

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-482
Benkelman Telephone Company, Benkelman,)
Nebraska, for authority to amend its)
tariff for the monthly rate charged)
for additional telephones and to add a) GRANTED IN PART
monthly rate to charge for Central)
Office Line Charge for Touch Tone)
Service.) Entered: July 10, 1984

APPEARANCES: For the applicant
James A. Lane, Attorney
401 North Spruce Street
Box 119
Ogallala, Nebraska 69153

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed January 10, 1984, the Benkelman Telephone Company, Benkelman, Nebraska seeks authority to increase rates for additional telephones and to add a central office line charge for touch tone service.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. A letter of protest signed by three individuals was filed.

Pursuant to notice required by law, public hearing was held on the application on April 12, 1984 at 9:00 a.m. in the Courthouse, Benkelman, Nebraska with appearance as shown.

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 Nebraska corporation with its principal place of business at Benkelman, Nebraska. It is engaged in the telephone business as a common carrier serving approximately 1,200 subscribers through an exchange at Benkelman, Nebraska.

2. Applicant seeks to increase the rates for additional telephones from \$1.00 to \$1.25 per month for residence and from \$1.25 to \$1.50 per month for business. Applicant indicates that the reason for the proposed increase is to make these rates the same as in its sister company, Wauneta Telephone Company. No need for increased rates was presented. While uniformity is desirable it is not required and could also be achieved by reducing rates at Wauneta. The proposed increase should be denied.

3. Applicant seeks authority to establish a charge of \$1.00 per month per line for touch tone service. A rate of \$1.00 per month presently applies for each touch tone instrument. Applicant seeks approval of the new rate because customers who furnish their own telephone would pay nothing for touch tone. While this proposal would recover costs from those customers using their own equipment it would require an increase of \$1.00 per month for those customers leasing regulated telephone instruments and would, in fact, double the rate for the customer with one phone. This proposal is not reasonable. The proposed rate of \$1.00 per month per line should be allowed but the existing rate of \$1.00 per instrument should be reduced to \$.25 per month.

4. Applicant also proposes to increase the rate for local calls from coin phones from \$.10 to \$.25. This proposal would increase applicant's revenues by an estimated \$180 per year. Applicant presented no evidence of the toll revenue generated by coin phones. A coin phone rate of 20¢ should be allowed.

5. Applicant indicates that its rate of return for 1983 was 3.53%. We note that if that portion of salaries paid to the companies officers which exceed the salary of the Governor of the State of Nebraska are excluded from operations, the earned rate of return would be 9.59%.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-482 be and it is hereby granted in part and the Wauneta Telephone Company be and it is hereby authorized to charge \$1.00 per month for each touch tone line.

IT IS FURTHER ORDERED that applicant's rate of \$1.00 per month for each touch tone instrument be reduced to \$.25 per month.

IT IS FURTHER ORDERED that the proposed increase in additional telephone rates be and it is hereby denied.

IT IS FURTHER ORDERED that a coin phone rate of 20¢ each be and it is hereby authorized.

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

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

COMMISSIONERS CONCURRING:

ATTEST:

John E. Pringle
Executive Secretary