

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF MIDVALE )      CASE NO. MID-T-22-01**  
**TELEPHONE COMPANY’S REQUEST )**  
**FOR AUTHORITY TO BORROW FROM )      ORDER NO. 35629**  
**THE RURAL UTILITIES SERVICE )**  
\_\_\_\_\_ )

On November 22, 2022, Midvale Telephone Company (“Midvale” or “Company”) requested authority to execute a Mortgage and Promissory Note in an amount of \$10,583,267 (“Loan”), from the United States of America acting through the Administrator of the Rural Utilities Service (“RUS”). Application at 1. Based on our review of the record, we issue this Order granting the Company’s request as follows.

**THE APPLICATION**

The Loan is a ReConnect Loan Agreement with a Mortgage and Promissory Note, and other associated documents in the amount of \$10,583,267. *Id.* The Loan’s term is 22 years from the date funds are first made available to the Company, with a subsidized interest rate of 2%. *Id.* at 2. The Loan would pay for and partially reimburse general funds to: (a) extend broadband internet to certain additional service areas in Stanley, Idaho, Cascabel, Arizona, and Young, Arizona (the “Service Areas”); (b) provide for router and switch upgrades to handle broadband traffic growth; (c) deploy additional fiber optic and buried cable networks in the Service Areas; (d) extend fiber-to-the-home and broadband Ethernet transport facilities to provide larger pipes and redundant paths; and (e) for related system improvements. *Id.*

**STAFF REVIEW AND RECOMMENDATION**

At the Commission’s December 13, 2022, Decision Meeting, Staff recommended that the Commission approve the requested authority. Staff believed the Company’s proposed projects “will improve service to existing customers and make it possible for the Company to meet new service demands” and the additional infrastructure “will further serve the goals of universal internet service” in Idaho. Staff Decision Memorandum, 1.

Staff recognized that grants for its selected projects may be available to the Company, and expected that the Company would “pursue these where available.” *Id.* Staff recommended that the Company provide copies of the final loan approvals including documentation for advances,

any executed collateral documentation, and all annual certification, covenant reports, and letters regarding the determinations. *Id.* at 2.

### **FINDINGS AND DISCUSSION**

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) and (14).

The Commission has jurisdiction over the Company's 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 with 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 the Company's Application to execute a Mortgage and Promissory Note in an amount of \$10,583,267, is approved.

IT IS FURTHER ORDERED that the Company shall file all final Loan Documents for the Loan, copies of the RUS final Loan approvals, including documentation for advances, and any later changes to terms with Staff. These additional filings should be made within seven days, or as soon as possible before issuance of the Loan. The Company shall also provide copies of all annual certifications, 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 the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its 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 therewith 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.

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 15<sup>th</sup> day of December 2022.



ERIC ANDERSON, PRESIDENT



JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary