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May 9, 2005

PUCO

Via Hand 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 Fort Jennings Telephone Company for Consent and Authority to Obtain Financing; PUCO Case No. 05-447-TP-AIS

Dear Ms. Jenkins:

Enclosed are an original and ten (10) copies of an Amended Application to be filed in connection with the above-referenced matter on behalf of The Fort Jennings Telephone Company.

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

Very truly yours,



Carolyn S. Flahive

Enclosure

cc: Shahid Mahmud

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The Fort)
Jennings Telephone Company for Consent)
and Authority to Obtain Financing)

Case No. 05-447-TP-AIS P.U.C.

AMENDED
APPLICATION

To the Honorable Public Utilities Commission of Ohio:

Applicant, THE FORT JENNINGS TELEPHONE COMPANY ("Fort Jennings")

respectfully represents as follows:

1. Fort Jennings 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. Fort Jennings' principal place of business is 65 West Third Street, Fort Jennings, Ohio 45844. Fort Jennings furnishes telephone service in the Fort Jennings Exchange, and is authorized to provide service in an expanded service territory that includes the Rimer-Gomer and Delphos exchanges, in accordance with schedules on file with the Commission.
3. Fort Jennings serves approximately 717 residential access lines and 204 business lines. The basic residential access line rate is \$6.05 within the corporate limits of the village of Fort Jennings and \$8.05 outside that base rate area. The basic business access line rate is \$9.05 within the corporate limits of the village of Fort Jennings and \$14.10 outside that base rate area.
4. This Application is filed under the provisions of Revised Code Sections 4905.40 and 4905.41.

5. Fort Jennings proposes, with the consent and authority of the Commission, to obtain a term loan in the amount of \$450,000 (the "Term Loan") from The Fort Jennings State Bank, located in Fort Jennings, Ohio (the "Bank"). Attached as Exhibit A is a letter from the president of the Bank to Fort Jennings providing the proposed terms and conditions of the Term Loan.
6. The Term Loan would have a term of ten (10) years and would be amortized over one hundred twenty (120) monthly payments that include interest and principal.
7. The interest rate will be one-half percent above the prime interest rate adjusted daily. The monthly payments will adjust with the interest rate with a cap of six (6) percent above the starting rate.
8. The Term Loan will be secured by a first lien on all assets and real property of Fort Jennings.
9. Fort Jennings does not yet have final loan documents from the Bank and may not receive such documents prior to Commission approval of its Application. Fort Jennings will forward the final loan documents to the Commission upon receipt.
10. Fort Jennings will service the Term Loan through internally generated funds and has no plans to increase rates.
11. By and with the consent and approval of the Commission, Fort Jennings would generally use proceeds from the Term Loan a) to fund the purchase of various capital equipment and plant necessary for the upgrade and expansion of Fort Jennings' regulated telephone operations, b) for working capital, and c) for general operating expenses, all of which will serve to improve and expand Fort Jennings' network.

12. More specifically, Fort Jennings plans to purchase a new switch to serve customers in the Fort Jennings Exchange and its expanded service territory of the Rimer-Gomer and Delphos exchanges. Additionally, Fort Jennings plans to install “fiber-to-the-home” in the Fort Jennings and Delphos exchanges, which will allow Fort Jennings to efficiently provide voice, data and video services to its customers.
13. Fort Jennings plans to upgrade and expand its network as described herein in a phased approach. Accordingly, Fort Jennings will also seek the necessary financing incrementally. Therefore, the Term Loan represents only a portion of the funding that Fort Jennings projects it will require to complete its master plans. As Fort Jennings continues with its network upgrade and expansion, it may seek Commission consent and authority for additional financing.
14. By expanding its network in such an incremental manner (and thereby borrowing only a portion of the financial requirements at any one time), Fort Jennings demonstrates its commitment to protecting its carrier-of-last-resort (COLR) customers from any negative impact that could potentially result from its competitive expansion. Furthermore, Fort Jennings will use the proceeds of the Term Loan to benefit those COLR customers by providing them with advanced services.
15. 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. 02-2028-TP-UNC. Applicant commits to implement the affiliate transaction safeguards set forth in Ohio Adm.Code 4901:1-6-08(C)(2) relative to activities and operations in the expanded service territory.

16. Fort Jennings believes that the terms and conditions of the Term Loan are reasonable, fair and in-line with or better than the prevailing terms of similar obligations. Fort Jennings also believes that this debt structure will result in the lowest financial cost to Fort Jennings, while reassuring the greatest possible guarantees for its financial stability and success.
17. Fort Jennings states that approval of this Application would allow it to meet its present and prospective obligations to provide for required utility service, as well as advanced services, in the Fort Jennings Exchange and to provide competitive services to the Delphos Exchange. The effect of the proposed transaction on Fort Jennings' revenue requirements can only be determined in a rate proceeding in which all factors affecting rates are taken into account according to law.
18. Fort Jennings 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.
19. Attached hereto as Exhibit B are financial statements in support of this Application.

WHEREFORE,

The Fort Jennings Telephone Company prays for consent and authority to obtain and utilize the Term Loan in the amount of \$450,000 for the purposes stated herein and for all other and further authority and approval as is necessary and appropriate.

THE FORT JENNINGS TELEPHONE COMPANY

By: Carolyn S. Flahive

Thomas E. Lodge (0015741)

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