

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application        ) Application No. C-1742  
of GTE Midwest, Inc. of Grinnell,        )  
Iowa, seeking approval of intra-        )  
state tariffs for payphone serv-        ) GRANTED  
ices that comply with FCC Order        )  
No. 97-805 in CC Docket No. 96-128.    ) Entered: March 24, 1998

BY THE COMMISSION

By application filed January 30, 1998, GTE Midwest, Inc. (GTE) seeks approval to change its intrastate tariffs regarding payphone services to comply with Federal Communications Commission (FCC) Order 97-805 in CC Docket No. 96-128. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 4, 1998. No protests or formal interventions were filed.

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

GTE is a local exchange carrier (LEC) certificated to provide telecommunications services in Nebraska. GTE's last payphone increase was filed on October 7, 1996, and became effective November 1, 1996. GTE files this application in response to FCC Order No. 97-805, released April 15, 1997. The FCC order requires GTE and other LECs to file intrastate tariffs for payphone services that are consistent with guidelines set by the FCC.

Specifically, the order requires that a cost-based test be established for existing payphone services. The new test requires rates to be between a cost floor and a cost ceiling. GTE believes the best representation of the cost floor is a cost study providing Total Service Long Run Incremental Costs (TSLRIC). GTE suggests the best representation of the cost ceiling is the cost floor, plus allocations of joint and common costs.

GTE provided notice to all affected customers of its filing of this application. GTE believes this filing meets the requirements set forth in the FCC order and proposes to make

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the following payphone line increases:

	<u>Rate Group 1</u> <u>Proposed Rate</u>	<u>Rate Group 2</u> <u>Proposed Rate</u>
Within the Base Rate Area:		
Customer Owned Pay		
Telephone Service	\$21.18	\$25.46
Coin Line Service	\$30.18	\$34.46
Outside the Base Rate Area:		
Customer Owned Pay		
Telephone Service		
Zone 1	\$24.19	\$28.48
Zone 2	\$27.65	\$31.93
Zone 3	\$32.83	\$37.12
Coin Line Service		
Zone 1	\$33.19	\$37.94
Zone 2	\$37.36	\$40.36
Zone 3	\$40.99	\$43.99

Upon review of the rates proposed by GTE and the evidence filed herein, we find the proposed rates to be fair, just and reasonable. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1742 filed by GTE Midwest, Inc. be, and it is hereby, approved.

IT IS FURTHER ORDERED that GTE Midwest file an updated and revised tariff consistent with the findings herein.

MADE AND ENTERED in Lincoln, Nebraska, this 24th day of March, 1998.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Executive Director

*[Signature]*  
Anne C. Boyle

*[Signature]*  
Robert B. Logsdon

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