

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	Application No. C-907
Application of Intellical)	
Operator Services, Inc.,)	
Carrollton, Texas which seeks)	
authority to operate as a)	GRANTED
reseller of intrastate inter-)	AS MODIFIED
exchange InterLATA and)	
IntraLATA telecommunications)	
services and to provide alter-)	
nate operator services.)	Entered: January 29, 1992

APPEARANCES:

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By its application filed October 25, 1991, Intellical Operator Services, Inc., (Intellical) of Carrollton, Texas seeks authority to operate as a reseller of intrastate interexchange InterLATA and IntraLATA telecommunications services within the State of Nebraska. The address of Intellical's principal offices is:

Intellical Operator Services, Inc.
2155 Chenault, Suite 410
Carrollton, Texas 75006
(214) 416-0022

Notice of the application was published in the Omaha *DAILY RECORD* October 28, 1991 in accordance with the Commission's rules of procedure. No protests to the application were received. Hearing on the application was held January 7, 1992 in the Commission Hearing Room, Lincoln, Nebraska with appearances as shown.

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

BY THE COMMISSION:

Upon consideration¹ of the application, the governing statutes and rules¹, the evidence adduced at the

¹ Reseller application are governed by Neb. Rev. Stats. §75-604 and 86-805 (1990 and 1987 Reissues, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

hearing, and being fully informed in the premises, the Commission is of the opinion and finds:

1. Banks Reid Presson, Jr. testified on behalf of the applicant. Presson is Intellical, Inc.'s Vice President for Regulatory Affairs. Presson handles regulatory affairs for both Intellical, Inc. and the applicant, which is a wholly-owned subsidiary of Intellical, Inc. Presson is a graduate electrical engineer and has worked in the aerospace industry for a number of years. He joined Intellical, Inc. in 1985 at its inception. The applicant, Intellical Operator Services, Inc., has existed since 1987. Intellical, Inc. is the applicant's sole shareholder.

2. The applicant seeks to provide operator assisted telecommunication service to "transients," i.e., customers or end users at pay telephones, private pay telephones, and guests at hotels/motels. Service will be provided through the applicant's operator center in Dallas, Texas. The center routes calls to their destination and generates billing records. At hotels, the applicant intends to use new equipment manufactured by Intellical, Inc. to initiate a "call processing system" which provides automatic service without routing calls through Dallas or the end user to generate the billing information. Increased use of this system will permit the applicant to offer reduced rates to end users.

3. Customers are billed through the local exchange carriers or through billing agents who, in turn, contract with the LECs. The applicant collects the billing records and routes them to the LEC which then renders a bill to the customer. The applicant identifies itself to the calling party by either an automated or live operator announcement that the calling party has engaged Intellical Operator Services, Inc. The applicant also provides tent cards in hotels/motels.

4. The applicant currently has authority and operates in California, Florida, Illinois, Louisiana, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, South Dakota, Texas, Washington, Wisconsin, and Iowa. No applications have been denied, nor has the applicant been subject to any formal complaint proceeding before other state regulatory bodies.

5. Exhibit A and B are, respectively, a copy of the applicant's articles of incorporation and of the certificate of authority to transact business in Nebraska as a foreign corporation issued by the Nebraska Secretary of State September 10, 1991.

6. No other state regulatory agency has required the applicant to procure a performance bond.

7. The applicant's rates are based on mileage multiplied by a rate per minute depending on the distance involved. The rate

structure varies between InterLATA and IntraLATA calling. Service charges for dial calling card, operator station to station and person to person are also in the tariff.

8. According to the applicant's Exhibit H, Intellical, Inc., the parent of the applicant, held the following financial condition² over the last five years for which a report was available.^{3 4}

	1987	1988	1989	1990	1991
assets and liabilities	\$24.048	\$31.111	\$92.563	\$123.641	\$145.097
sales and revenues	\$20.195	\$37.916	\$101.532	\$70.547	\$86.949
Income before taxes	\$2.063	\$4.161	\$6.050	\$5.505	-\$0.426
net income	\$1.304	\$2.68	\$4.236	\$3.523	-\$0.275

9. The application should be granted, but modified to reflect a restrictive amendment precluding the applicant from providing interexchange service and alternate operator service to correctional and jail facilities.

10. The applicant has filed a proposed tariff as part of its application in accordance with the Commission's rules and regulations. The tariff appears reasonable in light of the proposed service.

11. 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.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-907 be, and it is hereby, granted as modified and Intellical Operator Services, Inc. be, and it is hereby, authorized to operate as a resale carrier of intrastate interexchange InterLATA and IntraLATA telecommunications services within the State of Nebraska. The

² unaudited financial report for 1990

³ unaudited financial report for first six months of 1991

⁴ all figures in millions of dollars

Application No. C-907

Page -4-

applicant is restricted against providing such service to correctional and jail facilities.

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

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 29th day of January 1992.

NEBRASKA PUBLIC SERVICE COMMISSION

Commissioners Concurring:

Daniel G. Unwiller
Duane D. Gay

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

ATTEST:

Frank Landis, Jr.
Chairman

W. R. King
Executive Director