

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application     )     Application No. C-679  
of Pierce Telephone Company,         )  
Pierce, Nebraska for authority to     )     GRANTED IN PART  
increase its established schedule     )  
of rates.                                 )     Entered: March 31, 1987

APPEARANCES: For the applicant  
William E. Webster, Attorney  
116 West Main Street  
Pierce, Nebraska

For the Commission Staff  
Hal Hasselbalch, Attorney  
301 Centennial Mall South  
Lincoln, Nebraska

BY THE COMMISSION:

By its application filed August 21, 1986, Pierce Telephone Company, Pierce, Nebraska seeks authority to increase rates.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. No formal protest to the application was filed; however, several letters of protest were received.

Pursuant to notice required by law, public hearing was held on the application on March 19, 1987 at 10:30 a.m. in the Pierce County Courthouse, Pierce, Nebraska with appearances as shown.

OPINION AND FINDINGS

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 corporation organized and existing under the laws of the State of Nebraska with its principal place of business at Pierce, Nebraska. It is engaged in the telephone business as a common carrier under the jurisdiction of this Commission and provides telephone service to subscribers through exchanges at Pierce and Hoskins, Nebraska.
2. Applicant's present rates and charges were approved by the Commission in its order entered January 24, 1984 in Application No. C-473. In that case an 8.8% rate of return on net plant rate base was approved by the Commission. Applicant seeks in this application to realize additional revenues to earn the 8.8% rate of return.

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3. Pursuant to stipulation of the parties, written testimony and exhibits of William W. Fogle and Robert M. Eddy for the applicant and John Burvainis, Bobette Murtaugh and Maurice Gene Hand for the Commission Staff were received in evidence.

4. Applicant's net plant rate base as of December 31, 1985 is \$959,609. Adjusted operating results for the year 1985 reflect net operating income of \$57,866, or an earned rate of return of 6.03%. Adjustments to the operating statement include the annualization of increased end user access charges, an adjustment of access revenues to reflect new tariffs, out of period adjustments and the amortization of profit sharing contributions.

5. The evidence indicates that applicant's currently authorized rate of return of 8.8% continues to be fair and reasonable considering its capital structure and in comparison with the earnings of other telephone companies.

6. In order to realize the 8.8% rate of return, an increase in annual revenue of \$41,005 is required.

7. Schedule A, attached hereto and incorporated herein by reference, sets forth applicant's present and proposed rates along with the rates which will produce the \$41,005 revenue increase. These allowed rates should become effective on the first billing date following the date of this order.

8. As modified herein, the application is fair and reasonable, is in the public interest and should be granted in part.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-679 be and it is hereby granted in part and the Pierce Telephone Company be and it is hereby authorized to charge and collect the schedule of allowed rates set forth on Schedule A attached hereto effective on the next billing date following the date of this order.

MADE AND ENTERED at Lincoln, Nebraska, this 31st day of March, 1987.

NEBRASKA PUBLIC SERVICE COMMISSION

*Eric Rasmussen*  
Chairman

COMMISSIONERS CONCURRING:

*Quane D. Gay*  
//s//James F. Munnelly  
//s//Eric Rasmussen  
//s//Harold D. Simpson  
//s//Daniel G. Urwiller

ATTEST:

*John Burvainis*  
Acting Executive Secretary