

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. MID-T-21-01
OF MIDVALE TELEPHONE COMPANY FOR)
AUTHORITY TO BORROW FROM THE)
RURAL UTILITIES SERVICE IN AN) ORDER NO. 34938
AMOUNT NOT TO EXCEED \$10,982,238)
)

On February 3, 2021, Midvale Telephone Exchange (“Midvale” or “Company”) requested authority to enter into a Loan and Grant Agreement and Promissory up to \$10,982,238, with a supplemental mortgage (the “Loan”), from the United States of America acting through the Administrator of the Rural Utilities Service (“RUS”). *Application* at 1. Having considered the Application, the Commission enters this Order granting it as follows.

THE APPLICATION

The Loan is structured as a combined grant/loan with a \$5,491,119 grant and a loan not to exceed \$5,491,119. *Id.* at 2. The Loan is made on the terms in the Loan and Grant Agreement, Promissory Note, Restated Mortgage, Security Agreement and Financing Statement, and other associated documents and instruments (collectively the “Loan Documents”). *Id.*

The Loan would pay for and partially reimburse general funds to: (a) extend broadband internet to additional service areas in Idaho including Warm Lake, Warren, Stanley, and Midvale; (b) provide for router and switch upgrades to handle broadband traffic growth; (c) deploy additional fiber optic and buried cable networks in certain new Idaho service areas, including Warm Lake, Warren, Stanley, and Midvale; (d) extend fiber-to-the-house and broadband ethernet transport facilities to provide larger pipes and redundant paths; and (e) make related system improvements. *Id.* The interest rates on the Loan are expected to be equal to the current cost of money to the federal government for loans of a similar maturity. The term of the Loan is 22 years. *Id.* This year, the 20-year treasury bill rate has ranged from 1.46% to 1.83% and the 30-year treasury bill rate has ranged between 1.66% and 2.01%. *Id.*

COMMISSION FINDINGS AND DECISION

Midvale is a telephone corporation and public utility organized under the laws of the State of Idaho providing telecommunication service, including local exchange service within Idaho

under the Fifth Amended Certificate of Public Convenience and Necessity, Certificate No. 254. See Order No. 30969; see also *Idaho Code* §§ 61-129, 62-603(13) & (14).

The Commission has jurisdiction over this Application under *Idaho Code* § 61-901 *et seq.* The Commission finds that the Loan is in the public interest and a formal hearing on this matter is not required. We further find that the Loan is for a lawful purpose and is within the Company's corporate powers, that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141-150, and that the Company has paid all fees due under *Idaho Code* § 61-905. Accordingly, the Commission approves Midvale's Application for authority to obtain the Loan.

The Commission's approval of the Loan is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. This Order authorizing the proposed Loan does not constitute a Commission determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination in this case, and thus does not determine, the effect of issuance on rates to be charged by Midvale for telecommunication services.

ORDER

IT IS HEREBY ORDERED that Midvale's Application for authority to execute the Loan Documents, for up to a \$10,982,238 Loan for the purposes and in the manner described in the Application, is approved.

IT IS FURTHER ORDERED that Midvale shall file the final Loan Documents for the Loan, copies of the RUS final Loan approvals, including documentation for advances and any later changes to their terms, with Staff upon issuance of. This informational filing should be made within seven (7) days, or as soon as possible, before the issuance. The Company shall also provide copies of all annual certification, covenant reports, and letters regarding the determinations to Staff as they become available.

IT IS FURTHER ORDERED that the Company must file with the Commission a copy of the "Report of Securities Issued."


IT IS FURTHER ORDERED that issuing this Order does not constitute acceptance of Midvale's exhibits or other material accompanying this Application for any purpose other than issuing this Order.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee any security or loan authorized, issued, assumed, or guaranteed under this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, service, accounts, evaluation estimates or determination of costs or any other matter that may come before the Commission pursuant to its jurisdiction and authority as provided by law.

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 about any matter decided in 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 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of February 2021.



PAUL KJELLANDER, PRESIDENT

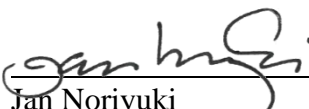


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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