

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-64
Public Service Commission, on)
its own motion, seeking to)
investigate the use of expense) ORDER SEEKING COMMENT
caps in the earnings)
calculation for Nebraska)
universal service fund support.) Entered: April 8, 2008

BY THE HEARING OFFICER:

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

The Nebraska Public Service Commission (Commission) opened the above-captioned docket on December 19, 2006 to investigate the use of expense caps in the earnings calculation for Nebraska universal service fund support.

On January 31, 2007, the Commission held a workshop so the staff could discuss initial thoughts of how expense caps could be used in the earnings calculation. At the workshop, the rural companies asked the Commission to consider releasing some questions for public comment. On March 6, 2007, the Commission released various questions for public comment.

On October 10, 2007 the Commission entered an order seeking comment on a proposed method for considering expense caps. On November 2, 2007, the Commission entered an Erratum Order and Order extending the comment deadline. Comments responsive to the Commission's November 2, 2007 Order were filed by the Rural Independent Companies (RIC), Qwest Communications (Qwest), the Rural Telecommunications Coalition of Nebraska (RTCN), United Telephone Company of the West d/b/a Embarq (Embarq), and State Auditor, Mike Foley. On December 4, 2007, the Commission held a Pre-hearing Conference to discuss procedural matters related to the hearing.

A hearing was held on March 4, 2008 in Lincoln. At the conclusion of the hearing, the Commission staff proposed that it have an opportunity to release a revised staff model showing the results of proposed changes discussed by Mr. Pursley in his testimony and taking into account testimony by some of the parties at the hearing.

The staff has put together proposed adjustments to the earnings cap model which will be available to parties which

have filed non-disclosure agreements in this proceeding. Parties now have until **April 22, 2008** to file comments or briefs in response to the proposed adjustments released by the staff and any other issue germane to this proceeding.

The Commission requires an electronic copy as well as five (5) paper copies of comments and or briefs. Electronic copies of comments or briefs should be sent to Brandy.Zierott@psc.ne.gov. Service to other interested parties may be accomplished via electronic mail.

O R D E R

IT IS THEREFORE ORDERED by the Hearing Officer in the above-captioned matter that interested persons may file comments or briefs responsive to the revised data and model which is hereby made available to interested parties as described herein. Comments must be filed on or before **April 22, 2008**, as provided above.

MADE AND ENTERED at Lincoln, Nebraska this 8th day of April, 2008.

By: _____
Hearing Officer