

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 INVESTIGATING APPARENT
reasonable local exchange rates) OVERPAYMENT, SEEKING
for all incumbent local) REPAYMENT AND SETTING
exchange carriers in the state) HEARING
of Nebraska pursuant to Neb.)
Rev. Stat. Sec. 86-803(4).) Entered: July 7, 2004

BY THE COMMISSION:

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

In the process of compiling company specific support data for Application No. NUSF-26, which is the Commission's proceeding to establish a permanent Nebraska Universal Service Fund (NUSF) funding mechanism, the Commission learned of a clerical oversight which caused apparent overpayments from the NUSF to K & M Telephone Company, Inc., (K & M) of Chambers, Nebraska. It has come to light that NUSF support has been distributed to K & M, and K & M has been receiving NUSF payments, even though it has not raised its business rates to the \$27.50 benchmark. The Commission initiates this proceeding to take evidence identifying the appropriate repayments to be made by K & M and to determine a fair and proper mechanism for repayment of the NUSF monies.

The Commission hereby schedules a hearing date of **August 24, 2004, at 1:30 p.m.**, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska, to take evidence from K & M and Commission staff to create a record identifying the amount of support K & M has been receiving and, to determine a fair and proper mechanism for repayment of the NUSF monies. The Commission believes this course of action will provide fair notice to the parties and will facilitate the expeditious reimbursement to the NUSF.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a proceeding be initiated to create a record identifying the amount of NUSF support distributed to K & M, and to investigate the proper mechanism for implementing the repayment plan.

IT IS FURTHER ORDERED that a hearing be set on **August 24, 2004, at 1:30 p.m.**, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 7th day of July, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director