

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
 Northwestern Bell Telephone Company,)
 Omaha, Nebraska, for authority to)
 adjust its rates and charges for tele-)
 phone service in the State of Nebraska.)

Application No. C-435

GRANTED IN PART

Entered: December 27, 1983

APPEARANCES: For the applicant
 Richard L. Johnson, Attorney
 100 South 19th Street
 Omaha, Nebraska

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed September 2, 1983, Northwestern Bell Telephone Company, Omaha, Nebraska, seeks authority to adjust its rates and charges for telephone service furnished by it in the State of Nebraska.

Notice of the filing was published on September 9, 1983, pursuant to the provisions of the Commission's Rules and Regulations. The Commission sent a letter of notification to all mayors, community clubs and newspapers in the area served by Northwestern Bell advising that the application had been filed.

Pursuant to notice required by law, public hearings were held on the application at 9:30 a.m. on October 26, 1983 in Grand Island, Nebraska, and November 2, 1983 in Omaha, Nebraska, with appearances as set forth above.

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

1. The applicant is a corporation existing under the laws of the State of Iowa with its general operating headquarters at Omaha, Nebraska. It is a common carrier furnishing general communications services in Iowa, Minnesota, North Dakota and South Dakota, and in Nebraska under the jurisdiction of this Commission.
2. Applicant furnishes local and long distance service at 95 telephone exchanges in Nebraska serving 727,140 company-owned telephones and provides long distance connections to 360 exchanges of other telephone companies in the state.
3. The rates and charges of the applicant now in effect were approved by this Commission in its Order entered January 11, 1983 in Application No. C-227, and as adjusted August 9, 1983 in connection with Application No. C-376.
4. Effective January 1, 1984, represcribed depreciation schedules have been approved for Northwestern Bell Nebraska operations by the Federal Communications Commission. These new schedules will increase intrastate depreciation expense for Applicant in Nebraska and as a result, Applicant's rate of return will be adversely affected. We find that Applicant needs increased rates to produce additional annual revenue of \$6,480,690 to offset these increased expenses.

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5. Applicant's proposed access charges (C-456), which have been approved by this Commission reduce the revenue acquired in this application to \$3,468,000.

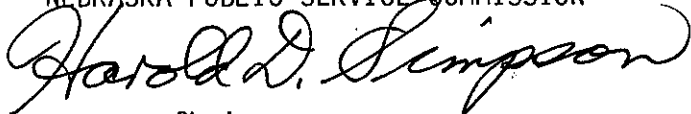
6. The Company proposes to increase basic access line rates by \$.77 for residence and business flat rate and measured services. The Company also proposes to fold Rate Groups B and C to D and F to G. Proposed increases for Incoming Only Trunks range from \$2.09 in Rate Group D to \$2.24 in Rate Group J. Proposed increases for Semi-Public service will raise those rates from 80% to 90% of the Business access line rate. The proposed increase for Service Order and Central Office Line Charges is 15%. These requested rates will result in additional annual revenue of \$3,468,000. We find these requested rates to be reasonable.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-435 be and it is hereby granted in part and the Northwestern Bell Telephone Company be and is hereby authorized to revise its rates and charges, as shown on the attached tariffs, to produce additional annual revenue of \$3,468,000.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of December, 1983.

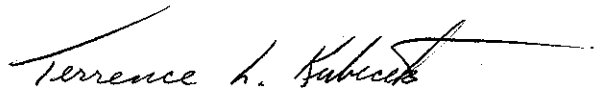
NEBRASKA PUBLIC SERVICE COMMISSION



Chairman

COMMISSIONERS CONCURRING:

ATTEST:



Executive Secretary