

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of Petersburg Telephone Company, Peters- burg, Nebraska, for authority to increase rates on all classes of service.)))))	Application No. C-437 GRANTED Entered: January 10, 1984
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APPEARANCES: For the applicant
John W. Hummel, Attorney
1615 17th Street
Central City, Nebraska 68826

For the Commission Staff
Hal Hasselbalch, Attorney
301 Centennial Mall South
Lincoln, Nebraska 68509

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed September 9, 1983, the Petersburg Telephone Company, Petersburg, Nebraska, seeks authority to increase local service rates.

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 December 8, 1983 at 10:30 a.m. in the Fire Hall, Petersburg, Nebraska with appearances 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 Petersburg, Nebraska. It is engaged in the telephone business as a common carrier under the jurisdiction of this Commission and provides telephone service to 455 subscribers through an exchange at Petersburg, Nebraska.

2. Applicant is engaged in a service improvement program which includes the provision of all one-party service.

3. In order to provide a fair rate of return on its investment in plant and facilities, applicant seeks to increase rates as set forth below and on proposed tariffs attached to the application and incorporated herein.

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	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
Business			
1 party	\$ 6.00	\$17.50	\$11.50
2 party	5.25	-	
Rural	5.00	-	
Residence			
1 party	4.75	15.00	10.25
2 party	4.00	-	
Rural	4.00	-	
Additional telephones			
Business	1.50	2.00	.50
Residence	1.00	1.50	.50

4. Both applicant and the Commission staff presented evidence concerning the financial statements, revenues, expenses and rate base of applicant. Applicant's exhibits for the year 1982 indicate a net operating income of \$7,037. The staff's exhibit agreed with the applicant on the 1982 actual net operating income. Adjustments to the operating statement and rate base were made by both the applicant and the staff. These adjustments will be discussed below.

5. Applicant's rate base was \$1,240,281 and included pro forma plant additions and retirements. The staff's rate base agreed with that of applicant.

6. Staff adjustments to the operating statement represented charitable contributions. The staff exhibit shows adjusted net operating income of \$68,264 giving effect to the rate increase and applicant's pro forma adjustments.

7. Applicant's pro forma adjustments, in addition to the revenue effect of the rate increase, include: increased toll settlements, increased depreciation expense and the income tax effect of the other adjustments.

8. Applicant's pro forma rate of return is 5.5% which is fair and reasonable.

9. The staff presented evidence that prior to the hearing the Chief Engineer had conducted service tests at the applicant's exchange. The testimony indicated that, in view of the eminent replacement of the central office the results were satisfactory. It was recommended that a quarterly trouble index report be filed with the Commission until further notice to insure the implementation of an adequate trouble reporting system.

10. The application is fair and reasonable, is in the public interest and should be granted, effective January 10, 1984.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-437 be and it is hereby granted and the Petersburg Telephone Company be and it is hereby authorized to charge and collect the schedule of proposed rates set forth in the Opinion and Findings herein effective January 10, 1984.

IT IS FURTHER ORDERED that applicant be and it is hereby authorized to revise its tariff as set forth in the Opinion and Findings herein and that a copy of said revised tariff be filed with the Commission.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of January, 1984.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

COMMISSIONERS CONCURRING:

Duane D. Gay

ATTEST:

Terrence L. Kuback
Executive Secretary