BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

| In the Matter of the |) | Application No. NUSF-108 |
|-----------------------------|---|----------------------------|
| Nebraska Public Service |) | |
| Commission, on its own |) | |
| Motion, to make adjustments |) | |
| to its high-cost distribu- |) | ORDER AUTHORIZING PAYMENTS |
| tion mechanism and make |) | |
| revisions to its reporting |) | |
| requirements. |) | |
| _ |) | Entered: January 28, 2020 |

BY THE COMMISSION:

OPINIONS AND FINDINGS

The Nebraska Public Service Commission (Commission) initiated this proceeding on September 27, 2016 to consider certain modifications to the high-cost funding mechanism in the universal service fund program. On November 19, 2018, the Commission entered a Findings and Conclusions Order in Progression Order No. 3, which further set forth a process to challenge the preliminary list of census blocks used to base ongoing support and broadband deployment funding in the highcost program allocation for rate-of-return carriers (ROR carriers). Among its findings in Progression Order No. 4, entered on October 29, 2019, the Commission found that rateof-return carriers should have the ability to use the Commission's challenge process to provide locations that have been built to over the preceding year, but not yet reported through the HUBB data portal. The Commission stated that such locations would be subsequently verified once the HUBB data for the past year is made available.

On October 29, 2019, the Commission entered an order authorizing payments for high-cost support for the 2019 calendar year and commencing the challenge process for determining eligible blocks for 2020 high-cost support. A preliminary list of census blocks was released on the Commission's website on November 1, 2019. Challenges were due on or before December 11, 2019.

In this Order, the Commission concludes the 2020 challenge process and makes a determination regarding authorized high-cost support for calendar year 2020.

In response to the preliminary list of census blocks released on November 1, 2019, the Commission received challenges from the following: Charter Communications, Inc.,

Great Plains Communications, Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Consolidated Telecommunications, Hamilton Telecommunications Co., Inc., Glenwood Telephone Membership Corporation, Diller Telephone Company, Three River Telephone Communications, Benkelman Mainstav Company, Hartman Telephone Company, Wauneta Company, Stanton Telecom, Inc., Hershey Cooperative Telephone Company, Hemingford Cooperative Telephone Company, and Hooper Telephone Company d/b/a WesTel Systems. The challenges submitted were generally categorized as 1) incumbent provider corrections to their own service coverage; 2) carrier challenges to the certified Form 477 data filed by another provider; 3) carriers claiming to serve an area with 25/3 where it had not been previously reported; and 4) Carriers that elected A-CAM support reporting locations that were built to through the end of 2019.

In total, the Commission staff reviewed 1,960 challenges to 1,819 census blocks. The Commission staff recommends approval of 1,755 requests and denial of 35 requests. The staff's recommended disposition of the census block challenges is posted on the Commission's website www.psc.nebraska.gov. We adopt the Commission staff's recommendations. In accordance therewith, the Commission hereby modifies its census block data for the purpose of determining ongoing and broadband deployment support in the model consistent with the findings made herein. We further approved challenges that involved information relative to FCC Form 477 deployment data, that we would expect this to be reflected in the next FCC Form 477 submission made by the carrier.

In addition, we find the amount of support made available for high-cost distribution should be increased to \$40 million. The allocation between grant-based support and ongoing maintenance support will remain the same for price cap carriers, which is 80 percent grant-based support and 20 percent ongoing maintenance support.

The Commission further finds that the 2020 broadband deployment support allocation for price cap carriers in the amount of \$16,403,282 should be held in abeyance pending the resolution of the ongoing proceeding in NUSF-99, Progression Order No. 2, where the Commission is considering raising the

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changes relative to the timeframe and use of support. The Commission expects this proceeding to reach its conclusion in the current calendar year, at which time, the support would be made available for broadband deployment projects in price cap areas.

For the calendar year of 2020, the Commission hereby authorizes its staff to pay up to \$40,000,000.00 in high-cost wireline support pursuant to the model adopted by the Commission in NUSF-26 as modified by subsequent orders issued in NUSF-50 on December 19, 2006, and in NUSF-108. The 2020 high-cost support distribution mechanism is available on the Commission's website at http://www.psc.nebraska.gov.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the challenges received by the Commission by on or before December 11, 2019 in this matter be, and they are hereby, determined as reflected in the census block challenge results posted on the Commission's website.

IT IS FURTHER ORDERED that the Commission staff be authorized to make revised high-cost program disbursements for calendar year 2020 as described above.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this $28^{\rm th}$ day of January, 2020.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director

¹ We note that price cap carriers have not used all of 2019 broadband deployment support and that support, as well as any prior unused support, remains available for current project applications.