

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1491
VarTec Telecom, Inc. of Lancaster,)
Texas, seeking authority to dis-)
continue interexchange telecommun-) GRANTED
ications service in exchanges sold)
by US West pursuant to Docket)
C-1311.) Entered: July 15, 1997

APPEARANCES:

For the Applicant:

Michael G. Hoffman
VarTec Telecom, Inc.
3200 W. Pleasant Run Road
Lancaster, TX 75146

For the Commission Staff:

Deonne Bruning
300 The Atrium
1200 N Street
Lincoln, NE 68508

BY THE COMMISSION:

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

On February 24, 1997, an application was filed by VarTec Telecom, Inc. (VarTec) of Lancaster, Texas, seeking authority to discontinue interexchange telecommunications services in exchanges sold by US West pursuant to Docket C-1311. Notice of the application was published in The Daily Record on February 25, 1997. No protests were received. Hearing on the application was held by video conference in the Commission Library on April 8, 1997, with Commissioner Daniel G. Urwiller chairing the proceeding.

Under Nebraska Rev. Stat. Section 86-806, VarTec may not discontinue intraLATA interexchange service unless the Commission finds upon application and hearing that one or more other telecommunications companies offers comparable telecommunication service to the abandoned area. In addition, VarTec is required to notify its subscribers in writing of the abandonment 30 days prior to the effective date and refund any unused prepaid subscription charges to each customer in the affected area. Furthermore, VarTec must reimburse its customers the service charges which its customers incur in obtaining substitute service from another telecommunications company.

Applicant produced one witness, Michael G. Hoffman, vice president and in-house general counsel for VarTec. He testified:

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VarTec has primarily utilized billing and collection agreements with the service area local telephone company. One of the companies VarTec has a billing and collecting agreement with is US West. US West notified VarTec of the sale of its exchanges on December 13, 1996. The notice stated that December 26, 1996, was the last day US West would bill and collect on VarTec's behalf. Therefore, VarTec had 13 days to attempt to notify customers about VarTec's withdrawal of service.

The two factors VarTec examines in determining whether to offer service in a particular area are the cost of billing/collection and the access charges associated with the particular exchange. It is not VarTec's desire to cease offering service to any particular customer. However, the access charges and billing/collection costs that VarTec is charged from the local telephone company often determines whether it is economically viable to do business within a particular region. The costs associated with access charges and billing/collection charged by the new owners of the exchanges were too high for VarTec to continue to offer service in those particular regions.

VarTec's withdrawal of service affected a total of 17 customers. Attempts were made to contact all 17 customers of the discontinuation of service by telephone. In addition, VarTec followed the telephone call with a written letter that was accompanied with a check reimbursing the customers for the switching fee they incurred by having to change to another interexchange carrier. The letter was sent after VarTec withdrew service. It is possible that some of the 17 customers were blocked from completing a long distance call if the customer did not make arrangements to receive interexchange service from a different interexchange carrier.

No other witnesses testified.

The evidence shows that VarTec did adequately refund the costs associated with obtaining a different telecommunications provider. In addition, there is no evidence that indicates VarTec did not refund all unused charges to its affected customers. Clearly, there are other intraLATA interexchange providers in the affected

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area providing comparable service. VarTec made a good faith attempt to inform its customers of the impending withdrawal of service. Therefore, this application should be approved, and VarTec should be allowed to withdraw service from the exchanges sold by US West pursuant to Docket C-1311.



O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1491 be, and it is hereby, granted and VarTec is authorized to withdraw service in exchanges sold by US West pursuant to Docket C-1311.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of July, 1997.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Rod Johnson
//s//Frank E. Landis

Chairman



ATTEST:

Deputy Director



COMMISSIONERS DISSENTING:

//s//Daniel G. Urwiller

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
