

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska                    ) Application No. 911-019/PI-118  
Public Service Commission, on                    )  
its own motion, to implement                    )  
provisions of LB 1222 [2006] and                ) ORDER AMENDING PAYMENT AND  
to establish a permanent funding                ) AUDIT PROCESS FOR WIRELESS  
mechanism for wireless enhanced                ) SERVICE PROVIDERS  
911 service.                                        )  
  ) Entered: September 4, 2013

BY THE COMMISSION:

On June 25, 2013, the Nebraska Public Service Commission released for comment a proposed change to the payment and audit process for wireless service providers.

Comments were received from N.E. Colorado Cellular, Inc., d/b/a Viaero Wireless (Viaero). A hearing was held on August 13, 2013. Angela Melton appeared on behalf of the Commission Staff and Loel Brooks appeared on behalf of Viaero.

Ms. Sue Vanicek and Ms. Joan Raffety testified in support of the June 25, 2013 proposal. Ms. Vanicek stated that wireless carriers would be permitted to request payment of funds quarterly by submitted documentation demonstrating that the eligible expense had been incurred and payment made by the carrier. Carriers could request any portion of their allocation for the funding year so long as it was supported by the documentation and was incurred during the current funding year. Because payment would be made in arrears and documentation already submitted, the need for the year-end audit would be eliminated. Ms. Raffety testified generally regarding the process currently used to process payments and conduct audits.

Ms. Kara Thielen testified on behalf of Viaero in support of the company's written comments. Ms. Thielen testified that they objected to the proposed quarterly payments and would prefer to request payment monthly. However, Viaero supported allowing carriers to request any amount up to the allocation for the funding year.

O P I N I O N   A N D   F I N D I N G S

On February 23, 2010, Commission entered an order pursuant to Neb. Rev. Stat. § 86-465(1)(e) adopting a permanent funding mechanism (911-SAM) and process to provide funding for the

implementation and provision of enhanced 911 service.<sup>1</sup> Since its original adoption, the 911-SAM and process has been clarified and amended.<sup>2</sup>

On September 18, 2012, the Commission entered an order adopting changes to the 911-SAM which included the elimination over a five-year period of the wireless service provider grant program.<sup>3</sup> Due to the changes adopted in September 2012, wireless service providers may choose to seek additional grant funding, subject to the applicable "WSP Grant Cap", or to utilize their annual allocation paid to them on a monthly basis over an eleven-month period.

The Commission finds due to the changes in eligible expenses the payment and audit methods for wireless service providers should be modified in such a way to simplify wireless provider funding and the audit process and increase efficiencies of the program. However, due to the nature of the capital related costs and the fact that they are a function of planned tower implementation, presents a risk that funding will be provided to carriers but not expended during the funding year leading to the need to require repayment or make adjustments in future funding years.

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<sup>1</sup> *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Final Order Adopting Model and Application Process (Feb. 23, 2010). (hereafter, "Order Adopting Model")

<sup>2</sup> *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Progression Order No. 1 (Apr. 6, 2010); *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Progression Order No. 2 (Sept. 21, 2010); *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Progression Order No. 3 (May 24, 2011); *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Progression Order No. 4 (Aug. 23, 2011); *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Progression Order No. 5 (Aug. 23, 2012).

<sup>3</sup> *In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.*, Docket No. 911-019/PI-118, Order Adopting Proposal and Releasing Adjusted Payments (Sept. 18, 2012).

The staff proposal would modify the process to require wireless carriers to provide documentation and request payment on a quarterly basis and would eliminate the year-end audit requirement. Payments would therefore be made in arrears and upon request rather than prospectively. However, allowing requests for payment on only a quarterly basis places a burden on wireless carriers without a significant increase in efficiencies or cost savings to the Fund.

The Commission seeks to balance the need to avoid potential overpayments to carriers and its intent to eliminate unnecessary administrative burdens on carriers.

Therefore, the Commission finds that the method of payment of wireless service providers' allocation and the audit process should be modified as follows:

1. Effective October 1, 2013, the annual allocation for wireless service providers will no longer be paid in equal monthly payments over an eleven-month period. Rather, funds will be paid no more than monthly in arrears based upon receipt of documentation filed by providers for expenses incurred.
2. In order to receive payment by the end of the month, Wireless service providers must request funds by filing the documentation and a request by the 7th of the month. Wireless service providers may request all or any portion of their annual allocation as long as documentation supporting expenditures is provided. Under no circumstances will the total payments made exceed the annual allocation.
3. Expenses for which reimbursement is sought must have been incurred during the current funding year and must be consistent with the expenses identified in the wireless service provider's annual funding application.
4. Further, providers can choose to request funds less frequently.
5. Payment will be made no later than the end of the month following the receipt of the request, as long as proper documentation is received with the request in a timely manner.

6. Finally, because documentation must be provided with the request once expenses are incurred and paid, the requirement that supporting documentation be filed by October 15 for the prior funding year for wireless service providers is eliminated for the remainder of the 2013-2014 funding year and subsequent funding years.
7. Wireless service providers must submit supporting documentation for expenses for the first quarter of the 2013-2014 funding year no later than October 31, 2013 for audit purposes. Any necessary adjustments to funding as a result of the audit of the first quarter payments, will be made to future payments.

The changes in the payment method do not affect the process by which wireless service providers' annual allocations are determined and do not allow a wireless service provider to receive an amount in excess of its annual allocation. Furthermore, this change would not affect the changes previously made to the wireless service provider grant program and would not affect the process in place for PSAPs. Finally, the annual application process for wireless service providers remains unchanged.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the payment methods and audit procedures for wireless service provider costs are modified as set forth herein effective October 1, 2013.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of September, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

6. Finally, because documentation must be provided with the request once expenses are incurred and paid, the requirement that supporting documentation be filed by October 15 for the prior funding year for wireless service providers is eliminated for the remainder of the 2013-2014 funding year and subsequent funding years.
7. Wireless service providers must submit supporting documentation for expenses for the first quarter of the 2013-2014 funding year no later than October 31, 2013 for audit purposes. Any necessary adjustments to funding as a result of the audit of the first quarter payments, will be made to future payments.

The changes in the payment method do not affect the process by which wireless service providers' annual allocations are determined and do not allow a wireless service provider to receive an amount in excess of its annual allocation. Furthermore, this change would not affect the changes previously made to the wireless service provider grant program and would not affect the process in place for PSAPs. Finally, the annual application process for wireless service providers remains unchanged.

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COMMISSIONERS CONCURRING:

*Tim Schram*  
*Red Johnson*  
*Frank E. Landis*

//s//Anne C. Boyle  
 //s//Frank E. Landis

*Anne Boyle*  
 Chair

ATTEST:

*Steve Meredith*  
 Executive Director