

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of
Consolidated Telephone Company,
Lincoln, Nebraska, and Keystone-
Arthur Telephone Company, Keystone,
Nebraska, for Authority to Discon-
tinue Extended area service between
Arthur and Keystone and Lemoyne,
Nebraska.

) Application No. C-275

) GRANTED

) Entered: December 28, 1982

APPEARANCES: For the Applicant
Paul Schudel, Esq.
1500 American Charter Center
Lincoln, Nebraska and

Larry G. Carstenson, Esq.
P.O. Box 167,
Aurora, Nebraska

OPINION AND FINDINGS

BY THE COMMISSION:

By application filed July 6, 1982, Consolidated Telephone Company, Lincoln, Nebraska, and Keystone-Arthur Telephone Company, Keystone, Nebraska, seeking authority to discontinue extended area service between Arthur and Keystone and Lemoyne, Nebraska.

Notice of this application was published in the Daily Record, Omaha, Nebraska, on July 8, 1982, pursuant to the Rules and Regulations of this Commission. Further, on the same date, a letter of notification was sent to all interested parties briefly explaining the application and notifying the public that protest to the application must be filed on or before August 9, 1982. There were petitions with approximately 85 signatures filed which stated they opposed any rate increase by the Keystone-Lemoyne Telephone Company. However, no protestants appeared at the hearing. Hearing was held on November 4, 1982, at 9:00 a.m., at the Arthur County Court House.

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, Keystone-Arthur Telephone Company, Keystone, Nebraska, hereinafter referred to as Keystone, is a corporation organized and existing under the laws of the State of Nebraska with its principal place of business in Keystone, Nebraska, and applicant, Consolidated Telephone Company hereinafter referred to as Consolidated is a corporation organized and existing under the laws of the State of Nebraska with its principal place of business in Lincoln, Nebraska.

2. There presently exists extended area service, EAS, between the Arthur exchange of Consolidated and the Keystone and Lemoyne exchanges of Keystone. Each of these areas is approximately 32 miles apart.

3. At the oral hearing on the application, no protestants appeared to oppose the application. There were a number of public witnesses who did appear and offer testimony in support of the discontinuance of the EAS, and Keystone submitted in evidence as Exhibit No. 11 an excess of 90 letters signed by subscribers of Keystone supporting the discontinuance of EAS.

4. Testimony was presented by Mr. William Hill, Vice-President of Keystone, describing the commercial and other essential services available in the villages of Arthur, Keystone and Lemoyne. Mr. Hill also presented evidence as to the source of commercial services such as governmental services and schools for residents in the three exchanges. Such evidence shows that essential local services are obtained outside of the three villages and primarily in Ogallala and North Platte, Nebraska.

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5. Testimony presented at the hearing together with the toll traffic studies which were placed in evidence by both Keystone and Consolidated establish that the community of interest for the Arthur-Keystone and Lemoyne exchanges is with Ogallala, Nebraska, and North Platte, Nebraska, and that the primary community of interest is not between the Arthur, Keystone and Lemoyne exchanges.

6. Testimony was presented by Mr. Clifford Thompson, President of Consolidated, and Exhibit No. 17 was placed in evidence demonstrating that if the EAS is to be continued, new facilities would have to be constructed and that the revenue requirement for the Consolidated portion of such EAS facilities would be \$3.71 per month rate charge. Evidence was presented by Mr. Gene Suponchick, engineering consultant of Keystone, that the cost of the Keystone portion of the EAS facilities, which would also have to be constructed would be \$1.81 per subscriber. (Exhibit No. 12). Based upon the evidence presented concerning calling patterns and the rates and charges for long-distance calls between Arthur, Keystone and Lemoyne exchanges, it appears that average monthly charges for the subscribers in the three exchanges would be less by using direct dialed rates in comparison to the cost associated with installing the new facilities to provide EAS service.

8. It is clear that EAS here at issue involves separate and independent companies. Consolidated has recently installed new outside plant facilities designed for services to subscribers within the Arthur exchange, and Keystone is in the process of designing and installing new facilities, the purpose of which is to upgrade exchange service to its Keystone and Lemoyne exchanges.

9. Application is fair and reasonable, it is in the public interest and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-275 be and it is hereby granted authority to discontinue extended area service between the Arthur exchange of Consolidated Telephone Company and the Keystone and Lemoyne exchanges of the Keystone-Arthur Telephone Company and to substitute toll service between Arthur and Keystone and Lemoyne.

IT IS FURTHER ORDERED that applicant file an appropriate tariff sheet with the Commission.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of December, 1982.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson

Chairman

ATTEST:

COMMISSIONERS CONCURRING:

Terence L. Kubiak

Executive Secretary