

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-758
of MidAmerican Long Distance Com-)
pany, Omaha, Nebraska for a Certi-)
ficate of Public Convenience and) GRANTED
Necessity to provide InterLATA)
Interexchange Telecommunications)
Services within the State of)
Nebraska.) Entered October 25, 1988

APPEARANCES: For the applicant
Michael A. Smith, Attorney
12165 West Center Road, Suite 52
Omaha, Nebraska 68144

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed June 20, 1988, MidAmerican Long Distance Company, Omaha, Nebraska seeks a Certificate of Convenience and Necessity to provide interLATA interexchange telecommunications services 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. No protests to the application were filed.

Pursuant to notice required by law, public hearing was held on the application on September 13, 1988 at 1:30 p.m. in the Commission Hearing Room, Lincoln, 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 corporation organized and existing under the laws of the State of Nebraska with its principal place of business in Omaha, Nebraska. It is engaged in the business of interexchange telecommunications services.

2. Over 90% of the stock of applicant is owned by MidAmerican Communications Corporation, the stock of which is in turn controlled by two corporations which are subsidiaries of Ariadne Australia Limited.

3. MidAmerican Long Distance Company (MALD) plans to provide intrastate interLATA long distance services to residence and business customers primarily in the Omaha and Lincoln LATA's and primarily through resale of long distance facilities leased from other carriers. It currently provides interstate service to Nebraska subscribers.

4. Three witnesses testified for applicant: Martin Freidel, Staff Attorney and Assistant Secretary; Daniel Munger, Vice President of Network Services; and Lyle Pedersen, Vice President and Treasurer.

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5. Mr. Freidel described the structure and territory served by MALD. The company currently operates in 10 other states: Arizona, Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, New Mexico, North Dakota and Wisconsin.

6. Dan Munger testified concerning the makeup of the company's system. MALD has leased digital facilities from other carriers and utilizes digital switches to complete calls making the system 100% digital and ISDN compatible. Mr. Munger also explained the company's procedures for handling billing and service complaints.

7. Mr. Pedersen's testimony covered the financial condition of the applicant. MALD has experienced operating losses which were caused by the rapid growth of the company (revenues increased 100 times in four years) and the substantial investments made in digital facilities. Mr. Pedersen feels that management and other changes have and will permit profitable operation in the near future. The company has an \$11,000,000 line of credit with Star Bank NA, Cincinnati, Ohio. Pro forma projections of the income statement indicate an operating profit for the first six months of 1989.

8. The application is fair and reasonable, is in the public interest and should be granted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-758 be and it is hereby granted and MidAmerican Long Distance Company be and it is hereby authorized to provide interLATA interexchange telecommunications services within 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 furnish the service authorized herein.

MADE AND ENTERED at Lincoln, Nebraska, this 25th day of October, 1988.

NEBRASKA PUBLIC SERVICE COMMISSION

Daniel G. Urwiller

Chairman

COMMISSIONERS CONCURRING:

Joanne D. Gay

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

ATTEST:

Pat R. Schaefer
Executive Secretary