

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-50
Public Service Commission, on)
its own motion, seeking to make)
adjustments to the universal) ORDER
service fund mechanism)
established in NUSF-26.) Entered: February 6, 2007

BY THE COMMISSION:

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

The Commission initiated this proceeding on December 6, 2005 to consider some adjustments to the universal service fund mechanism established in NUSF-26. The initial order entered on December 6, 2005 sought comment on whether using more current earnings data in the determination of NUSF support would be appropriate. Accordingly, the Commission questioned whether to allow or require quarterly NUSF-Earn Form filings as opposed to the annual filing of the NUSF-Earn Form currently in place.

Comments responsive to this inquiry were filed by the following: the Rural Independent Companies, the Rural Telephone Coalition of Nebraska, and Qwest Corporation. Some of the interested parties filing comments suggested that the quarterly NUSF-Earn Form filing be optional to the carriers.

On January 31, 2007, the Commission held a planning conference to discuss whether the record needed to be supplemented and whether a hearing was necessary. At the planning conference the parties decided that no supplemental comments were necessary and that a hearing was not needed for the Commission to make a decision on this issue.

Based on the comments filed and the discussion at the planning conference the Commission makes the following findings:

1. Carriers may, on a trial basis, have the option of filing quarterly NUSF-Earn Forms as prescribed by this Order, or may choose to stay with the current annual NUSF-Earn Form filing schedule imposed on the carriers.
2. Quarterly reports will be aggregated by the Commission staff into 1 or 3 year averages based upon a company's approved election.

3. Carriers must make a one-time election to file the NUSF-Earn Form either quarterly or annually. The Commission must approve a change in this election.
4. Carriers making the election to file their NUSF-Earn Forms on a quarterly basis should file the earnings information based on the earnings for each quarter separately.
5. The Commission will monitor this optional filing process to see what impact the election to file quarterly versus annually will have on the fund and may at its discretion, after notice to the carriers, modify the procedure.
6. The Commission staff has the authority to adjust all payments so that the total payments do not exceed the available funding for any given period.
7. The quarterly filings shall be fixed and shall be on the following basis: January through March (1st Quarter), April through June (2nd Quarter), July through September (3rd Quarter) and October through December (4th Quarter).
8. The first quarterly NUSF-Earn Form adjustment will be made with the April 2007 payment.
9. The Commission staff has the discretion to decide the details on the implementation of the quarter versus annual NUSF-Earn Form filing requirements and to make adjustments to this process where it is appropriate and where it would ease administrative burdens.

As the Commission is concerned about the time it will take to administer an optional quarterly filing system and make more frequent adjustments to the NUSF distributions, the Commission implements this process on a trial basis. The Commission may continue to consider making the quarterly filing process mandatory for all carriers; or if it is too burdensome administratively, it may make the decision to require only annual NUSF-Earn Form filings.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the findings made herein be and they are hereby adopted.

IT IS FURTHER ORDERED that optional quarterly NUSF-Earn Form filing be permitted on a trial basis as prescribed herein.

IT IS FURTHER ORDERED that the first adjustment due to quarterly filed NUSF-Earn Forms will be made April 2007.

MADE AND ENTERED at Lincoln, Nebraska this 6th day of
February, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director