

Application No. C-912

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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In re	)	Application No. C-912
Application of The Hogan Company,	)	
Bellevue, Washington which seeks	)	
authority to operate as a	)	GRANTED
reseller of telecommunications	)	AS AMENDED
services in Nebraska.	)	
	)	Entered: March 24, 1992

APPLICANT'S ATTORNEY:

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 Preston, Thorgrimson  
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 701 Fifth Avenue  
 Seattle, WA 98104-7078  
 (206) 623-7580

APPEARANCES:

FOR THE APPLICANT

Dick Pouria, Director of  
 Operations, The Hogan Company  
 1975 112th Avenue N.E. Suite 100  
 P.O. Box 759  
 Bellevue, WA 98004  
 (206) 451-4004

FOR THE COMMUNICATIONS DEPT.

Jeffrey P. Goltz, Esq.  
 Legal Counsel, NPSC  
 Communications Department  
 P.O. Box 94927  
 Lincoln, NE 68509  
 (402) 471-3101

By application filed December 30, 1991, The Hogan Company, Bellevue, Washington ("Hogan") seeks authority to operate as a reseller of telecommunications services in Nebraska. The applicant's principal address is listed above in reference to Mr. Dick Pouria's appearance on Hogan's behalf.

The applicant's registered agent is:

The Prentice-Hall Corporation System, Inc.  
 1141 "H" Street  
 Lincoln, NE 68508

Notice of the application was published in the Omaha **DAILY RECORD** January 7, 1992 in accordance with the Commission's rules of procedure. No protests to the application were received. Hearing on the application was held March 10, 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 consideration<sup>1</sup> of the application, the governing statutes and rules<sup>1</sup>, the evidence adduced at the hearing, and being fully informed in the premises, the Commission is of the opinion and finds:

The Applicant is a privately held stock company incorporated in the State of Washington in 1989 and is a switchless reseller. The company's president, Walter Hogan, is the sole stockholder. The Applicant resells mostly Sprint and some MCI long-distance services and currently has approximately 7,000 customers nationwide.

The applicant seeks to provide resale interexchange interLATA and intraLATA telecommunications services in Nebraska.

No state commission has rejected an application from Hogan for reseller authority. A formal complaint was filed by Network Communications regarding a billing dispute. The Washington State Public Utilities Commission found in favor of Hogan. The applicant has no customers in Nebraska while the application is pending.

The application contains a copy of Hogan's articles of incorporation and certificate of authority to transact business in Nebraska as a foreign corporation issued by the Nebraska Secretary of State January 8, 1992. No other state regulatory agency has required the applicant to procure a performance bond.

Hogan's tariff is not mileage sensitive. Mr. Pouria testified the rates will be compensatory. The tariff filed with the application is applicable only to interLATA service despite the fact Hogan seeks both interLATA and intraLATA authority. An accurate tariff reflecting this must be filed. Hogan provides several different services<sup>2</sup>:

1. Service Type InterWATS:

InterWATS is a switched access 1+ outbound service.  
Rates are not mileage sensitive.  
Time of day for rating is as follows:

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<sup>1</sup> Interexchange reseller applications are governed by Neb. Rev. Stat. §75-604 and 86-805 (1990 and 1987 Reissues, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

<sup>2</sup> Note that these proposed rates fail to designate rates for IntraLATA service.

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Day rate is from 8 A.M. to 4:59 P.M.  
 Evening rate is from 5 P.M. to 10:59 P.M.  
 Night rate is from 11 P.M. to 7:59 A.M.

Base Service Charge (per month) \$05.00  
 Account Codes Feature \$00.00  
 Validated Account Codes \$15.00  
 All amounts billed in increments of 0.1 minute with  
 a 0.3 minute minimum.  
 Nebraska Intrastate interLATA rates for InterWATS  
 service are:

Carrier	Daytime	Evening	Night
Carrier-S	.2310	.2310	.2310

## 2. Service Type InterWATS 2:

InterWATS 2 is a switched access 1+ outbound service.  
 Rates are not mileage sensitive.  
 Time of day for rating is as follows:  
 Day rate is from 7 A.M. to 6:59 A.M.  
 Evening/Night rate is from 7 P.M. to 6:59 A.M.  
 Weekend are at Evening/Night rates.

Base Service Charge for Business per month \$05.00  
 Base Service Charge for Residence per month \$00.00  
 Account Code Feature \$00.00  
 Validated Account Codes \$15.00  
 Business Accounts are billed in increments of 0.1  
 minute with a 0.3 minute minimum.  
 Residence Accounts are billed in full minute.  
 20% rebate or discount is provided when payments  
 received within 20 days of the bill date.  
 Nebraska intrastate interLATA rates for InterWATS 2  
 service after rebate are:

Carrier	Daytime	Evening	Night
Carrier S-B	.2310	.2310	.2310
Carrier S-R	.2310	.2310	.2310
Carrier M-B	.2700	.2700	.2700
Carrier M-R	.2700	.2020	.2020

## 3. Service Type InterWATS 3:

InterWATS 3 is a switched access 1+ outbound service.  
 Rates are not mileage sensitive.  
 Basic service charge Residential \$00.00  
 Basic service charge Business \$00.00  
 Account Code Feature \$00.00  
 Validated Account Codes \$15.00  
 Business amounts are billed in 0.1 minute increments  
 with a 0.3 minute minimum.  
 Rates vary by carrier.

10% Rebate or Discount is provided to residence customers when payments are received within 20 days of the bill date.

Business amounts are subject to late fees.

Residence Rate periods are 7 A.M. to 6:59 P.M. for day and 7 P.M. to 6:59 A.M. including all day on weekends for evening and night.

Business rates are flat rates for all time periods.

Nebraska Intrastate InterLATA rates for InterWATS 3 service after rebate are (R stands for residential and B stands for business):

Carrier	Daytime	Evening	Night
Carrier M-R	.304	.227	.227
Carrier M-B			
(1st minute)	.229	.229	.229
Carrier M-B			
(addl. min.)	.211	.211	.211
Carrier S-B	.231	.231	.231

According to the applicant's financial statements, The Hogan Company's balance sheet reflects assets and liabilities of \$1.029 million as of November 30, 1991. Applicant provided an income statement through December 1990. This document shows a total revenue for 1990 of \$4.632 million and a gross profit of \$1.431 million. After expenses, the applicant's earnings before income tax amounted to \$229,501. Considering the relative newness of this company, the figures do not demonstrate a lack of financial fitness.

The applicant's proposed tariff is in accordance with the Commission's rules and regulations. The tariff appears reasonable in light of the proposed service.

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.

#### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-912 be, and it is hereby, granted and The Hogan Company, Bellevue, Washington 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 Applicant is restricted against providing such service to correctional facilities, jails, and prisons.

IT IS FURTHER ORDERED that Applicant shall file, in accordance with the applicable statutes, an annual report with

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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 *which correctly reflects the Applicant is providing both InterLATA and IntraLATA service and the applicable rates for each.*

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 24th day of March, 1992.

NEBRASKA PUBLIC SERVICE COMMISSION

Commissioners Concurring:

*Daniel S. Mueller*

*Diane D. Gay*

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

//s//James F. Munnelly

//s//Eric Rasmussen

*James F. Munnelly*  
Chairman

ATTEST:

*James F. Munnelly*  
Executive Director