

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HAROLD TELEPHONE COMPANY, INC.,)
FILING TO REFINANCE CERTAIN) CASE NO. 10199
OUTSTANDING NOTES)

AMENDED ORDER

On May 13, 1988, the Commission issued an Order in this proceeding authorizing Harold Telephone Company, Inc. ("Harold") to refinance existing Rural Telephone Bank ("RTB") notes in the amount of \$1,125,793 by executing a single Rural Telephone Finance Cooperative ("RTFC") note in the amount of \$1,250,881. However, this authorization stipulated that the refinancing should occur no later than September 30, 1988.

On January 31, 1990, Harold informed the Commission that subsequent to the issuance of the May 13, 1988 Order, difficulties arose with completing the final RTFC loan documents due to negotiations among creditors relating to the wording of a proposed lien accommodation. This resulted in Harold's inability to complete refinancing prior to the September 30, 1988 limitation. Pending the finalization of the loan documents, RTFC extended a temporary line of credit to Harold enabling it to redeem the RTB notes. The RTFC loan documents are now completed, and Harold is requesting that the Commission amend that portion of the May 13, 1988 Order requiring the financing to be completed no later than September 30, 1988.

FINDINGS AND ORDERS

1. The Commission finds that Harold's failure to complete refinancing no later than September 30, 1988 was due to factors beyond the control of Harold.

2. Completion of the refinancing will generate significant interest savings and is therefore in the public interest.

IT IS THEREFORE ORDERED that:

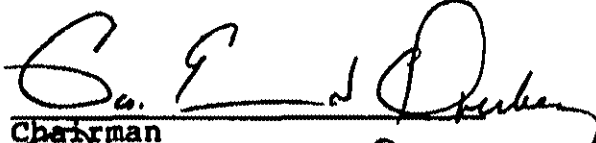
1. The Commission's May 13, 1988 Order in this proceeding is hereby amended to delete that portion requiring the refinancing to occur no later than September 30, 1988.

2. All other provisions of the Commission's May 13, 1988 Order shall remain in full force and effect.

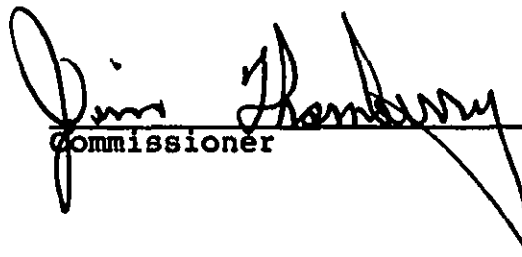
3. Within twenty days after completion of the refinancing, Harold shall file copies of the final RTFC loan documents.

Done at Frankfort, Kentucky, this 8th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director