

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-1628/NUSF
on its own motion, seeking to)
conduct an investigation into) PROGRESSION ORDER #9
intrastate access charge reform)
and intrastate universal)
service fund.) Entered March 14, 2000

BY THE COMMISSION:

1. On January 13, 1999, the Commission entered its Findings and Conclusions in this docket for the purpose of reducing implicit subsidies that existed in Incumbent Local Exchange Carrier (ILEC) charges for various telecommunications services and to implement a Nebraska Universal Service Fund (NUSF). The purpose of the NUSF is to ensure that all Nebraskans, without regard to their location, have comparable accessibility to telecommunications services at affordable prices. Therefore, the reductions in ILEC implicit subsidies are replaced, where necessary, with explicit support from the NUSF to ensure this goal. Further, Interexchange Carriers (IXCs) are required by statute to pass-through implicit subsidy reductions in access charges to their customers.

2. On March 9, 1999, in this docket, Progression Order #5 was entered which, inter alia, set forth a modified first year time-line for all telecommunications carriers to comply with the requirements of this docket.

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

3. The Commission hereby adopts the following time-line for requirements relative to year two of this docket. Each date will be discussed in more detail later.

- April 17, 2000 - Hearing on ILEC waiver requests to implement local rate increases less than the statutory maximum.
- April 25, 2000 - Commission order on ILEC local rate increase waiver requests.
- May 12, 2000 - Revisions to ILEC transition plans due.
- 1999 NUSF-EARN form due from ILECs.
- May 19, 2000 - Deadline for mailing of notification letters to customers regarding revised local rate increases.

Application C-1628/NUSF
Progression Order No. 9

Page 2

- May 31, 2000 - Public hearing to determine the necessary level of the NUSF for the upcoming fiscal year.
- June 9, 2000 - Commission order setting the NUSF surcharge for the upcoming fiscal year.
- June 27, 2000 - Hearing on revised ILEC local rate increases.
- July 18, 2000 - Commission order on revised ILEC local rate increases.
- August 1, 2000 - IXCs year two pass-through plan due.
- August 22, 2000 - ILEC and IXC year two tariff filings due.
- September 1, 2000 - ILEC and IXC year two rate changes become effective.

4. As set forth in Docket No. NUSF-5/C-2045 Progression Order #2, entered March 14, 2000, the Commission will treat any proposed basic local exchange rate increases contained in ILEC transition plans that are less than the statutory maximum as a request for waiver of the C-1628 requirements. Accordingly, a hearing will be held on April 17, 2000, to consider these requests.

5. On April 25, 2000, the Commission will issue an order with respect to ILEC requests to increase basic local exchange rates less than the statutory maximum.

6. On or before May 12, 2000, any revisions to ILEC transition plans are due. Revisions may include, but are not limited to, additional basic local exchange rate increases to meet the statutory maximums or Commission adopted benchmarks, or the inclusion of additional reductions in implicit subsidies contained in access or other telecommunications charges. Also, companies that were granted a twelve month waiver on filing a basic local exchange rate re-balancing plan should file such plan by this date. Further, any company that did not include 1998 demand for each rate listed on their filed NUSF-TRAN form is ordered to provide such information by this date. Finally, the NUSF-EARN form reflecting 1999 earnings is due by this date. A copy of the revised NUSF-EARN form will be provided to all ILECs.

7. As set forth in Docket No. NUSF-4 Progression Order #3, entered March 14, 2000, the Commission will hold its annual public hearing to determine the necessary level of the NUSF for the fiscal year from July 2000 through June 2001, on May 31, 2000.

Application C-1628/NUSF
Progression Order No. 9

Page 3

8. On or before June 9, 2000, the Commission will issue an order to set the NUSF surcharge for the fiscal year from July 1, 2000, through June 30, 2001.

9. ILECs that amend their transition plans to contain revised basic local exchange rate increases must send a separate letter to all affected customers outlining the revised rate increases postmarked by May 19, 2000. This notification should include, at a minimum, the following information:

- A statement outlining that the company is revising the basic local exchange rate increases proposed last year.
- A statement outlining the fact that the proposed basic local exchange rate increases are in response to the Federal Telecommunications Act of 1996.
- A statement outlining the details of the proposed basic local exchange rate increases over the remaining years of the respective company's transition period.
- A statement informing customers of the date, time, and location of the Commission's June 27, 2000, public hearing.
- A statement indicating that if a customer is unable to testify in person at the public hearing, interested parties may file comments with the Commission by phone or in writing.
- A statement referencing the availability of the Nebraska Lifeline Program, including a statement outlining the eligibility requirements and the Commission's contact number for consumers questions.

Copies of these letters should also be filed with the Commission.

10. As set forth in Docket No. NUSF-5/C-2045 Progression Order #2, entered March 14, 2000, the Commission will hold a public hearing on June 27, 2000, to consider any revised basic local exchange rate increases contained in amended ILEC transition plans.

11. On or before July 18, 2000, the Commission will issue an order with respect to any revised basic local exchange rate increases contained in amended ILEC transition plans.

Application C-1628/NUSF
Progression Order No. 9

Page 4

12. On or before August 1, 2000, all IXC's paying access charges directly to Nebraska ILEC's, must file a year two access pass-through plan. This plan should demonstrate the pass-through of ILEC access charge reductions that will become effective on September 1, 2000. These plans should continue to be based upon 1998 demand.

13. On or before August 22, 2000, tariff filings to implement proposed rate changes must be filed by both ILEC's and IXC's. This will allow the rate changes to become effective on September 1, 2000. All ILEC's that are increasing basic local exchange rates must provide notice to customers. This notice could be in the form of a separate letter, a bill insert, or bill bulletin and should be provided to customers at approximately the same time the rate increase become effective.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission, that all affected parties comply with the requirements set forth in this order.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of March, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

James E. Johnson
Paul Johnson

Frank E. Landis
Chairman

ATTEST:

Anne C. Bueh

Robert R. Lagsdon
Executive Director

//s//Frank E. Landis
//s//Daniel G. Urwiller