

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-889
Silverado Communications Corp.,)
Englewood, Colorado, seeking)
authority to provide automated) GRANTED
collect and operator assisted service)
within the state of Nebraska.)
) Entered: July 16, 1991

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed April 30, 1991, Silverado Communications Corporation of Englewood, Colorado, asks for authority to provide automated collect and operator assisted 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. No protests to the application were filed.

Pursuant to notice required by law, public hearing was held on the application on June 26, 1991, in the Commission Hearing Room, Lincoln, Nebraska.

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 incorporated in the state of Colorado with its principal office in Englewood, Colorado. Applicant was established in 1987 as a private pay phone company. Applicant is presently doing business in ten states. The predominant portion of applicant's clients are correctional facilities and institutional settings. Applicant is currently in the process of installing their services in correctional facilities of the city and county for Denver. Applicant utilizes AT&T and MCI facilities. Advance deposits are not required for services rendered to customers. Applicant does not serve residential customers.

2. Mr. Patrick Moore, Vice President of sales and marketing, testified on behalf of the applicant. Part of his duties include development of commission plans and interfacing with telemarketers. His primary duties for the last two months have been the establishment and filing of tariffs and seeking certification in various states. Mr. Moore testified that applicant employs twenty-two people.

3. Correctional facilities require many unique telecommunications features. Terminating calls back into a correctional facility are not allowed. The called party must either accept or reject the collect call. The equipment has the capability to

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record the necessary billing information with a store and forward feature. Applicant brands it calls by saying, "SCC, you have a call from the county jail from -- (the inmate's name will be spoken, and then it will say) -- if you care to accept, press zero." Applicant charges for a local call at a measured rate. Applicant informed the Commission about the "passive accept" option of the system in rotary dial switches. An assurance was given by Mr. Moore that "active accept" was the standard and these types of calls would not be accepted automatically unless prior authorization was given. Applicant's rates are higher than the dominate carrier, however, Mr. Moore testified that they are competitive with what are charged for inmate services.

4. Applicant has asked for a waiver regarding some of the Commission rules and regulations. The Commission finds that applicant at this time is in compliance with subsection 002.14D1, under Rule 002.14 Customer provided Semi-Public Telephones, whereby a company must be able to access 911 Emergency Service, where available, at no charge, without using a coin, because within correctional settings 911 is "not available" for security reasons. The Commission also finds that Applicant at this time is in compliance with subsection 002.14D3 by filing this application for authority to become an interexchange carrier. The Commission finds that all other applicable rules and regulations must be followed.

5. Applicant filed a balance sheet which reflects assets of \$1,187,318. The company has experienced a net income for the twelve months ending December 31, 1990 of \$436,610. The company anticipates an audit in late July or early August, 1991 and will provide a copy of the audited financial statements upon request. Applicant possess the technical and financial support necessary to provide the proposed service.

6. 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-889 be and it is hereby granted and Silverado Communications Corporation of Englewood, Colorado be and it is hereby authorized to provide automated collect and operator assisted service within the State of Nebraska.

IT IS FURTHER ORDERED that applicant shall file in accordance with the applicable statutes an annual report with this Commission consisting of (1) a copy of any report filed with the Federal Communication Commission, (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 depreciation thereon, operating revenues, operating expenses and taxes.

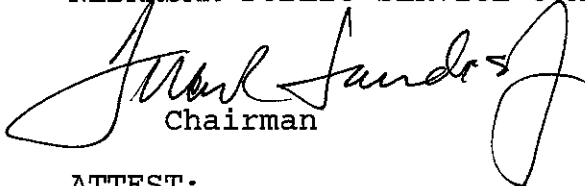
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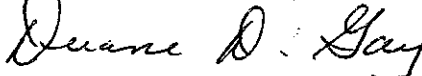
IT IS FURTHER ORDERED that this order be and it is hereby made the Commission's official Certificate of Public Convenience and Necessity to furnish the service authorized herein.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of July 1991.

NEBRASKA PUBLIC SERVICE COMMISSION

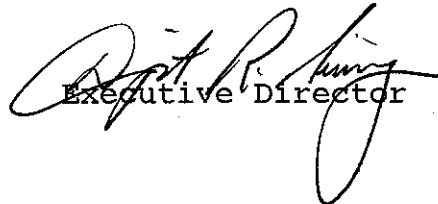

Chairman

COMMISSIONERS CONCURRING:

//s//Frank E. Landis, Jr.
//s//James F. Munnelly
//s//Eric Rasmussen

ATTEST:


Executive Director