

Application No. C-931

page -2-

vices, Inc.; Payline Systems, Inc.;)
 Silverado Communications Corporation;)
 Sprint Communications Company L.P.;)
 TCI Communications, Inc.; Telecomm)
 USA/Teleconnect Company; Telemarketing)
 Investments Ltd. (TMC); Telenational)
 Communications; Tel-Save, Inc.; United)
 Telephone LD; Vicom, Inc.; WATS/800,)
 Inc.; Williams Telecommunications; Wil-))
 tel, Inc.; and any other affected tele-))
 phone companies.) Entered: May 26, 1992

BY THE COMMISSION

OPINION AND FINDINGS

The Commission on its own motion opened this docket as a means of proceeding in an orderly and judicious manner while determining whether to approve plans submitted by certain telecommunications companies ("respondents") for the disposition of revenues resulting from decreases in personal property taxes for the taxable year 1991. This docket is governed by Neb. Rev. Stat. §86-803(9) which states:

"The commission shall approve the disposition of revenue resulting from decreases in federal or state income taxes or property taxes due to a tax law change that results in a reduction in the tax liability of a telecommunications company of twenty percent or more in any taxable year. Any telecommunications company so affected shall file a plan with the commission proposing the disposition of the revenue at the same time that it files its annual report with the commission. The commission shall schedule a public hearing within thirty days of the filing of the plan or the plan shall be deemed approved."

Because of a string of rulings by the Nebraska Supreme Court which found the system of statutory exemptions from personal property taxation to be discriminatory and unconstitutional, the respondents' personal property taxes, as as-

¹ Northern Natural Gas Co. v. State Board of Equalization, 232 Neb., 806, 443 N.W.2d 249 (1989), Natural Gas Pipeline Co. v. State Board of Equalization, 237 Neb. 357, 466 N.W.2d 734 (1991), and MAPCO Ammonia Pipeline v. State Board of Equalization, 238 Neb. 565, 471 N.W.2d 734 (1991).

sessed by local governmental subdivisions, have been or will be reduced. In light of these court decisions, the Legislature passed L.B. 286 (LAWS 1991) which requires the respondents to submit, and the Commission to approve, each respondent's plan for disposing of such revenues.

The respondents were required to each submit a plan² prior to the April 30, 1992 deadline for filing annual reports. On May 14, 1992, the Commission scheduled June 30, July 7, July 14, and July 21, 1992 for formal hearings to consider the various plans.

After preliminary examination of the various plans, the Commission determines that certain types of plans should be approved pursuant to modified procedure³ if they meet one, or a combination of, the following alternatives. A respondent's plan should therefore be approved if the revenues in question are:

- (1) used to install equipment necessary to provide 911 or E-911 service;
- (2) used to implement Phase II of the Frame Relay project;
- (3) used to install distance learning or other technology assisted educational systems for secondary and/or primary school districts;
- (4) returned to the local governmental subdivision from which they came;
- (5) refunded to the respondent's customers on a pro rata basis; or
- (6) used to provide toll route diversity to improve network reliability.

A plan which is not approved prior to its scheduled hearing, pursuant to one of the alternatives listed above, should be subjected to a full hearing at the Commission Hearing Room, 300 The Atrium, 1200 "N" Street, Lincoln, Nebraska at the date and time scheduled for the respondent as specified in the addendum attached to this order.

A respondent may re-submit an amended plan⁴ conform-

²The Commission will consider in the plan the methodology used to calculate the amount of the revenues at issue.

³Title 291 Neb. Admin. Regs. Ch. 1, Rule 018.03.

⁴The Commission will consider in the plan the methodology used to calculate the amount of the revenues at issue.

Application No. C-931

page -4-

ing to one of the suggested plans listed above between the date of this docket's initiation and the hearing date scheduled for that respondent, thereby avoiding a hearing.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a docket in this matter be opened and the plans submitted, or to be submitted, by the respondents be considered within the parameters set forth herein.

IT IS FURTHER ORDERED that a respondent's plan, which conforms to any one, or a combination of, the six alternatives listed above, be approved pursuant to the Commission's modified procedure rule without a hearing.

IT IS FURTHER ORDERED that as part of docket C-931, each respondent be assigned an individual application number derived from the docket number. Each respondent whose plan is approved pursuant to modified procedure shall receive an order prior to the scheduled hearing date notifying the respondent of its plan's approval and cancelling the hearing. Alternatively, a group of respondents with similar proposed plans may be grouped in a single order for simplicity.

IT IS FURTHER ORDERED that a hearing be held on each plan which does not conform to any one of the six alternatives listed above on the date specified for each respondent in the addendum attached to this order. Therefore, the absence of an approved order for a particular respondent's plan means the hearing on the scheduled date shall take place.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel G. Yrville
James D. Gay

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

//s//James F. Munnelly

James F. Munnelly
Chairman

ATTEST:

Robert R. King
Executive Director

⁵ For example: C-931(1), C-931(2), et cetera.

Application No. C-931

page -5-

A D D E N D U M

All hearings set to begin at 1:30 p.m. CST HEARING DATE

Arapahoe Telephone Company (C-931(1))	July 07, 1992
Arlington Telephone Company (C-931(2))	June 30, 1992
Benkelman Telephone Company (C-931(3))	July 07, 1992
Blair Telephone Company (C-931(4))	June 30, 1992
Cambridge Telephone Company (C-931(5))	July 14, 1992
Clarks Telephone Company (C-931(6))	July 14, 1992
Consolidated Telco, Inc. (C-931(7))	June 30, 1992
Consolidated Telephone Co. (C-931(8))	June 30, 1992
Cozad Telephone Company (C-931(9))	July 07, 1992
Curtis Telephone Company (C-931(10))	July 07, 1992
Dalton Telephone Company (C-931(11))	July 07, 1992
Diller Telephone Company (C-931(12))	July 14, 1992
Eastern Nebraska Tel. Co. (C-931(13))	June 30, 1992
Eustis Telephone Exchange (C-931(14))	July 07, 1992
GTE North Incorporated (C-931(15))	July 07, 1992
Glenwood Tel. Mem. Corp. (C-931(16))	July 14, 1992
Great Plains Commun. (C-931(17))	June 30, 1992
Hamilton Telephone Company (C-931(18))	July 14, 1992
Hartington Telephone Company (C-931(19))	June 30, 1992
Hartman Telephone Exchanges (C-931(20))	July 07, 1992
Home Telephone Co. of Nebraska (C-931(21))	July 07, 1992
Hooper Telephone Company (C-931(22))	June 30, 1992
K & M Telephone Company (C-931(23))	June 30, 1992
Keystone-Arthur Telephone Co. (C-931(24))	July 07, 1992
Lincoln Telephone & Telegraph (C-931(25))	July 14, 1992
Nebraska Central Telephone Co. (C-931(26))	June 30, 1992
Northeast Nebraska Telephone (C-931(27))	July 14, 1992
Petersburg Telephone Company (C-931(28))	June 30, 1992
Pierce Telephone Company (C-931(29))	July 14, 1992
Plainview Telephone Company (C-931(30))	July 07, 1992
Rock County Telephone Company (C-931(31))	June 30, 1992
Southeast Nebraska Telephone (C-931(32))	July 14, 1992
Stanton Telephone Company (C-931(33))	July 14, 1992
Three River Telco (C-931(34))	July 14, 1992
US West Communications (C-931(35))	July 14, 1992
United Telephone of the West (C-931(36))	July 07, 1992
Wauneta Telephone Company (C-931(37))	July 07, 1992
Allnet Communications Services, Inc. (C-931(38))	July 21, 1992
American Public Communications, Inc. (C-931(39))	July 21, 1992
American Telephone & Telegraph (C-931(40))	July 21, 1992
Amer-I-Net Services Corporation (C-931(41))	July 21, 1992
CLM Associates (C-931(42))	July 21, 1992
ComTel Computer Corporation (C-931(43))	July 21, 1992
Convergent Communications, Inc. (C-931(44))	July 21, 1992
Dial-Net, Inc. (C-931(45))	July 21, 1992
Eastern Ambulance Service, Inc. (C-931(46))	July 21, 1992

Application No. C-931

page -6-

Excel Telecommunications, Inc. (C-931(47))	July 21, 1992
Fiberline Network Services, Inc. (C-931(48))	July 21, 1992
International Telecharge, Inc. (ITI) (C-931(49))	July 21, 1992
Kantel Communications, Inc. (C-931(50))	July 21, 1992
Lintel Systems (C-931(51))	July 21, 1992
Matrix Telecom (C-931(52))	July 21, 1992
MCI Telecommunications Corporation (C-931(53))	July 21, 1992
Metromedia Communications Corporation (ITT) (C-931(54))	July 21, 1992
Midamerican Long Distance Co./LDDS Communications (C-931(55))	July 21, 1992
Nedelco, Inc. dba Hamilton Communications (C-931(56))	July 21, 1992
Network Services, Inc. (C-931(57))	July 21, 1992
Payline Systems, Inc. (C-931(58))	July 21, 1992
Silverado Communications Corporation (C-931(59))	July 21, 1992
Sprint Communications Com- pany L.P (C-931(60))	July 21, 1992
TCI Communications, Inc. (C-931(61))	July 21, 1992
Telecomm USA/Teleconnect Company C-931(62))	July 21, 1992
Telemarketing Investments Ltd. (TMC) (C-931(63))	July 21, 1992
Telenational Communications (C-931(64))	July 21, 1992
Tel-Save, Inc. (C-931(65))	July 21, 1992
United Telephone LD (C-931(66))	July 21, 1992
Vicom, Inc. (C-931(67))	July 21, 1992
WATS/800, Inc. (C-931(68))	July 21, 1992
Williams Telecommunications (C-931(69))	July 21, 1992
Wiltel, Inc. (C-931(70))	July 21, 1992
and any other affected telephone companies	July 21, 1992