

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the application) Application No. C-787
of GTE North, Inc., Grinnell, IA)
for authority to accelerate the) GRANTED
amortization of inside wire.)
) Entered: December 19, 1989

BY THE COMMISSION:

By its application filed October 11, 1989, GTE North, Inc. (GTE), Grinnell, IA seeks authority to accelerate the amortization of inside wire.

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.

Applicant is a telecommunications common carrier under the jurisdiction of this Commission providing exchange, interexchange and other communications facilities and services in 37 exchanges in Nebraska.

On March 1, 1983, the Commission entered an order adopting Rules and Regulation No. 65 and further ordering the deregulation of inside wire and establishing an amortization schedule over an eight year period beginning June 1, 1983 and continuing until May 31, 1991; said order to apply to all telecommunication companies including the applicant.

GTE now seeks to accelerate the current amortization of Account 2321, customer premise wiring to end May 31, 1990. The effect of this proposal is shown below:

<u>Year</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>	<u>Intrastate Effect</u>
1989	\$445,000	\$759,000	\$314,000	\$235,000
1990	445,000	316,000	(129,000)	(97,000)
1991	185,000	0	(185,000)	(138,000)

Applicant alleges that the application is in the public interest in that the revenue requirement for the years 1990 and 1991 will be reduced which will position the company in a more favorable competitive status.

Applicant proposes that this change be effective January 1, 1989. No change in rates is proposed as a result of the additional expense in the year 1989, nor in any reduction in rates proposed for 1990 or 1991.

No Application has been made to the FCC to change the interstate portion of the amortization and no such change has been proposed in any other state in which the applicant operates.

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Granting of this application will result in increased expenses for the year 1989 of \$235,000 and reduced expenses in 1990 of \$97,000 and in 1991 of \$138,000.

The March 1, 1983 order referred to herein was applicable to all telephone companies. This application by GTE has no effect on the amortization of customer premise wiring by any other Nebraska telephone company.

While reduction of the revenue requirement in future years will benefit the ratepayers, this Commission is of the opinion and finds that funds available for reinvestment in capital improvements will also be increased and applicant should therefore file with the Commission for its approval with 90 days of this order a plan for additional capital investment in Nebraska of \$235,000 for the two year period 1990 and 1991 (less provision for income taxes).

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-787 be and it is hereby granted and GTE North, Inc., Grinnell, Iowa is hereby authorized to accelerate the amortization of the intrastate portion of Account 2321, customer premise wiring to end May 31, 1990, said change to be effective January 1, 1989.

IT IS FURTHER ORDERED that applicant submit within 90 days of this order, for Commission approval, a plan for additional capital investment in Nebraska of \$235,000 (less provision for income taxes) for the two year period 1990 and 1991.

MADE AND ENTERED at Lincoln, Nebraska this 19th day of December, 1989.

NEBRASKA PUBLIC SERVICE COMMISSION

Daniel G. Uviller

Chairman

COMMISSIONERS CONCURRING:

//s//Frank E. Landis, Jr.

//s//James F. Munnelly

//s//Eric Rasmussen

ATTEST:

[Signature]
Executive Director