

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-99
Public Service Commission, on) PROGRESSION ORDER NO. 2
its Own Motion, to Administer)
the Universal Service Fund) ORDER AUTHORIZING PAYMENTS
High-Cost Program.) AND SETTING PROJECT
) SELECTION DEADLINE
)
) Entered: January 12, 2021

BY THE COMMISSION:

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

On November 4, 2020, the Commission entered an Order Adopting Findings and Conclusions and Initiating Challenge Process which established a revised framework for the NUSF high cost distribution methodology for price cap carriers. Among other things, the Commission's November 4, 2020 Order increased minimum speeds and aligned the support more closely with that of rate-of-return carriers. The Commission also commenced a challenge process for determining eligible census blocks. A preliminary list of census blocks was released on the Commission's website on November 4, 2020. Challenges were due on or before December 1, 2020.

In this Order, the Commission concludes the challenge process and makes a determination regarding authorized high-cost support for calendar year 2021. The Commission also starts the six-month time clock for price cap carriers to select capital improvement projects using their allocated high-cost support.

In response to the preliminary list of census blocks released on November 4, 2020, the Commission staff received challenges from six entities. In total, the Commission staff reviewed challenges to 1,474 census blocks. The Commission staff recommended approval of 1,464 requests and denial of ten requests. Relative to price cap carrier challenges, the Commission received challenges from two entities for 1,266 blocks. All of the price cap carrier challenges were recommended to be approved. The staff's recommended disposition of the census block challenges is posted on the Commission's website at <https://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 eligible support in the model consistent with the findings made herein. We further find for approved challenges that involved updating 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 conjunction with the final list of eligible census blocks, the

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Commission also directs price cap carriers to the list of exchanges posted on the Commission's website. For reference, each exchange includes the maximum reimbursable amount, based on the remaining eligible blocks and locations in each respective exchange.

For the calendar year of 2021, the Commission hereby authorizes its staff to pay up to \$40,015,000.00¹ 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, in NUSF-99, PO No. 2 on November 4, 2020 and in NUSF-108. The 2021 high-cost support distribution mechanism is available on the Commission's website at <https://psc.nebraska.gov>.

With the addition of the high-cost support allocation for 2021, price cap carrier support amounts are as follows:

NUSF-99 High Cost BDS	Citizens	Qwest	United Tel. Co. of the West	Windstream	Total
2017-2020 Unallocated	\$7,072,157.60	\$2,055,198.00	\$1,065,541.67	\$1,560,811.94	\$11,753,709.21
2021 Support	\$2,480,934.50	\$7,011,837.80	\$1,954,859.05	\$4,955,650.25	\$16,403,281.60
Total	\$9,553,092.10	\$ 9,067,035.80	\$ 3,020,400.72	\$ 6,516,462.19	\$ 28,156,990.81

Consistent with the findings in our November 4, 2020 Order in the above-captioned docket, price cap carriers must file their project selections to utilize 95 percent of the allocated NUSF support within six (6) months from the time in which the eligible census block list is finalized. For clarity, we set the deadline for project selection to be on Friday, **July 16, 2021**. Price cap carriers no longer need to file a formal application like they have done in the past. Rather, price cap carriers will file a notice with the NUSF Department with the list of projects they intend to build to, choosing from the eligible list of exchanges released by the Commission. In the case where a carrier does not make the selection for use of 95 percent of the allocated NUSF support within the timeframe adopted, such unused support will be re-allocated for use in a reverse auction.

¹The slight increase in the amount authorized accounts for unused support of rate-of-return carriers and put back into the rate-of-return budget.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the challenges received by the Commission by on or before December 1, 2020 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 2021 as described above.

IT IS FURTHER ORDERED that price cap carriers have until **July 16, 2021** to file project selections with the Commission to utilize 95 percent of the allocated NUSF support consistent with the findings in our November 4, 2020 Order.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 12th day of January, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson
Crystal Brader
Mary Kidden
Tim Schram

Don Watson
Chair

ATTEST:

Michael S. Hyatt
Executive Director