utilities Service (“RUS”) and $820,050 with the Rural Telephone Bank (“RTB”).

The proposed loans will carry interest rates determined in accordance with 7 C.F.R. § 1735.31(c) and 7 C.F.R. § 1610.10, with a current estimated rate of 6.63 percent per annum.  Each loan is for a term of fourteen (14) years.  The loan will be secured by Mortgage Notes.

In support of said Application, Silver Star alleges that the proceeds of the RUS and RTB loans will be utilized to extend service to previously unserved customers and to pay for the cost of a number of upgrades in both central office and outside plant in company service territories in Wyoming and Idaho.  A portion of the net proceeds of the issuances will be used to reimburse the Company’s treasury for funds expended from income and from other treasury funds that were not derived from the issuance of securities.  The funds to be reimbursed were used in furtherance of one or more of the utility purposes identified above and authorized by Idaho Code § 61-901.

Silver Star has paid the fees required by Idaho Code § 61-905.

CONCLUSIONS OF LAW

Silver Star Telephone Company is a telecommunications corporation within the definition of Idaho Code § 61-121 and is a public utility within the definition of Idaho Code § 61-129.  The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to provisions of Idaho Code § 61-901 et seq. and the Application reasonably conforms to Rules 141 through 150 of the Commission’s Rules of Procedure (IDAPA 31.01.01.141-150).

After examining the Application and supporting documents and being fully advised in the matter, the Commission hereby finds that the proposed transaction is consistent with the public interest and Silver Star’s proper performance of its duties as a public utility.

The general purposes to which the loan proceeds will be put are lawful purposes under the Public Utility Laws of the state of Idaho and are compatible with the public interest.  However, this approval of the general purpose to which the proceeds will be put, is neither a finding of fact nor a conclusion of law that any particular construction program of the Company has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an Order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

The Application should be approved.

O R D E R

IT IS THEREFORE ORDERED that the Application of Silver Star Telephone Company for authority to execute a loan contract amendment and supplemental mortgage with the RUS in the amount of $1,405,000 and with the RTB in the amount of $820,000 is hereby granted.

IT IS FURTHER ORDERED that Silver Star must file with the Commission a copy of the final loan documents and required RUS and RTB filings as they are completed.

IT IS FURTHER ORDERED that authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, valuation, estimates, determination of costs, or any other matter that may come before this Commission pursuant to this 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 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 security authorized, issued, assumed or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code.

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

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                  day of  February 1996.

                                                             RALPH NELSON, PRESIDENT

                  MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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(text box: 2)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )

OF SILVER STAR TELEPHONE COMPANY)CASE NO.  SIL-T-96-1

FOR AUTHORITY TO BORROW FROM )

THE RURAL UTILITIES SERVICE AND)

THE RURAL TELEPHONE BANK IN THE)ERRATUM NOTICE

AMOUNT OF $2,225,050.)

                                                                                   )

On February 20, 1996, IPUC Order No. 26329 was issued by this Commission.  The following change(s) should be made to that Order:

Page 3, Order section, paragraph 1, line 3

READS:

“ amount of $1,405,000 and with the RTB in the amount of $820,000 is hereby granted.”

SHOULD READ:

“ amount of $1,405,000 and with the RTB in the amount of $820,050 is hereby granted.”

DATED at Boise, Idaho, this          day of May 1996.

                                                                          Myrna J. Walters, Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

Text Box 2:

**TEXT BOXES**

Office of the Secretary

Service Date

February 20, 1996

Office of the Secretary

Service Date

May 20, 1996