

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	Application No. NUSF-108
Nebraska Public Service)	Progression Order No. 7
Commission, on its Own)	
Motion, to make adjustments)	
to its high-cost)	ORDER SEEKING COMMENT
distribution mechanism and)	
make revisions to its)	
reporting requirements.)	
)	Entered: October 19, 2021

BY THE COMMISSION:

The Nebraska Public Service Commission (Commission) enters this order to consider how certain accounting rules should be applied and reflected in the NUSF-EARN Form for the various federal and state funding sources that provide support for the deployment of broadband. Previously, the Commission solicited comments on certain modifications affecting the carriers classified federally as rate-of-return carriers (RORs). The Commission updated the distribution mechanism for ROR carriers designed to target and track Nebraska universal service fund investments in broadband infrastructure. Subsequently, in Progression Order No. 5, the Commission made certain modifications to the NUSF-EARN Form. The Commission enters this Order to seek comment on the treatment of various funding sources carriers are receiving for broadband deployment as carriers do not uniformly report such information. The lack of uniform reporting may cause differential treatment of the information which could lead to some carriers receiving more and some receiving less in NUSF high-cost distribution support.

Issues for Public Comment

The Commission seeks comment on the questions and issues set forth below.

1. What is the accounting treatment for federal loan forgiveness, such as loan forgiveness through the federal Paycheck Protection Program (PPP) and/or the COVID-19 Economic Injury Disaster Loan (EIDL) advance as provided by the Small Business Association (SBA)? Please also describe how any loan forgiveness amounts should be accounted for within the EARN form. On what basis is the accounting treatment determined? Please provide any references to specific sections of the CFR that may be used in that determination.

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2. What accounting rule should be applied to determine if a federal or state funding source that provides support for deployment of broadband is considered construction support? Would 47 CFR §32.2000, subsection (a) (2) be applicable to funds carriers receive for broadband deployment through programs such as Nebraska Universal Service Fund (NUSF) BDS, NUSF Reverse Auction Support, Nebraska Broadband Bridge Program (NBBP), and other deployment specific funding sources? Please explain and provide any references to specific sections of the CFR that may be used in the determination.
3. If a funding source other than FUSF is accounted as revenue, which line on the EARN form should it be reported as revenue? When accounting for funding as revenue on the EARN form, should an attestation be included to explain the accounting and use of the funds?
4. What accounting treatment would be most appropriate to ensure investments made to plant with use of NUSF BDS funds are accounted for properly on the NUSF-EARN Form? Should BDS and/or other grants be included in the rate base and allowed to earn a rate of return for purposes of calculating ongoing NUSF support? If yes, should they earn the same rate of return or different?
5. What test is used to determine the accounting treatment of various sources of grant funds? Is the treatment determined based on the cost review, invoice review, payment structure (i.e. grant payment received all at once, or in equal installments), or some other method? Please explain and provide any references to specific sections of the CFR that may be used in the determination.
 - a. How would this apply to CARES Act funds provided by the Nebraska Department of Economic Development?
 - b. How would this apply to BDS, reconnect, or other programs?
6. On what basis have carriers opted to apply one accounting treatment for these funding sources over another?

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Comments and Reply Comments

The Commission requests that interested parties provide comments responsive to the issues raised above on or before **November 29, 2021**. Reply comments may be filed on or before **December 14, 2021**. Commenters should file one (1) paper copy and one (1) electronic copy of their Comments with the Commission. Electronic copies should be sent to Cullen.Robbins@nebraska.gov and Brandy.Zierott@nebraska.gov.

A hearing on these issues may be scheduled after the Commission receives comments and reply comments.

O R D E R





IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned docket be open for public comment.

IT IS FURTHER ORDERED that comments responsive to the foregoing questions and issues may be filed on or before **November 29, 2021 and December 14, 2021** in the manner prescribed herein.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 19th day of October, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chair

ATTEST:


Deputy Director