BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-2
Public Service Commission, on)
its own motion, seeking to) PROGRESSION ORDER #3
establish guidelines for)
administration of the Nebraska)
Lifeline Program.) Entered: July 13, 1999

BY THE COMMISSION:

FINDINGS AND OPINIONS

Currently, qualified Lifeline recipients receive \$5.25 per month of federal support. However, such support can be doubled to \$10.50 per month with matching funds from the Nebraska Universal Service Fund (NUSF). For each \$2.00 of Lifeline support from the NUSF, the federal Lifeline program will contribute an additional \$1.00 up to a total of \$1.75. Therefore, in order to gain the maximum amount of additional federal support, the NUSF will need to contribute \$3.50 per month for each qualified line of service.

In an effort to promote equitable treatment among customers and to minimize the effects of the Docket No. C-1628/NUSF transitional period local rate increases, the Commission finds that additional Lifeline support should be linked to the local rates charged to each Lifeline customer. This will be implemented through the creation of five Lifeline support zones with the goal that each Lifeline customer pays approximately the same amount for basic local service. As such, effective September 1, 1999, Lifeline support will be based on the following schedule:

Where local rates are \$15.85 or more, Lifeline subscribers will receive \$10.50/month;

Where local rates are between \$14.45 and \$15.84, Lifeline subscribers will receive \$8.85/month;

Where local rates are between \$13.25 and \$14.44, Lifeline subscribers will receive \$7.44/month;

Where local rates are between \$12.25 and \$13.24, Lifeline subscribers will receive \$6.24/month; and

Where local rates are \$12.24 or less, Lifeline subscribers will receive \$5.25/month.

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Under this schedule, Lifeline subscribers paying the highest rates will receive the maximum federal support. Further, this will create rate parity among Lifeline subscribers by linking the level of support to the local rates so the resulting billed amounts are approximately the same for all Lifeline subscribers. Finally, it will attempt to mitigate the effect of the Docket No. C-1628/NUSF transitional period local rate increases by increasing Lifeline support as the local rate increases become effective.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Nebraska Universal Service Fund provide matching funds, effective September 1, 1999, for the Nebraska Lifeline Program.

IT IS FURTHER ORDERED that said matching funds shall be linked to the local rates charged to each Lifeline customer.

IT IS FINALLY ORDERED that additional Lifeline support shall be based upon the schedule set forth above.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of July, 1999.

COMMISSIONERS CONCURRING:

//s//Lowell C. Johnson //s//Frank E. Landis

//s//Daniel G. Urwiller

ATTEST

Executive Directs