

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-597
United Telephone Company of the West,)
Scottsbluff, Nebraska, for authority to)
file new tariffs in section 15 and 23)
of the United Telephone Company of the)
West General Exchange Tariff.) GRANTED IN PART
Entered: November 5, 1985

APPEARANCES: For the applicant
Ann McElhenny, Attorney
6666 West 110th Street
Overland Park, Kansas 66211

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed June 11, 1985, United Telephone Company of the West, Scottsbluff, Nebraska seeks approval of sheets in Sections 15 and 23 of its tariff.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. Letters of protest were received from Timothy D. Weins and and Jack Lockwood of Kimball, Nebraska.

Pursuant to notice required by law, public hearing was held on the application on September 19, 1985 at 9:30 a.m. in the Courthouse, Kimball, 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 wire common carrier under the jurisdiction of this Commission and furnishes telephone service in 13 exchanges in Nebraska.
2. Applicant seeks approval of tariffs containing rates and regulations pertaining to customer provided coin telephones. Applicant's Exhibit 3 sets forth the proposed tariff changes.
3. Rates proposed for customer provided coin phone lines are \$25.00 per month for access and \$30.00 flat rate usage and, where measured service is available, \$25.00 per month access and 10¢ each for 1-200 calls, 8¢ each for 201-400 calls and 6¢ each for all over 400 calls, which rates are comparable to those approved for other telephone companies.
4. Applicant's witness, Bill C. Terry, testified that the proposed rates were intended to replace the revenue from coin phones which it was anticipated would be lost as a result of customer-provided coin phones. A special coin phone study was conducted for October 1984 thru February 1985 which showed average local revenue per phone of \$34.65 for the period. This was the basis for the measured rate proposal and for the \$30.00 flat rate usage proposal. The \$25.00 access line rate was based on a cost study (Exhibit No. 4) which showed that for 1984 the non-traffic sensitive revenue requirement per access line was \$20.17.

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5. Mr. Weins testified that if the rate were the same as the business line rate that more coin phones would be installed. He also felt that at the proposed rate the telephone company would realize more revenue than it does now.

6. Based on applicant's cost study (Exhibit No. 4) and the testimony adduced at the hearing we find that the access line rate should be \$20.00.

7. Based on applicant's cost study (Exhibit No. 4) the B-1 rate is less than its cost. The \$34.65 coin revenue number was an average of all coin phones. Obviously some phones will generate more than average revenue. In the study mentioned by Mr. Terry, almost one-half of the revenue was produced by only 7.9% of the phones. These are the phones most likely to be replaced. For new coin phone installations which do not replace company phones, it is likewise necessary that the company recover its cost and not furnish such service at less than its cost.

8. Applicant should keep monthly records of the number of company-provided and customer-provided coin phones and the revenue associated with each and at the end of six months furnish a report to the Commission.

9. The application is fair and reasonable and should be granted in part.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-597 be and it is hereby granted in part and the United Telephone Company of the West be and it is hereby authorized to revise its tariff as set forth in the Opinion and Findings herein.

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

IT IS FURTHER ORDERED that applicant report to the Commission at the end of six months as set forth in the opinion and findings.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of November, 1985.

NEBRASKA PUBLIC SERVICE COMMISSION

Harold D. Simpson
Chairman

ATTEST:

Donald Adams
Executive Secretary

COMMISSIONERS CONCURRING: