

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Green Hills)	
Telephone Corporation for Authority to Borrow an)	
Amount Not to Exceed \$22,704,000 from the United)	
States of America Acting through the Rural Utilities)	
Service and the Rural Telephone Bank and in)	Case No. IF-2005-0506
Connection Therewith to Execute a Loan)	
Agreement, Promissory Note, and a Restated)	
Mortgage Security Agreement and Financing)	
Statement.)	

STAFF RESPONSE TO MOTION TO MODIFY FINANCING ORDER

COMES NOW the Staff of the Missouri Public Service Commission and for its response states:

1. On June 30, 2005, Green Hills Telephone Corporation (Company) filed its Application seeking authority to borrow up to \$22,704,000 and to pledge substantially all its assets as security for the loan.
2. On October 13, 2005, the Commission issued its Order Approving Financing application.
3. On October 17, 2005, the Company filed its Motion to Modify Order Approving Financing.
4. In the attached Memorandum, labeled Appendix A, the Staff recommends that the Commission grant the Company's motion and modify the Commission's Order (1) to authorize the Company to execute loan documents for \$22,704,000 while maintaining the draw down cap of \$9.5 million aggregate principal and (2) to authorize the Company to execute the documents to place a lien on its assets as part of this financing transaction.

Respectfully submitted,

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General Counsel

/s/ William K. Haas

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of October 2005.

/s/ William K. Haas