

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the application of )	Application No. C-598
AT&T Communications of the Midwest, )	
Inc., Omaha, Nebraska, for approval of )	DENIED
revisions and additions to its Message )	
Telecommunications Service. )	Entered: January 28, 1986

APPEARANCES: For the applicant  
Mark E. Belmont, Attorney  
10825 Old Mill Road  
Omaha, Nebraska 68154

For the protestants  
Brian F. Beckner, Attorney  
258 North State  
Osceola, Nebraska 68651

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed July 2, 1985, AT&T Communications of the Midwest, Inc., Omaha, Nebraska seeks approval of revisions and additions to its Message Telecommunications Service Tariff which would discontinue the Optional Calling Plan.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. A number of letters protesting the application were filed.

Pursuant to notice required by law, public hearing was held on the application on December 12, 1985, at 9:00 a.m. at Wahoo, Nebraska; on December 13, 1985 at Plattsmouth, Nebraska; and on December 16, 1985 at Osceola, Nebraska with appearances 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 an Iowa corporation duly authorized to do business in the State of Nebraska with its principal place of business at Omaha, Nebraska. It is engaged in the telephone business as a common carrier subject to the jurisdiction of this Commission.
2. Applicant seeks to discontinue the offering of the Optional Calling Plan. The Optional Calling Plan has been in existence since prior to the divestiture of the Bell System and provides for one hour of calling for a fixed rate to exchanges up to 15 miles or up to 25 miles from the subscriber's exchange.
3. Gerald Christensen, District Manager-Pricing, testified for the applicant. Because of the cost of access charges, AT&T is incurring losses of approximately \$330,000 per year on the Optional Calling Plan. The access charges paid by AT&T to the local exchange companies is \$1.01 per 5 minute call, whereas the Optional Calling subscriber pays \$ .36 per call. Applicant's evening message toll rate for a similar 5 minute call is \$ .73.

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4. Bill Ashburn, Business Relations Manager for The Lincoln Telephone and Telegraph Company testified that there were 3,489 LT&T subscribers to the Optional Calling Plan who would be affected by applicant's proposal to discontinue the interLATA portion of the plan. He further indicated that LT&T would continue to offer the plan for intraLATA calling.

5. Public witnesses testifying in opposition to the application numbered 6 at Wahoo, 21 at Plattsmouth and 11 at Osceola.

6. The evidence indicates that while applicant is losing money on each Optional Calling Plan call, it is also losing money on each evening call (\$1.01-\$.73= \$.28) and even more on night calls where the discount is greater. Based upon the public testimony there is a substantial need for the service.

7. Mr. Christensen indicated that the company was studying other types of optional calling plan. This, as well as other possible steps to alleviate applicant's problem deserve consideration before discontinuance of the service. Among these are a reduction in the access charges (An application dealing with access charges is presently pending before the Commission wherein this subject could be considered), an increase in the rate for optional calling, and the certification of exchange companies as interexchange carriers for the express purpose of completing Optional Calling Plan Calls. None of these alternatives are presented in this application.

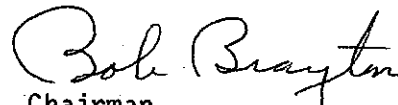
8. The application should be denied.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-598 be and it is hereby denied.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of January, 1986.

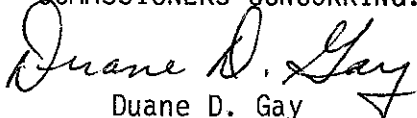
NEBRASKA PUBLIC SERVICE COMMISSION

  
Chairman

ATTEST:

  
Executive Secretary

COMMISSIONERS CONCURRING:



Duane D. Gay

Bob Brayton

James F. Munnelly

Eric Rasmussen

Harold D. Simpson