

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application )  
of The Conneaut Telephone Company )  
for Consent and Authority to Obtain ) Case No. 00-514-TP-AIS  
Financing. )

FINDING AND ORDER

The Commission finds:

- (1) Applicant, The Conneaut Telephone Company, an Ohio corporation and a public utility as defined in Section 4905.02, and 4905.03(A)(2), Revised Code, and is subject to the jurisdiction of this Commission.
- (2) This Application, as amended (collectively called the "Application"), is filed under the provisions of Sections 4905.40 and 4905.41, Revised Code.
- (3) Applicant proposes to enter into a term-loan agreement and borrow approximately \$15.6 million (the "Loan") from Rural Telephone Finance Cooperative ("RTFC"), pursuant to the terms and conditions as set forth in the Application and the Exhibits.
- (4) The Loan will have a 15-year term and will have a variable interest rate or a fixed interest rate plus an applicable interest rate adder based on Applicant's Leverage Ratio, as described in the Application and Exhibits. The Loan will be secured by a lien on the Applicant's assets and revenues.
- (5) Applicant proposes to use the Loan proceeds for upgrading and expansion of its regulated telephone operations, for working capital, and for general corporate purposes, all pursuant to Section 4905.40, Revised Code.
- (6) The amount of the Loan, the terms thereof, and the probable cost to Applicant, within the parameters set forth in the Application and the Exhibits, do not appear to be unjust or unreasonable.
- (7) The effect on Applicant's revenue requirements resulting from the Loan will be considered in the determination of required revenue in rate proceedings in which all factors affecting rates will be taken into account according to law.
- (8) Based on information contained in the Application and Exhibits thereto, and other documentary information to which the Commission has access, the purposes to which the proceeds from the Loan shall be applied appear to be reasonably required by the

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Applicant, and the Commission is satisfied that consent and authority should be granted.

It is, therefore,

ORDERED, That Applicant is hereby authorized to enter into a term-loan agreement and borrow approximately \$15.6 million from Rural Telephone Finance Cooperative, pursuant to the terms and conditions as set forth in the Application and the Exhibits. It is, further,

ORDERED, That Applicant shall apply the proceeds from the Loan for the purposes set forth in this Order and otherwise pursuant to the provisions of Section 4905.40, Revised Code. It is, further,


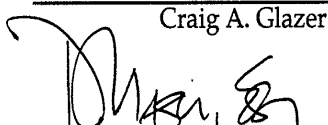
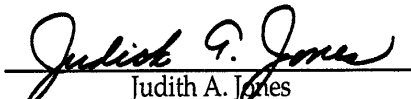
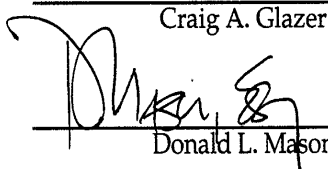
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the Loan or the interest thereon, on the part of the State of Ohio. It is, further,

ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of the Applicant. It is, further,

ORDERED, That nothing in this Order shall be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That a copy of this Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

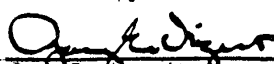
  
Alan R. Schriber, Chairman  
Ronda Hartman Ferguson  
Craig A. Glazer  
Judith A. Jones  
Donald L. Mason

HS:ct

Entered in the Journal

MAY 04 2000

A True Copy

  
Gary E. Agorito  
Secretary

SERVICE NOTICE

PAGE 1

CASE NUMBER 00-514-TP-AIS  
CASE DESCRIPTION CONNEAUT TELEPHONE COMPANY  
DOCUMENT SIGNED ON May 4, 2000  
DATE OF SERVICE 5-5-00

PERSONS SERVED

PARTIES OF RECORD

ATTORNEYS

APPLICANT

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