

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	Application No. C-273
Central Nebraska Telephone Company,)	
Blair, Nebraska, for approval of its)	
Investment in Rural Telephone Bank stock)	DENIED
and related interest charges as)	
operating items properly recoverable)	
through the toll settlements process.)	Entered: December 14, 1982

APPEARANCES: For the applicant
Wyman Nelson, Attorney
1645 Front Street
Blair, Nebraska

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed June 24, 1982, the Central Nebraska Telephone Company, Blair, Nebraska, seeks approval of its investment in Rural Telephone Bank stock and related interest charges as operating items properly recoverable through the toll settlements process.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. No protest to the application was filed.

Pursuant to notice required by law, public hearing was held on the application on October 13, 1982 at 9:30 a.m. in the Commission Hearing Room, Lincoln, Nebraska with appearance as set forth above.

Upon consideration of the application, the evidence adduced at the hearing and being fully advised, the Commission is of the opinion and finds that:

1. Applicant is a corporation organized and existing under the laws of the State of Nebraska with its principal place of business at Blair, Nebraska. It is engaged in the telephone business as a common carrier serving 4,121 subscribers through exchanges at Grant, Hayes Center, Imperial, Palisade, Sutherland and Venango, Nebraska.
2. Applicant has obtained financing through the Rural Telephone Bank in order to make plant improvements. As a condition of the loan, applicant was required to purchase Class B stock in the Rural Telephone Bank and the amount of the loan was increased to fund said purchase. Applicant's investment in Rural Telephone Bank stock is \$31,250.
3. The evidence indicates that the inclusion of the Applicant's investment in Rural Telephone Bank stock and interest expense associated therewith, for the Separations study year ended December 31, 1981, would have resulted in additional toll settlements to it of \$4,261.
4. The Commission has historically not allowed investments such as this to be included in the rate base for ratemaking purposes. The requirement to purchase stock as a condition of the loan, is just that, and is accepted by the borrower prior to executing the loan agreement. This amount does not represent plant "used and useful" in providing telephone service to its subscribers.
5. The Application should be denied.

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ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-273 be and it is hereby denied.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of December, 1982.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

ATTEST:

COMMISSIONERS CONCURRING:

Terrence L. Kubicek
Executive Secretary