

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission) Application No. C-891
on its own motion seeking to)
determine the surcharge for the) SURCHARGE DETERMINED
statewide dual party relay)
system to become effective)
January 1, 1992.) Entered: October 15, 1991

OPINION AND FINDINGS

BY THE COMMISSION:

By docket opened June 11, 1991, the Commission on its own motion, pursuant to Neb. Rev. Stat. §86-901 et al. (LB 240), seeks to adopt the appropriate surcharge to fund the statewide dual party relay system. Section 86-904 of the Nebraska Revised Statutes specifically stated that before September 1, 1990 and before September 1 of each year thereafter, the Commission shall hold a public hearing to determine the amount of the surcharge necessary to carry out the purpose specified in the bill.

Notice of the docket was published pursuant to the provision of the Commission's rules and regulations. Pursuant to notice required by law, public hearing was held on the docket August 27, 1991, in the Commission Hearing Room, Lincoln, Nebraska.

M. Gene Hand, Acting Director for the Communications Department, testified as to the dual party relay service surcharge revenue projections. Mr. Hand utilized several exhibits to assess growth. Exhibit S-5 presented what the forecasted minutes would be until the end of 1992, using actual minutes received so far. This exhibit does not include usage for the month of August. The usage for May, June, and July demonstrated a predictable moderate 2% growth rate. For the first 15 days of August, usage has increased resulting in an estimated growth rate for August of 5%. Mr. Hand explained Exhibits S-6, S-7A and S-7B.

Mr. Hand also discussed what would be a reasonable reserve. After discussions with the Commission's fiscal analysts and those who deal with other cash funds he was of the opinion that the reserve should be at a minimum of at least one months reserve. Mr. Hand testified that a one penny change in the surcharge generates approximately \$100,000 a year in additional revenue to the fund.

Mr. Hand explained Exhibit S-8, which is an Attorney General's opinion regarding the applicability of the surcharge to government entities, more specifically the federal government's access lines. The opinion could potentially impact the revenue generated to the fund because US West indicated that they have 947 federal accounts.

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After all the analysis, Mr. Hand had three alternatives for the Commission. One was if the staff projection of usage is accurate, by the end of 1992 or sometime during 1992, we need 8 cents and we could deal with it now and make that change at the first of the year. Another approach would be to look at the actual usage and keep the surcharge at 7 cents until usage dictates that the Commission should hold an emergency rate hearing to increase the surcharge. Lastly, wait until we experienced increase usage and then set the appropriate surcharge. He believed the usage data was still new and it looked really predictable until the month of August when increased usage threw the staff a curve at the last minute.

Jim Kamas testified on behalf of the the Advisory Committee for the dual party relay service. As Vice Chairman of the Committee he was asked to appear and make a surcharge recommendation. First, the Committee recommended a minimum of 8 cents surcharge for the next year. Also the committee recommended a \$12,000 customer awareness program for 1992. A rough draft of ideas for customer awareness was marked as Exhibit #9. Mr. Kamas also recommended that the Commission change a part of the contract with Hamilton Telephone Company, whereby a user could only make three consecutive calls with one operator. Mr. Kamas testified that this would not be in compliance with the American's with Disabilities Act.

Ms. Kate Morris testified from the Legislative Fiscal Office. She briefed the Commissioners about a process that their office uses to deal with cash funds. Every three years the office publishes a compilation of the cash fund summaries for the previous three years. They often have Senator's who look very carefully at that book. The balances are being very tightly scrutinized by the Legislature during this biennium.

Mr. Phil Nelson, President of Hamilton Telephone Company, testified that he had no objection to removing the three call limit mentioned by Mr. Kamas. He thought it was an excellent idea and it would not create any problems at all from an operational point of view.

Upon consideration of the docket, the evidence adduced at the hearing and being fully advised, the Commission is of the opinion and finds that a 8 cent surcharge should be adopted.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a surcharge of 8 cents per access line is ordered pursuant to Neb. Rev. Stat. §86-901 et al. to fund the dual party relay system.

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IT IS FURTHER ORDERED that all local telephone exchange companies are hereby required, beginning January 1, 1992, to collect a surcharge of 8 cents per month on each telephone access line in Nebraska. The surcharge shall only be collected on the first one hundred telephone access lines per customer. The telephone companies shall add the surcharge to each customers local telephone bill. The telephone companies shall not be liable for any surcharge not paid by a customer and shall not be obligated to take legal action to collect the surcharge. The proceeds from the surcharge shall be remitted to the Commission monthly no later than thirty days after the end of the month in which they were collected.

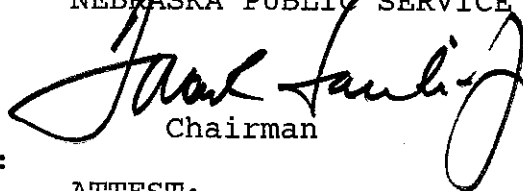
IT IS FURTHER ORDERED that the Hamilton Telephone Company, of Aurora, Nebraska be allowed to remove the three call restriction, imposed upon them by the Request for Proposal in order to be in compliance with the American's with Disability Act.

IT IS FURTHER ORDERED that the Commission supports the goal of a reasonable relay fund reserve, as a minimum equal to one month cost of the service, to allow prompt payment of all relay related expenses.

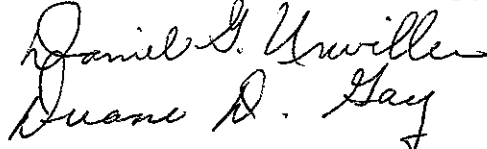
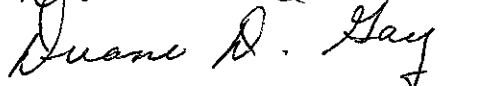
IT IS FURTHER ORDERED that the Advisory Committee recommendation regarding an awareness program with total expenses not to exceed \$12,000 for 1992, be approved by the Commission.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of October, 1991.

NEBRASKA PUBLIC SERVICE COMMISSION

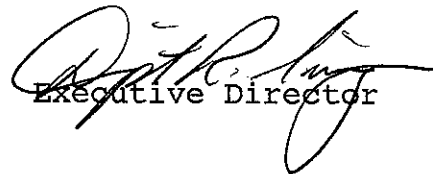

Chairman

COMMISSIONERS CONCURRING:

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

ATTEST:


Executive Director