

June 25, 2008

By Electronic Delivery

Ms. Reneé J. Jenkins
Director of Administration
Secretary of the Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

RE: In the Matter of the Application of The Buckland Telephone Company For Consent and Authority to Obtain Financing; PUCO Case No. 08-583-TP-AIS

Dear Ms. Jenkins:

The Buckland Telephone Company submits an Amended Application for electronic filing.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Very truly yours,

/s/ Carolyn S. Flahive

Enclosures

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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| In the Matter of the Application of The |) | |
| Buckland Telephone Company for Consent |) | Case No. 08-583-TP-AIS |
| and Authority to Obtain Financing |) | |

**AMENDED
APPLICATION**

To the Honorable Public Utilities Commission of Ohio:

Applicant, THE BUCKLAND TELEPHONE COMPANY (“Buckland”) respectfully represents as follows:

1. Buckland is a corporation duly organized under the laws of the State of Ohio, is a public utility as defined in Revised Code Sections 4905.02 and 4905.03(A)(2), and, as such, is subject to the jurisdiction of the Commission.
2. Buckland’s principal place of business is 105 South Main Street, Buckland, Ohio 45819. Buckland furnishes telephone service in the Buckland Exchange, and is authorized to provide service in an expanded service territory that includes the St. Marys, Spencerville, and Lima exchanges, in accordance with schedules on file with the Commission.
3. Buckland serves approximately 800 access lines. The basic residential access line rate is \$10.74; the basic business access line rate is \$16.22.
4. This Application is filed under the provisions of Revised Code Sections 4905.40 and 4905.41.
5. Buckland proposes, with the consent and authority of the Commission, to obtain a loan in the amount of one million dollars (\$1,000,000) (the “Loan”) from Minster Bank (the “Bank”). Correspondence from the Bank, providing the proposed terms and conditions of the Loan, is attached hereto.

6. The term of the Loan will be a six-year balloon note with a fifteen-year amortization period.
7. During the first year of the Loan, Buckland will be able to draw funds as needed (the “Construction Draw Period”). At the end of the Construction Draw Period, monthly principal and interest payments will be based on a fifteen (15) year amortization period. At the end of the sixth year, the note will mature and a balloon payment will be due.
8. Buckland may renegotiate the terms of the Loan prior to the Loan’s maturity.
9. The Bank will assess a penalty of two percent of the outstanding loan balance if the Loan is refinanced or the interest rate is modified during the term of the Loan.
10. The interest rate for the Loan will be locked-in at 5.9% for the first three years of the term. After three years, the interest rate will be readjusted to 3.00% over the Bank’s COF Index for the remaining three years of the term.
11. During the construction phase, interest only will be due monthly. Thereafter the monthly payments will be \$8,429.66 monthly principal and interest. This payment amount is based on Buckland drawing the full \$1,000,000. If Buckland draws a lesser amount, the monthly payment amount will be lowered to reflect the lower principal amount drawn.
12. As security for the Loan, the Bank will hold a first lien on all inventory, equipment, account receivables, and general intangibles, including but not limited to all rights to Buckland’s underground infrastructure.
13. Buckland will pay the Bank \$2,500 as an origination fee and \$950 in closing costs.
14. Buckland does not yet have final loan documents from the Bank and, given that Buckland is seeking Commission approval before executing the Loan, will not receive such documents prior to Commission approval of this Application.

15. Buckland will service the Loan through internally generated funds and has no plans to increase rates.
16. By and with the consent and approval of the Commission, Buckland would generally use proceeds from the Loan a) to fund the purchase of various capital equipment and plant necessary for the upgrade and expansion of Buckland's telephone operations, b) for working capital, and c) for general operating expenses, all of which will serve to improve and expand Buckland's network.
17. More specifically, Buckland plans to continue installing "fiber-to-the-home" within its service territory, which will allow Buckland to efficiently provide the "triple-play" of voice, data and video services to its customers. The funds will be used to finance the necessary equipment, materials, and labor associated with the fiber installation.
18. Buckland's network expansion as described herein has been a gradual implementation. In 2005, Buckland installed fiber in the Village of Buckland. In 2006 and 2007, Buckland continued improving its outside plant. Buckland will use the proceeds from the Loan to continue investing in and improving the outside plant through the rest of 2008 and in 2009.
19. Buckland's investment in its network is an example of its efforts to prepare for and respond to competition in its service area. See *In the Matter of the Application and Petition in Accordance with Section II.A.2.b. of the Local Service Guidelines*, Case No. 06-884-TP-UNC (Finding and Order, Nov. 21, 2006 at 10).
20. Buckland believes that the terms and conditions of the Bank's financing proposal are reasonable, fair and in-line with or better than the prevailing terms of similar obligations and financing options. Buckland also believes that this debt structure will result in the

lowest financial cost to Buckland, while assuring the greatest possible guarantees for its financial stability and success.

21. Buckland states that approval of this Application will allow it to meet its present and prospective obligations to provide for required utility service, as well as advanced services, in the Buckland Exchange and to provide competitive services to the St. Marys, Spencerville, and Lima Exchanges. The effect of the proposed transaction on Buckland's revenue requirements can only be determined in a rate proceeding in which all factors affecting rates are taken into account according to law.
22. Buckland states that it is not in violation of Revised Code Section 4905.23, or in violation of any order of the Commission under Sections 4905.231 and 4905.381 of the Revised Code.
23. Financial statements for the years ended December 31, 2007 and December 31, 2006 have been delivered to Commission Staff.
24. The Applicant has not formed a separate affiliate to provide competitive services and will rely instead on its edge out authority granted in PUCO Case No. 01-3226-TP-UNC. Applicant commits to implement the affiliate transaction safeguards set forth in Ohio Adm.Code 4901:1-6-09(E)(2) relative to activities and operations in the expanded service territory.

WHEREFORE,

The Buckland Telephone Company prays for consent and authority to obtain and utilize proceeds from the Loan in the amount of \$1,000,000 for the purposes stated herein and for all other and further authority and approval as is necessary and appropriate.

Respectfully submitted,

THE BUCKLAND TELEPHONE COMPANY

By: /s/ Carolyn S. Flahive

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This foregoing document was electronically filed with the Public Utilities

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Case No(s). 08-0583-TP-AIS

Summary: Amended Application In the Matter of the Application of The Buckland Telephone Company For Consent and Authority to Obtain Financing; PUCO Case No. 08-583-TP-AIS electronically filed by Carolyn S Flahive on behalf of The Buckland Telephone Company