

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1176/PI-14
of the Nebraska Public Service)
Commission on its own motion to) ORDER INSTITUTING
conduct an investigation into) INVESTIGATION
the effects of a State Universal)
Service Fund.) Entered: May 2, 1995

BY THE COMMISSION

The recent legislative debate in Congress has included extensive discussions of the Universal Service support mechanisms. With a majority of the focus of the current national debate being on how to implement local competition, it is important to remember the needs of the customer who will not receive any tremendous benefit from such local competitive entry. Potential reductions in the level of interstate support mechanisms create the possibility of significant rate shock for Nebraska residential ratepayers, especially those located in rural and small communities.

In order to provide for a smooth transition to an increasingly competitive environment, it will likely be necessary to implement certain intrastate support mechanisms. To that end, the Commission should on its own motion conduct an investigation.

Comments and recommendations to this investigation are sought from all interested parties regarding the issues set forth below. Comments are not restricted to the questions raised. Statements concerning related issues are permissible.

All comments shall be submitted on or before Friday, July 7, 1995. A public hearing on the investigation may be scheduled at a later date.

ISSUES FOR COMMENT

1. What services should be defined as "Universal" for Nebraska ratepayers? Should there be any difference from a national standard, if such a standard is created?
2. Who should contribute to the State Universal Fund (USF)?
3. How should such a fund be administered and by whom?
4. Who should receive support from a State USF?

Application No. C-1176 / PI - 14

PAGE TWO

5. What eligibility, criteria or benchmarks should apply to qualifying State USF, e.g., level of local rates, level of rate of return, etc...?
6. Should calling scope impact be considered in this mechanism?
7. The Public Service Commission believes that any proposed plan should meet minimal standards including competitive and technological neutrality, administrative convenience, and longevity. Are there other appropriate criteria?
8. Address the implications to Nebraska if proposed federal legislation creates multiple carriers of last resort?
9. To encourage local competitors to serve all customers and to properly compensate the current local carrier that serves customers perceived as less profitable, should a charge be established to compensate the current local carrier? When should such a charge be eliminated? (e.g., when the competitor serves the same ratio of residential to business customers per office as the current local provider)
10. Is a transition period needed to implement a State USF?

O R D E R


IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that comments and recommendations on the issues set forth herein may be submitted by all interested parties.

IT IS FURTHER ORDERED that parties are not restricted from raising and commenting on other related issues.

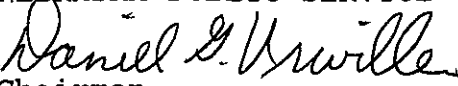
IT IS FINALLY ORDERED that all comments be submitted on or before July 7, 1995.

MADE AND ENTERED at Lincoln, Nebraska this 2nd day of May, 1995.

COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnelly
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

ATTEST:


Executive Director