

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the ) Application No. NUSF-5/C-2045  
Application of the Commission, )  
on its own motion, seeking to )  
prescribe fair, just, and ) ORDER ACCEPTING AGREEMENT  
reasonable local rates for all ) AND CLOSING INVESTIGATION  
incumbent local rates for all )  
carriers in the state of )  
Nebraska pursuant to Neb. Rev. )  
Stat. Sec. 86-803(4). ) Entered: October 13, 2004

BY THE COMMISSION:

B A C K G R O U N D

On July 7, 2004, the Commission entered herein its Order Investigating Apparent Overpayment, Seeking Repayment and Setting Hearing entered in this matter on July 7, 2004 (the "Order"). In such Order, the Commission noted a clerical oversight that had resulted in apparent overpayments of Nebraska Universal Service Fund ("NUSF") support to K & M Telephone Company, Inc. ("K&M"). As such, the Commission directed the initiation of an investigation of such matter.

Subsequent to the entry of the Order, the NUSF Director and the legal staff of the Commission have met with representatives of K&M to discuss this matter and to review all facts related thereto. The Commission has been advised by the Commission Staff that representatives of K&M have worked cooperatively with the Staff to provide information concerning this matter.

As a result of the discussions between the Commission Staff and representatives of K&M, a Recommendation and Agreement for the resolution of this investigation has been presented to the Commission for consideration. The Commission has conducted its review of the terms and conditions of such Agreement and has concluded that implementation of such Agreement will fairly and reasonably resolve this investigation on a basis that is in the public interest.

F I N D I N G S A N D C O N C L U S I O N S

1. Based upon the Commission's review of the terms and conditions of the Agreement presented to it as a result of negotiations between the Commission Staff and representatives of K&M, the Commission finds that such terms and conditions of such Agreement constitute a fair and reasonable basis to resolve this investigation, and that such resolution is in the public interest.

2. The Agreement that is the basis for resolving this matter shall be placed under seal in the files of the Commission and shall remain confidential. The Agreement shall not be disclosed except as may be specifically required by law or as directed by order of this Commission or by court order, and in any such case only to the extent required by law or in such Commission or court order.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the terms and conditions of the Agreement shall be and are hereby approved, that this docket shall be and is hereby closed, and that no hearing on this matter is necessary.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of October, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director