

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 30th  
day of June, 1995.

In the matter of the Application of )  
Digital Teleport, Inc. for Approval )  
of Financing. )

CASE NO. TF-95-428

ORDER APPROVING FINANCING

On June 26, 1995, Digital Teleport, Inc. (Digital) filed an application requesting Commission authorization to borrow money from Southwest Bank of St. Louis, Missouri (Bank) and thereby encumber certain of its property used to provide service in Missouri. Digital intends to use the proceeds borrowed from the Bank for the construction of facilities; specifically, the purchase of fiber optic cable, materials, and contract services related to the establishment of Digital's fiber optic network. Within its application, Digital requested expedited treatment of its request.

Digital proposes to borrow one million dollars (\$1,000,000.00) from the Bank in the form of a line of credit for the period of 120 days at an interest rate of 2% over the prime rate. The loan will be secured by a perfected security interest in Digital's assets and guaranteed personally by Mr. and Mrs. Richard Weinstein, secured by stock in Digital.

On June 29, 1995, the Staff of the Commission (Staff) filed a memorandum recommending that the Commission approve Digital's application. Staff states that Digital has been classified as a competitive telecommunications company and in prior cases, the Commission has routinely granted waivers of relevant statutes concerning the need to obtain Commission approval to incur debt for competitively classified companies. Staff also states that it believes applications to approve debt obligations

by competitive telecommunications companies should receive minimal, if any, regulatory scrutiny.

Upon review of Digital's application and Staff's recommendation, the Commission finds that the terms of the proposed loan are reasonable and that the proposed interest rate is not excessive. The Commission also finds that the proposed loan will have no adverse impact on tax revenues in any political subdivision of Missouri. The Commission further finds that neither Digital nor its ratepayers will be adversely affected by the proposed loan. Furthermore, the Commission finds that the proceeds to be procured by the proposed financing are reasonably required for the purposes specified herein and that the purposes are not, in whole or in part, reasonably chargeable to operating expenses or income. Thus, the Commission determines that Digital's application should be approved.

**IT IS THEREFORE ORDERED:**

1. That the application of Digital Teleport, Inc. to borrow \$1,000,000.00 from Southwest Bank of St. Louis, Missouri is hereby approved.
2. That Digital Teleport, Inc. may execute and deliver such instruments and may undertake such other acts as are necessary to consummate the financing as contemplated by the application and this Order.
3. That this Order shall become effective on the date hereof.

BY THE COMMISSION



David L. Rauch  
Executive Secretary

(S E A L)

Mueller, Chm., Kincheloe  
and Crumpton, CC., Concur.  
McClure, C., Absent.