

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the application)	Application No. C-595
of Northwestern Bell Telephone)	
Company, Omaha, Nebraska, for)	ORDER NUNC PRO TUNC
authority to Adjust the Rates and)	
Charges for Telephone Service)	ORDER PURSUANT TO MANDATE
Furnished by it in the State of)	VACATING IN PART PRIOR
Nebraska.)	COMMISSION ORDER
)	
)	Entered: December 23, 1986

OPINION AND FINDINGS

BY THE COMMISSION:

By order dated September 16, 1986, the above-captioned application was granted in part. Subsequent to the entry of the order, a timely appeal of the decision was filed by the applicant with the Nebraska Supreme Court. This appeal was perfected in accordance with law.

A Prehearing Conference was held before Judge Herbert A. Ronin on October 16, 1986. Upon the recommendation of Judge Ronin, applicant agreed to furnish to this Commission after the Conference a county-by-county analysis of its 1986 actual property tax amounts and an analysis of its 1986 management wage adjustment showing the increases and decreases in management compensation by position.

As a result of the discussion at Conference and after review by this Commission of the information submitted by the applicant, the parties decided to bring a full settlement of the appeal.

On November 10, 1986, the applicant and this Commission filed with the Nebraska Supreme Court a Joint Stipulation For Remand And Dismissal and a Joint Motion For Dismissal Of Appeal.

By General Mandate dated December 17, 1986, the Nebraska Supreme Court dismissed the appeal and remanded this matter to the Commission with instructions directing this Commission to enter an order pursuant to the Joint Stipulation filed and accepted by the Nebraska Supreme Court.

This order is entered pursuant to the Nebraska Supreme Court General Mandate and contains those changes described in the Joint Stipulation For Remand And Dismissal entered into by the applicant and this Commission and filed and accepted by the Nebraska Supreme Court pursuant to General Mandate dated December 17, 1986.

ORDER NUNC PRO TUNC

The order entered by this Commission on September 16, 1986, in the above-captioned application is revised with changes specified below. Such revisions have been agreed to by the Commission and the applicant by Joint Stipulation and accepted by the Nebraska Supreme Court by General Mandate. The following revisions to the original order are hereby ordered by the Commission and shall be Nunc Pro Tunc.

1. Paragraph 13 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"13. Property tax changes: Company proposes an adjustment based on the 1986 taxes estimated on the value of property as of December 31, 1985. We find that the company has made a reasonable estimation of these taxes, that these expenses are known and measurable and are therefore appropriate for inclusion in this proceeding. This adjustment results in a decrease in net telephone earnings of \$445,104."

2. Paragraph 17 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"17. Management compensation adjustment: Company proposes to increase operating expenses based on a study of management compensation by Hewitt Associates. We find that this is a known and measurable change which will be considered in this proceeding. The effect of this adjustment is to decrease net telephone earnings by \$440,695."

3. Paragraph 31 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"31. We find that, based on the adjustments set forth above, applicant's net telephone earnings for the 1985 test year were \$38,004,287."

4. Paragraph 47 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"47. Applicant shall file tariffs which incorporate the staff proposals concerning rate grouping, an EAS additive and discontinuing the additional monthly charge for touch tone service and recovering the current annual revenue being generated by the applicant's touch tone service by an access line rate assessed against all subscribers."

5. Paragraph 48 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"48. Net telephone earnings of \$38,004,287 produces a rate of return of 10.27% on a rate base of \$370,020,489."

6. Paragraph 49 of the order entered September 16, 1986 is deleted in its entirety and the following paragraph substituted in its place.

"49. An increase in revenue of \$7,914,366 is required to produce a return of 11.35%. The application should be granted in part and applicant should file for approval a schedule of rates decreasing the interim rates put into effect by the applicant on January 8, 1986 in an annual amount of \$2,960,634. Applicant should also file a plan of refund no later than December 1, 1986."

7. The "Order" section of the order entered September 16, 1986 is deleted in its entirety and the following "Order" substituted in its place.

"IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-595 be and it is hereby granted in part and the Northwestern Bell Telephone Company be and it is hereby authorized to increase its rates and charges to produce additional annual revenue of \$7,914,366.

IT IS FURTHER ORDERED that applicant submit for approval a schedule of rates and charges that will produce additional annual revenue of \$7,914,366 in accordance with the directions specified herein and a plan of refund."

ORDER VACATING IN PART PRIOR COMMISSION ORDER

IT IS ORDERED by the Nebraska Public Service Commission that paragraphs 13, 17, 47, 48, and 49 and the "Order" section of the September 16, 1986 order in the above-captioned application be vacated and changed as specified in the Order NUNC PRO TUNC entered above. The remainder of the text of the order entered September 16, 1986 shall remain intact.

IT IS FURTHER ORDERED that the terms of this order shall be effective as of September 16, 1986, the entry date of the original order. Paragraphs 13, 17, 47, 48, and 49 and the "Order" section of the September 16, 1986 order shall be vacated and be void and without force or effect from the time the original order was entered. The remainder of the text of the original order shall in all other respects remain in force and effect as originally entered.

IT IS FURTHER ORDERED that the attached order shall henceforth be considered the Commissions' order in Application No. C-595.

MADE AND ENTERED at Lincoln, Nebraska this 23rd day of December, 1986.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Acting Chairman

ATTEST:

Donald A. [Signature]
Executive Secretary

COMMISSIONERS CONCURRING:

Duane D. Gay
//s//James F. Munnelly
//s//Harold D. Simpson