

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service.) Application No. 911-019/PI-118
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)
) ORDER RELEASING PROPOSAL FOR
) COMMENT AND SCHEDULING HEARING
)
)
) Entered: June 25, 2013

BY THE COMMISSION:

On February 23, 2010, the Nebraska Public Service Commission (Commission) entered an order pursuant to Neb. Rev. Stat. § 86-465(1)(e) adopting a permanent funding mechanism (911-SAM) and process to provide funding for the implementation and provision of enhanced 911 service.¹ Since its original adoption, the 911-SAM and process has been clarified and amended.²

On September 18, 2012, the Commission entered an order adopting changes to the 911-SAM which included the elimination over a five-year period of the wireless service provider grant program.³ During the five-year transition period the cap on the amount of funds made available through the grant program will be

¹ In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Final Order Adopting Model and Application Process (Feb. 23, 2010). (hereafter, "Order Adopting Model")

² In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Progression Order No. 1 (Apr. 6, 2010); In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Progression Order No. 2 (Sept. 21, 2010); In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Progression Order No. 3 (May 24, 2011); In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Progression Order No. 4 (Aug. 23, 2011); In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Progression Order No. 5 (Aug. 23, 2012).

³ In the Matter of the Nebraska Public Service Commission, on its own motion, to implement provisions of LB 1222 [2006] and to establish a permanent funding mechanism for wireless enhanced 911 service., Docket No. 911-019/PI-118, Order Adopting Proposal and Releasing Adjusted Payments (Sept. 18, 2012).

reduced and the "WSP Support Per Tower" input the 911-SAM will be increased.⁴ As a result, a relatively greater allocation of 911-SAM "Support Available" will be made available to the wireless service provider category for allocation to wireless service providers.⁵ Additionally, the Commission designated capital costs related to the provision of enhanced wireless 911 service as an eligible expense for the monthly payments received by wireless service providers beginning with the 2013-2014 funding year.⁶

Prior to the September 18, 2012 order, capital expenses could be recovered solely through the wireless service provider grant program. With the change, wireless service providers may choose to seek additional grant funding, subject to the applicable "WSP Grant Cap", or to utilize their annual allocation paid to them on a monthly basis over an eleven-month period.

When requesting funds pursuant to the grant program, wireless service providers identify expected capital expenses in the grant application. However, reimbursement is not made until after the wireless service provider incurs the costs and submits to the Commission invoices or other documentation supporting the expenditure. With respect to expenses covered by the monthly payment of the annual funding allocation, an accounting of the funds is made with the filing of the audit and supporting documentation in October following the close of the funding year.

All wireless service provider funding requests for funding year 2013-2014 were due to the Commission on or before April 15, 2013. Three providers included in their requests capital related expenses. Generally, the expenses requested are based upon planned wireless tower implementation and are, by their nature, less certain than the operational expenses historically included as eligible expenses.

The decision to eliminate the grant program was made, in part, to simplify wireless provider funding, increase efficiencies of the program and decrease costs by streamlining the funding process. However, due to the nature of the capital related costs and the fact that they are a function of planned tower implementation, a risk that funding will be provided to carriers but not expended during the funding year leading to the need to require repayment or make adjustments in future funding years.

⁴ Id.

⁵ Id.

⁶ Id.

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

The Commission is concerned that the capital expenses recovered through the monthly payment of the annual allocation may not be incurred as planned during a given funding year. Commission staff has explored options to avoid potential overpayments to carriers while not creating unnecessary administrative burdens on the carriers.

Therefore, staff proposes that a change be made in the method of payment of wireless service providers' allocation and the audit process as follows:

1. The annual allocation for wireless service providers would no longer be paid in equal monthly payments over an eleven-month period. Rather funds would be paid no more than quarterly in arrears based upon receipt of documentation filed by providers for expenses incurred.
2. Wireless service providers could request funds for the prior quarter by filing the documentation and a request by the 15th of the month following the close of the quarter. Wireless service providers could request all or any portion of its annual allocation so long as documentation supporting expenditures could be provided.
3. Expenses for which reimbursement is sought must have been incurred during the current funding year.
4. Further, providers can choose to request funds less frequently.
5. Payment would be made no later than the end of the month following the request for funds.
6. Finally, because documentation would be provided with the request, the requirement that supporting documentation be filed by October 15 for the prior funding year for wireless service providers would be eliminated.

The proposed change in the payment method would not affect the process by which wireless service providers' annual allocations are determined and would not allow a wireless service provider to receive an amount in excess of its annual allocation. Furthermore, this change would not affect the changes previously

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made to the wireless service provider grant program and would not affect the process in place for PSAPs.

The Commission finds that the proposal by staff set forth herein should be released for written comment. All interested parties may file comments on the proposal with the Commission **on or before 5:00 p.m. on July 31, 2013**. All parties filing comments should file one original and five (5) paper copies and email one electronic copy to brandy.zierott@nebraska.gov and angela.melton@nebraska.gov.

Pending resolution of the proposal set forth herein, the Commission finds that the monthly payments to wireless service providers continue to be made for the 2013-2014 funding year.

Furthermore, the Commission finds that a hearing on this matter shall be scheduled for **August 13, 2013 at 1:30 p.m. CDT** in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

If auxiliary aids or reasonable accommodations are needed for attendance at the meeting, please call the Commission at (402) 471-3101. For people with hearing/speech impairments, please call the Commission at (402) 471-0213 (TDD) or the Nebraska Relay System at (800) 833-7352 (TDD) or (800) 833-0920 (Voice). Advance notice of at least seven days is needed when requesting an interpreter.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the staff proposal to modify the payment methods and audit procedures for wireless service provider costs as set forth herein is released for comment.

IT IS FURTHER ORDERED that all interested parties may file comments on the proposal with the Commission **on or before July 31, 2013**. All parties filing comments should file one original and five (5) paper copies and email one electronic copy to brandy.zierott@nebraska.gov and angela.melton@nebraska.gov.

IT IS FURTHER ORDERED that pending resolution of the issue set forth herein, the Commission finds that the monthly payments to wireless service providers continue to be made for the 2013-2014 funding year.

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IT IS FINALLY ORDERED that a hearing on this matter shall be scheduled for **August 13, 2013 at 1:30 p.m. CDT** in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of June, 2013.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Bob Jettison

Guadalupe Lopez

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

Anne Boyle

Chair

ATTEST:

Steve Meredith

Executive Director