

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the matter of the application of	)	Application No. C-668
Vega, Inc., dba Northwestern Person	)	
to Person Telecommunications, Inc.,	)	GRANTED AS MODIFIED
for authority to provide resale	)	
service.	)	Entered: January 13, 1987

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed July 28, 1986, Vega, Inc., dba Northwestern Person to Person Telecommunications, Inc., a Colorado corporation, seeks a Certificate of Public Convenience and Necessity authorizing it to provide interexchange long-distance service within the State of Nebraska.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations.

A protest to the granting of the application was filed by the Lincoln Telephone and Telegraph Company; however, such protest was withdrawn after Applicant amended its application to seek only interLATA authority.

Pursuant to Rule 018.3 of the Rules of Commission Procedure, on the Commission's own motion, this application has been processed administratively by the use of an affidavit.

Upon consideration of the affidavit of James M. Adkins, Jr., a Director of Vega, Inc., and the Vice President of Commercial Engineering Services, Inc., a Nebraska corporation which is a majority shareholder of Vega, Inc., and upon consideration of the application and the attachments thereto, the Commission is of the opinion and finds that:

1. Applicant is a Colorado corporation with its principal office located in North Platte, Nebraska.
2. A majority of the stock of Vega, Inc. is held by Commercial Engineering Services, Inc. of North Platte, Nebraska. Commercial Engineering Services, Inc. has been engaged in the commercial telephone sales and service business since 1976.
3. Northwestern Person to Person Telecommunications, Inc. has provided reduced rate long-distance service in the States of Colorado and Kansas since 1985.
4. Applicant seeks the issuance of a Certificate of Public Convenience and Necessity to provide intrastate, interLATA, interexchange telecommunications service through the resale of long-distance services. Applicant will utilize Feature Group A and B access lines to provide the proposed service.

5. The State of Nebraska has been divided into three Local Access and Transport Areas (LATAS) pursuant to the terms of the Modified Final Judgment (MFJ) entered in United States v. American Telephone & Telegraph Co., 552 F.Supp. 131 (D. D.C. 1982), aff'd sub nom., California v. United States, 460 U.S. 1001 (1983) and United States V. American Telephone & Telegraph Co., 569 F.Supp. 990 (D. D.D. 1983), aff'd sub nom., California v. United States 460 U.S. 1001 (1983). Under the terms of the MFJ, AT&T Communications is allowed to provide telecommunications services between LATAS while the Bell Operating Companies such as Northwestern Bell are restricted to providing services only within such LATAS.

6. The Commission is governed by the provisions of Section 75-604, Revised Statutes of Nebraska, in granting certificates of public convenience and necessity. Such Section states:

"Telephone lines; construction; extension into territory served by another telephone company; certificate of convenience and necessity; application; notice; hearing; findings required. No person, firm, partnership, corporation, cooperative, or association shall offer telephone service or shall construct a new telephone line or extend an existing line into the territory of another telephone company without first making an application for and receiving from the Commission a certificate of convenience and necessity, after due notice and hearing under the Rules and Regulations of the Commission. Before granting a Certificate of Convenience and Necessity, the Commission must find that (1) the territory in which the applicant proposes to offer telephone service is not receiving reasonably adequate telephone service; (2) that the portion of the territory of another telephone company in which or into which the applicant proposes to construct new lines or extend its existing lines is not and will not within a reasonable time receive reasonably adequate telephone service from the telephone company already serving the territory; or (3) the application is agreeable to the subscriber or subscribers and to both telephone companies involved in the matter, will not create a duplication of facilities, and is in the interest of the public and the party or parties requiring telephone service."

7. While this statute, by its language, refers to local exchange service, in Northwestern Bell Telephone v. Consolidated Telephone Co., 180 Neb. 268, 142 N.W.2d 324 (1966), the Nebraska Supreme Court held that long distance service was also subject to its provisions.

8. The statutory language requires that the Commission make finding (1), finding (2) or finding (3). Thus, if any one of the conditions is met, the other findings are not required.

9. Since the protest to this application has been withdrawn, there exists no opposition to this application.

10. While no public witnesses testified either for or against this application, testimony in other hearings before this Commission concerning establishment of competitive intrastate interLATA telecommunications services leaves little doubt that subscribers would use the services of the applicant for both interstate and intrastate calls.

11. The Applicant does not propose to construct facilities to be used only for intrastate service. The Applicant has no plans to construct lines or other facilities in order to provide its proposed intrastate, interLATA services other than the installation of switching facilities, which would also be used for interstate services.

12. The Affidavit of James M. Adkins, Jr. establishes that Commercial Engineering Services, Inc. of North Platte, Nebraska will be substantially responsible for the provision of the proposed service in Nebraska. Commercial Engineering Services, Inc. has substantial background experience in telephone sales and service, and has been engaged in that business since 1976. Additionally, Vega, Inc., through its affiliates has been engaged in the sale of long-distance services since 1985 in both Kansas and Colorado. It is apparent Applicant has the technical, managerial and financial qualifications to provide the proposed intrastate interLATA services as outlined in the proposed tariff attached to the affidavit. Applicant intends to maintain office and technical personnel in North Platte, Broken Bow, Kearney, Grand Island, Omaha and Sidney.

13. Having considered the aforementioned affidavit and the application as a whole, we find that the application is agreeable to the subscribers, and to the telephone companies involved, will not create a duplication of facilities and is in the public interest and the interest of the parties requiring service.

14. As part of its affidavit, the Applicant has requested regulatory treatment consistent with that established by Order of this Commission dated August 5, 1985 and entered in Applications No. C-497 and C-552.

15. Any certificated telecommunications common carrier furnishing interLATA service within this State may file with this Commission for its approval, tariffs containing a range of rates and charges for intrastate interLATA service furnished to Nebraska subscribers. The rates and charges may be varied by the company on one-day's notice to the Commission. The proposed tariff filed by Vega, Inc. dba Northwestern Person to Person Telecommunications, Inc. should be approved.

16. This Commission has adopted the FCC Uniform System of Accounts for Class A and B telephone companies and its own uniform system of accounts for Class C and D telephone companies. We find that since the FCC has not required the so-called non-dominant carriers to adopt the Uniform System of Accounts, it is appropriate to allow such non-dominant companies, including Applicant, to follow the same accounting methods as required by the FCC.

17. Applicant should be required to file an annual report with this Commission consisting of a copy of any report filed by it with the FCC, a copy of the annual report to the stockholders, and for Nebraska on a combined interstate intrastate basis, the investment in telephone plant located within this State, accumulated depreciation thereon, operating revenues, operating expenses and taxes.

18. This Commission has approved tariffs of the exchange carriers for access service which contain differentials for Feature Groups A and B versus Feature Groups C and D. In Application Nos. C-497 and C-552, the Commission found that

a 25% discount for Feature Groups A and B was appropriate for intrastate interLATA access.

19. The application is fair and reasonable, is in the public interest and should be granted as modified.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-668 be and it is hereby granted as modified and that Vega, Inc., dba Northwestern Person to Person Telecommunications, Inc., be and it is hereby authorized to provide intrastate interLATA telecommunication services in the State of Nebraska.

IT IS FURTHER ORDERED that this Order be and it is hereby made the Commission's official Certificate of Public Convenience and Necessity to the Applicant to provide intrastate interLATA service through the resale of long-distance services.

IT IS FURTHER ORDERED that the proposed tariff of Vega, Inc., dba Northwestern Person to Person Telecommunications, Inc. be and it is hereby approved.

IT IS FURTHER ORDERED that applicant shall file in accordance with applicable statutes, an annual report with this Commission consisting of: (1) a copy of any report filed with the FCC, (2) the annual report to stockholders, and (3) for the State of Nebraska, on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the State, accumulated depreciated thereon, operating revenues, operating expenses and taxes.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of January, 1987.

NEBRASKA PUBLIC SERVICE COMMISSION

*Eric Rasmussen*  
Chairman

ATTEST:

*Donald Adams*  
Executive Secretary

COMMISSIONERS CONCURRING:

*Quane D. Gay*

//s//James F. Munnelly

//s//Eric Rasmussen

//s//Harold D. Simpson

//s//Daniel G. Urwiller