

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,	)	Application No. NUSF-7
on its own motion, seeking to	)	
review and approve requests for	)	WITHDRAWN AT APPLICANT'S
modification of the funding	)	REQUEST AND WAIVER GRANTED IN
calculation for the Nebraska	)	PART
Universal Service Fund.	)	
	)	Entered: November 8, 2000

BY THE COMMISSION:

### BACKGROUND

1. On May 18, 1999, the Nebraska Public Service Commission ("Commission") opened this docket to consider requests for additional funding from the Nebraska Universal Service Fund ("NUSF") made by a number of rural incumbent local exchange carriers ("ILEC"s).<sup>1</sup> These ILECs sought a modification of the NUSF funding mechanism set forth in C-1628/NUSF.<sup>2</sup> The companies requesting waivers and made parties to this docket consisted of: Arlington Telephone Company; Cambridge Telephone Company; Clarks Telecommunications Company; Cozad Telephone Company; Eastern Nebraska Telephone Company; Glenwood Telephone Membership Corporation; Hartington Telecommunications, Inc.; Hemingford Cooperative Telephone Company; Hershey Cooperative Telephone Company; Keystone-Arthur Telephone Company; Pierce Telephone Company; Stanton Telecom, Inc.; Three River Telco; United Telephone Company of the West d/b/a Sprint; Consolidated Telephone Company; and the Blair Telephone Company.

2. Shortly thereafter, three additional companies requested to be included in this docket, and, by Commission Order entered May 26, 1999, Curtis Telephone Company, Inc.; Nebraska Central Telephone Company; and Elsie Communications, Inc. were made parties to this docket.<sup>3</sup>

3. On December 2, 1999, Cozad Telephone Company filed a letter requesting that the Commission permit it to withdraw its waiver request. The Commission granted Cozad's request and an order was entered to that effect on December 7, 1999, thereby removing Cozad Telephone Company from this docket.<sup>4</sup>

4. A public hearing was held on December 9, 1999, and again on January 11, 2000. Both hearings took place in the Commission hearing room in Lincoln, Nebraska. Each company was given the opportunity to testify in

<sup>1</sup> In the Matter of the Commission, on its own motion, seeking to review and approve requests for modification of the funding calculations for the Nebraska Universal Service Fund. Application No. NUSF-7, Order Initiating Docket (May 18, 1999).

<sup>2</sup> In the Matter of the Application of the Nebraska Public Service Commission, on its own motion seeking to conduct and investigation into intrastate access charge reform. Application No. C-1628, Findings and Conclusions (January 13, 1999) ("C-1628/NUSF").

<sup>3</sup> In the Matter of the Commission, on its own motion, seeking to review and approve requests for modification of the funding calculation for the Nebraska Universal Service Fund (NUSF). Application No. NUSF-7, Order Adding Parties (May 26, 1999).

<sup>4</sup> In the Matter of the Commission, on its own motion, seeking to review and approve requests for modification of the funding calculation for the Nebraska Universal Service Fund. Application No. NUSF-7, Order (December 7, 1999).

support of its waiver request. In addition, post-hearing briefs were filed and accepted for Commission consideration.<sup>5</sup>

5. On September 26, 2000, the Commission entered an order granting, granting in part, denying, and denying in part requests for additional NUSF funding made by Consolidated Telephone Company, Curtis Telephone Company, Elsie Communications, Inc., Glenwood Telephone Membership Cooperation, Hartington Telecommunications, Inc., Hemingford Cooperative Telephone Company, Hershey Cooperative Telephone Company, Nebraska Central Telephone Company, and Three River Telco.<sup>6</sup>

6. On October 12, 2000, Cambridge Telephone Company ("Cambridge") filed a letter stating that it had decided, after further consideration, to withdraw its waiver request in Application No. NUSF-7. As such, Cambridge respectfully requested the Commission to remove the company from said docket.

#### OPINION AND FINDINGS

7. In the present Order the Commission addresses the waiver requests of Cambridge and Stanton Telecom Inc. ("Stanton"). Cambridge and Stanton filed waiver requests for known and measurable adjustments due to the required implementation of intralata dialing parity.

8. This Commission, being fully informed of the premises herein, is of the opinion and finds that Cambridge's request to withdraw its waiver request should be granted.

9. Stanton made adjustments to their NUSF-EARN form to reflect a loss of intrastate access revenues due to the conversion from terminating-to-origination factors to actual terminating access minutes in the billing of intrastate access.

10. Stanton calculates a loss of intrastate revenues as the annualized intrastate minute-of-use ("MOU") demand, lost due to the billing methodology conversion, multiplied by an average access rate derived by Stanton. Stanton makes an adjustment to their NUSF-EARN form to reflect the loss of intrastate access revenues, but fails to include a similar adjustment to the calculation of intrastate access revenues on their NUSF-REV form.

11. In the review of Stanton's waiver request, and the methodology employed, the Commission finds Stanton's adjustment method to be flawed in two respects.

12. The Commission finds it more appropriate to make an adjustment to the underlying MOU demand on the NUSF-REV form and then calculate an intrastate access revenue decrease. Thus, the Commission calculated an intrastate access revenue decrease, based on the MOU demand provided by Stanton, and then recalculated Stanton's NUSF-EARN and NUSF-REV forms. The intrastate access revenue decrease amount included as an adjustment on the

<sup>5</sup> In the Matter of the Commission, on its own motion, seeking to review and approve requests for modification of the funding calculation for the Nebraska Universal Service Fund (NUSF). Application No. NUSF-7, Order Setting Hearing (November 30, 1999).

<sup>6</sup> In the Matter of the Commission, on its own motion, seeking to review and approve request for modification of the funding calculation for the Nebraska Universal Service Fund. Application No. NUSF-7, Waiver Requests Granted In Part and Denied In Part (September 26, 2000).

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NUSF-EARN form reduces Stanton's overearnings adjustment liability amount. Simultaneously the adjustment to the underlying MOU demand reduces the effects of Stanton's access charge reductions in a like and equal amount on the NUSF-REV form. Thus resulting in a net change to Stanton's NUSF support of zero dollars.

13. The Commission agrees with Stanton that it is reasonable in this case to allow Stanton to make adjustments for this known and measurable event that occurs over the support period and is not adequately reflected in the base period. However, the Commission disagrees with the methodology employed by Stanton and adopts the Commission's methodology as stated above. Therefore, the Commission finds Stanton's request for a known and measurable change due to the conversion to actual terminating access minutes in the billing of intrastate access is reasonable and should be granted in part.

14. The financial information submitted by Stanton has been labeled as confidential. However, the Commission's grant in part of Stanton's waiver request results in no change to Stanton's current NUSF funding amount and, therefore, a separate confidential attachment is not necessary.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Cambridge Telephone Company shall be, and it is hereby, removed from Application No. NUSF-7.

IT IS FURTHER ORDERED that the request for adjustment due to a known and measurable event filed by Stanton Telecom Inc., shall be, and is hereby granted in part.

MADE AND ENTERED at Lincoln, Nebraska, this 8<sup>th</sup> day of November, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION:

COMMISSIONERS CONCURRING:

*[Signature]*

*[Signature]*  
Chairman

*[Signature]*  
JOHNSON

ATTEST:

*[Signature]*  
Executive Director

//s//Anne C. Boyle  
//s//Daniel G. Urwiller

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