

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the	)	Application No. C-900
Application of MidAmerican Com-	)	
munications Corporation which seeks)		GRANTED
to amend its certificate to provide)		AS
intraLATA interexchange telecom-	)	MODIFIED
munications service within the	)	
State of Nebraska.	)	Entered: January 7, 1992

Appearances:

Martin E. Freidel, Esq.	Jeffrey P. Goltz
Vice-President	Legal Counsel, NPSC
MidAmerican Communications Corp.	Communications Department
dba LDDS Communications, Inc.	P.O. Box 94927
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Omaha, NE 68134	68509
(402) 393-8250	

By application filed September 16, 1991, MidAmerican Communications Corporation ("MCC") seeks to amend its current certificate of public convenience and necessity to provide intraLATA interexchange telecommunications service in Nebraska.

Notice of the application was published in the Omaha *DAILY RECORD* September 18, 1991 in accordance with the Commission's rules of procedure. No protests to the application were received. Hearing on the application was held November 19, 1991 in the Commission Hearing Room, Lincoln, Nebraska.

At the outset, some background is in order to set forth the history of the applicant. Confusion arose at the hearing over the most recent identity of the certificate holder due to a past transfer and subsequent name change. MidAmerican Long Distance Company, Omaha, Nebraska received from the Commission a certificate October 25, 1988 in Application No. C-758. Subsequently, MidAmerican Long Distance Company changed its domestic state of incorporation to Delaware; it then petitioned for and received from the Commission February 13, 1991, in Application No. C-796, a transfer of the certificate to MidAmerican Long Distance Company, a Delaware corporation. The original certificate granted the company authority to provide interLATA interexchange telecommunications services within the State of Nebraska. This is the authority the applicant seeks to amend.

On July 8, 1991, MidAmerican Long Distance Company became "MidAmerican Communications Corporation". A footnote in the application reflects that MCC notified the Commission by letter July 12, 1991 of this occurrence. It is under this new

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name that the application was filed. Because of a subsequent acquisition, the entity in this application is now LDDS Communications, Inc. ("LDDS"). At the request of Commission staff, applicant's representative, Mr. Freidel, made a motion at the hearing to amend the application to seek approval of the name change in the certificate as follows: "*MidAmerican Communications Corporation dba LDDS Communications, Inc.*" We will use LDDS throughout this order for clarity.

## O P I N I O N   A N D   F I N D I N G S

## BY THE COMMISSION:

Upon consideration of the application, the evidence adduced at the hearing and being fully informed in the premises, the Commission is of the opinion and finds:

1. Martin E. Freidel is LDDS's vice-president. LDDS seeks to amend the certificate issued in Application No. C-758 to additionally provide intraLATA interexchange telephone services in Nebraska as a reseller. MCC (which was MidAmerican Long Distance Company) is now a wholly-owned subsidiary of MidAmerican Technologies, Inc. ("MTI"), a holding company. LDSS Communications, Inc., a Tennessee corporation based in Jackson, Mississippi, purchased 100 percent of the stock of MTI and is therefore MCC's parent company.

2. LDDS needs the proposed amendment to better serve its current customers who can place interLATA calls but are currently unable to place intraLATA calls through LDDS. These customers prefer a single vendor. LDDS's rates tend to be significantly less than MCI's, AT&T's, or Sprint's. According to Exhibit D, a typical phone call of approximately 40 miles for four minutes compares as follows:

Day Rate

LDDS	18.5¢/minute (regardless of mileage)
AT&T	32.25¢/minute
Sprint	32¢/minute
US West	28.5¢/minute

Because LDDS's rate is the same regardless of mileage, its customers enjoy greater savings for longer distance calls compared to the other carriers.

3. LDDS currently provides interexchange telecommunications services in Arizona, California, Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, and Wisconsin.

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4. Freidel testified, and the application reflects, that neither LDDS nor its officers have been the subject of any complaint proceeding or other investigatory or enforcement action other than a pending complaint before the Minnesota Public Service Commission concerning an alleged tariff violation.

5. According to documents filed with the Securities and Exchange Commission and made part of the record before the Commission, as of June 30, 1991, LDDS had assets and liabilities of approximately \$23.11 million dollars; after adjustments and acquisition of the holding company controlling MCC, i.e., MidAmerican Technologies, Inc., this figure is increased to \$31.4 million dollars.

6. The applicant has filed a proposed tariff as part of its application in accordance with the Commission's rules and regulations.

7. In response to a question from Commission counsel, Mr. Freidel stated that LDDS does not object to a restrictive amendment to its certificate which bars LDDS from providing reseller service to correctional facilities.

8. Based on the testimony, the exhibits, and the proposed tariff, the application is fair and reasonable, is in the public interest, and should be granted as modified.

#### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-900 be, and it is hereby, granted as modified and MidAmerican Communications Corporation dba LDDS Communications, Inc. be, and it is hereby, authorized operate as a resale carrier of intrastate interLATA and intraLATA telecommunications services within the State of Nebraska but is barred from providing reseller service to correctional facilities.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) the annual report to stockholders, and (c) 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.

IT IS FURTHER ORDERED that the the applicant file an updated tariff prior to offering service pursuant to the certificate granted in this order.

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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 7th day of January, 1992.

NEBRASKA PUBLIC SERVICE COMMISSION

Commissioners Concurring:

*Duane D. Gay*

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

//s//James Munnelly

//s//Eric Rasmussen

*Frank E. Landis, Jr.*  
Chairman

ATTEST:

*Pat R. By*  
Executive Director