BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Petition of the Nebraska Telecommunications Association for Investigation and Review of Processes and Procedures Regarding the Nebraska Universal Service Fund: Application to the Nebraska Broadband Pilot Program (NEBP) received from Three River Communications, LLC.	)	Application No. NUSF-77.18 DENIED Entered: December 3, 2013

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BY THE COMMISSION:

Background

By Application filed March 1, 2013 Three River Communications, LLC (Three River or Applicant) seeks Nebraska Broadband Pilot (NEBP) Program support. Notice of the

Application appeared in the Daily Record, Omaha, Nebraska on March 8, 2013. The Three River application was received into evidence as Exhibit No. 13.

A Petition of Formal Intervention was filed by N.E. Colorado Cellular d/b/a Viaero Wireless (Viaero). Viaero subsequently withdrew its Intervention.

A procedural conference was held on June 19, 2013. With the consent of the applicant, a procedural schedule was adopted. Pursuant to the Procedural Order, the staff's recommendation was filed on August 28, 2013. Pre-filed testimony was filed on September 27, 2013 and reply testimony was filed on October 11, 2013.

On November 5, 2013, the Commission held a public hearing on the application in Lincoln, Nebraska. For administrative efficiency, and with the consent of all parties, the hearing was consolidated with NUSF-77.08 through NUSF-77.17 and NUSF-77.19 through NUSF-77.23. No appearances were entered for Three River.

Project Overview

Applicant is a wholly owned subsidiary of Three River Telephone Company. Applicant is a common carrier subject to the jurisdiction of the Commission. Three River holds a certificate of public convenience and necessity as a competitive local exchange carrier and operates general telecommunications businesses in Nebraska. Its principal office is located in Lynch, Nebraska. Three River applied for NEBP support for one broadband project to serve the rural area north of Ainsworth.

Three River provided a project timeline, a proposed budget showing project costs, a 25 percent match, and a detailed breakdown of the cost elements. Three River provided a depreciation schedule showing the life of the investment. Three River provided a copy of it latest financial report to demonstrate financial qualifications to complete its portion of the proposed project. In addition, Three River provided detailed map information showing the proposed project coverage in census blocks.

Staff Analysis

The Commission staff analyzed each project including the projects filed by Three River. The staff first reviewed the application to determine whether the eligibility requirements had been met. Next, the staff reviewed the application to

determine whether all application requirements listed in Progression Order No. 5 were fulfilled. Each project was then scored.

To score this application, the Commission staff took various pieces of information directly from the applications submitted for each project and utilized in factor development. This data included; retail monthly recurring and nonrecurring end-user rates for the provisioning of broadband service; the speed (Mbps) of the respective service being offered; and the total grant request amount for each project.

Additionally, the staff obtained various other data, from publicly available sources, also used in factor development. This data included: residential monthly recurring rates for voice service and subscriber line charges, if applicable;[1] population and household by census block;[2] area by census block;[3] and broadband availability.[4]

The Commission staff then utilized a group assignment to prioritize areas determined as unserved,[5] using the broadband mapping data as a starting point for its review. Staff triaged the projects into categories, or groups, based on the nature of each area being served and the total cost of each project. Any project comprised completely of unserved areas received a group assignment value of one (1). All remaining projects, containing some hybrid of various levels of unserved and underserved areas, received a group assignment of two (2) through (4), based on the total cost of the project.[6]

The Commission staff noted the dramatic increase in the number of projects submitted resulting in demand which significantly outpaced supply. As such, the Commission staff utilized total cost in the determination of the group assignment

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[1] Company specific publicly filed tariffs.

[2] United States Census Bureau, Census 2010 Summary File 1.

[3] United States Census Bureau,2010 Tiger/Line Shapefiles.

[4] State Broadband Initiative Broadband Mapping Data, April 2013 submission.

[5] *See In the Matter of the Petition of the Nebraska Telecommunications Association for Investigation and Review of Processes and Procedures Regarding the Nebraska Universal Service Fund,* Docket No. NUSF-77, Progression Order No. 5, ORDER at 7 (November 21, 2011).

[6] All projects filed for the NEBP in 2013 are independent of all other projects filed by the same applicant.

in an effort to advance the objectives of the NEBP; expanding broadband service availability to the greatest number of Nebraskans.[7] The staff's group assignment created a priority hierarchy. Within each hierarchy, the project was then scored based on the criteria described in the staff's recommendation.

The staff recommendation did not include support for Three River's NEBP project as funding for the current year was exhausted.

Hearing

Ms. Sue Vanicek, Director of the Department presented testimony at the hearing relative to the recommended adjustments to funding amounts. She testified that the Department reviewed each application and identified certain costs which should be excluded. Ms. Vanicek's testimony was offered and received into the record as Exhibit No. 19.

Mr. Tyler Frost, the staff Economist presented testimony related to the staff's methodology for recommending NEBP support. Mr. Frost provided further details about how the staff reviewed and scored each application. Mr. Frost's testimony was offered and received into the record as Exhibit No. 20.

No testimony in opposition to the staff recommendation was proffered by Three River.

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

Based upon the testimony presented in this particular case, we find the application filed by Three River for 2013 NEBP support should be denied consistent with the staff recommendation. However, we encourage Three River to submit an application for 2014 NEBP support.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Application filed by Three River Telephone Communications, LLC shall be, and it is hereby, denied.

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[7] *See In the Matter of the Petition of the Nebraska Telecommunications Association for Investigation and Review of Processes and Procedures Regarding the Nebraska Universal Service Fund,* Docket No. NUSF-77, Progression Order No. 7, ORDER at 5 (January 15, 2013)(describing the NUSF Act's goal to ensure all Nebraskans have comparable access to advanced services).

MADE AND ENTERED at Lincoln, Nebraska, this 3rd day of December, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

MADE AND ENTERED at Lincoln, Nebraska, this 3rd day of December, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

//s//Anne C. Boyle
//s//Frank E. Landis