

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) APPLICATION NO. C-1713
of Easton Telecom Services, Inc.)
of Richfield, Ohio, for an Amend-)
ment to its Certificate of Public)
Convenience and Necessity to Pro-) GRANTED
vide Local Exchange Telecommuni-)
cations Service Within the State)
of Nebraska in the Areas Served)
by US West and GTE Midwest.) ENTERED: April 7, 1998

APPEARANCES:

For the Applicant:
Nancy Crawford
11404 West Dodge Road, #500
Omaha, NE 68154

For Arapahoe, Benkelman, Cozad,
Diller, Hemingford, Henderson,
and Wauneta Telephone companies:
Timothy Clare
1201 Lincoln Mall, Suite 102
Lincoln, NE 68508

For the Commission Staff:
John Doyle
300 The Atrium, 1200 N Street
Lincoln, NE 68508

BY THE COMMISSION:

On December 19, 1997, Easton Telecom Services, Inc. (Easton or applicant) of Richfield, Ohio, filed an application with the Commission requesting authority to amend its Certificate of Authority to allow applicant to operate as a resale common carrier of local telecommunications services in Nebraska in the areas served by US West Communications (USW) and GTE Midwest (GTE). Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 24, 1997. Such notice was admitted into the record as Exhibit 1. The following parties filed petitions for formal intervention: Aliant Communications, Arapahoe Telephone, Benkelman Telephone, Cambridge Telephone, Clarks Telephone, Consolidated Telephone, Consolidated Telco, Cozad Telephone, Diller Telephone, Great Plains Communications, Hemingford Cooperative Telephone, Henderson Cooperative Telephone, HunTel Systems, Nebraska Independent Telephone Association, Nebraska Telephone Association (NTA), Southeast Telephone, and Wauneta Telephone. A hearing was held March 11, 1998, in the Commission Hearing Room, Lincoln, Nebraska, with appearances as shown above.

E V I D E N C E

The applicant and the intervenors entered into a stipulation that applicant would, at the present time, only seek authority to provide local exchange service in those areas

served by USW and GTE. There were no objections to the stipulation, and it was entered into evidence as Exhibit 3.

Applicant requested that its financial statements for the period through December 31, 1997, be admitted into evidence. There were no objections, and the documents were admitted as Exhibit 4.

Applicant produced one witness, Robert Mocas, who testified as follows:

He has been the president of Easton since its founding in July of 1992 and has been in the telecommunications industry since 1983. Easton received a certificate to operate as an interexchange carrier in 48 states, including Nebraska. It currently has fewer than 100 customers in Nebraska. Mr. Mocas testified further that Easton willingly entered into the stipulation marked Exhibit 3. In the current application, Easton seeks authority to provide resold local service to primary business customers in the areas served by USW and GTE. Applicant has already received local authority in 14 states and currently serves approximately 30 customers in Ohio and Illinois. Easton has never been denied a certificate. Further, no formal complaints have been filed against the applicant in any state. They have not begun interconnection negotiations with any Nebraska company. They do not intend to have any facilities or employees in Nebraska. However, depending upon future need, they may utilize agents within Nebraska. Applicant's key personnel have each been in the telecommunications business for several years with various companies. Third party agents are used for marketing efforts. He firmly believes that Easton has the managerial and technical ability to offer local service in Nebraska.

Referring to the financial statements in Exhibit 4, Mr. Mocas testified that the company has grown 150 percent over the past two years, is generating income, and does not have any unusual debt. He believes that the company is financially able to offer local exchange services in Nebraska.

Easton intends to market its services through independent agents who received specialized training. Agents contract to offer services under Easton's terms and conditions. Applicant does not use telemarketing or mailers. It mostly uses face-to-face marketing. Easton will provide resold operator and 911 services, access to the relay system for the hearing impaired, and whatever other services are offered by the incumbent local provider. Applicant will contribute to the state Universal Service Fund.

Applicant maintains an 800 number to resolve customer complaints. After normal business hours, calls are forwarded to a live answering service that will contact the appropriate

employee in the event of an emergency or a complaint. Easton attempts to provide better customer service than can be received elsewhere. There not have been any slamming complaints against Easton in any jurisdictions.

Commissioner Landis requested that the applicant submit a copy of the contract that it uses with its independent marketers. That document was identified as late-filed Exhibit Number 5 and was received into evidence on March 16, 1998. Exhibit 5 demonstrates that Easton will only accept signed authorization from a customer before switching service. Further, Easton must review all sales materials created by the marketer before it can be utilized.

No other parties introduced testimony of evidence.

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

In accordance with the stipulation reached by the parties and entered into evidence as Exhibit 3, the Commission limits the scope of its review in this application to whether the applicant meets the criteria necessary to provide local exchange service in Nebraska in those territories presently served by US West Communications, Inc., and GTE Midwest. After examining the record, the Commission finds that Easton Telecom Services, Inc. has demonstrated that it meets the standards of financial, technical, and managerial competence and all other criteria necessary to provide local exchange service in those areas stipulated to. Therefore, the application to provide such service should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1713 be, and it is hereby, granted.

IT IS FURTHER ORDERED that upon final approval of the interconnection agreement and tariff, Easton Telecom Services, Inc. is granted a Certificate of Public Convenience and Necessity to provide local exchange service within Nebraska in those territories presently served by US West Communications, Inc. and GTE Midwest.

IT IS FURTHER ORDERED that Easton Telecom Services, Inc. shall abide by the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to other local exchange carriers except obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Federal Telecommunications Act.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders, (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission, (d) a balance sheet and income statement for the previous year of operation, and (e) 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 FINALLY ORDERED that this order be, and it is hereby made, the Commission's official certificate of public convenience and necessity to the applicant to provide local exchange service within the territory described herein in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 7th day of April, 1998.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Ann C. Boyle

Lowell C. Johnson
Chairman

//s//Lowell C. Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller

ATTEST:

Robert B. Logsdon
Executive Director