

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

Application of Houlton Enterprises,)	Application No. C-1782
Inc., d/b/a EZ Phone Connections,)	
For a Certificate of Authority to)	
provide Local exchange telecommuni-)	GRANTED
cation services as a competitive)	
local exchange carrier in the)	
state of Nebraska.)	Entered: August 4, 1998

APPEARANCES:

For the Applicant:
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Richardson, Endacott
& Routh 1000 NBC Center
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Lincoln, Nebraska
68508-1474

For Arapahoe Telephone Company;
Benkelman Telephone Co.; Cozad
Telephone Co.; Diller Telephone Co.;
Hemingford Cooperative Telephone Co.;
Henderson Cooperative Telephone Co.;
and Wauneta Telephone Co.:
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For the Staff:
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BY THE COMMISSION:

By Application filed March 23, 1998, and Supplemental Application filed July 8, 1998, Houlton Enterprises, Inc. d/b/a EZ Phone Connections (EZ Phone Connections) of Omaha, Nebraska, seeks authority to obtain a Certificate of Public Convenience and Necessity to provide local exchange service in the state of Nebraska. Notice of the application appeared in The Daily Record on March 26, 1998. The following parties filed petitions for formal intervention: NITA; Cambridge Telephone Co.; Clarks Telephone Co.; Consolidated Telephone Company; Consolidated Teleco, Inc.; Great Plains Communications; Huntel Systems, Inc.; Southeast Nebraska Telephone Co.; Arapahoe Telephone Company; Benkelman Telephone Co.; Cozad Telephone Co.; Diller Telephone Co.; Hemingford Cooperative Telephone Co.; Henderson Cooperative Telephone Co.; Wauneta Telephone Co.; and Aliant Communications Co. A hearing was held July 15, 1998, in the Commission Hearing Room, Lincoln, Nebraska, with appearances as shown above.

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E V I D E N C E

In support of its application, EZ Phone Connections produced one witness, Mark Houlton, president and owner of Houlton Enterprises, Inc., at the hearing. Mr. Houlton testified as follows:

Houlton Enterprises, Inc. is a privately held corporation incorporated under the laws of the State of Nebraska. Mark Houlton is the president and sole shareholder. Presently, Houlton Enterprises, Inc. does business as Fast Bucks Check Cashing with offices in Council Bluffs and Omaha. The six employees from that business will assist with the provision of local exchange service. As he has done with the check cashing business, Mr. Houlton will oversee the daily operations of EZ Phone Connections. He will also manage and supervise personnel, look for opportunities to expand the business and be responsible for handling customer complaints. Mr. Houlton graduated from the University of Nebraska-Lincoln in 1988 with a degree in business administration and has been a successful salesman and businessman since, earning awards and other recognition for his work. Lisa Houlton, who has been bookkeeper for the check cashing business, will also be bookkeeper for EZ Phone Connections. Herb Townsend, who has been responsible for operating Fast Bucks' customer account and billing software, will be responsible for customer account and billing software for EZ Phone Connections as well.

In the past three years of doing business as Fast Bucks Check Cashing, Houlton Enterprises has nearly tripled its revenue. First quarter earnings for 1998 show the likelihood of continuing growth. All of Fast Bucks' growth has been funded through cash flow and personal savings. It has incurred no debt. Applicant's plan for EZ Phone Connections is the same: Rely on cash flow and existing reserves and savings and not incur debt to develop and grow the business.

While Applicant has not previously provided telecommunications service, it has taken considerable steps to ensure it will be able to satisfy its customers needs from a technical perspective: (1) It has developed a consulting relationship with Omaha Business Telephone, a company with a history of experience in the telecommunications industry, to assist customers when Applicant and US West cannot. (2) Mr. Houlton has plans to attend a formal training program hosted by US West in Denver to learn about US West's systems. (3) Applicant has ascertained from US West who its personal point of contact is within US West. The Applicant will call that contact when customers have billing or service questions.

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Applicant will provide local exchange services as a reseller. Applicant proposes to provide local dial tone service only. Service will be provided on a pre-paid basis, which provides convenience, improved accessibility, simplicity and budgeting certainty.

Applicant will market its telecommunications services primarily to its existing check cashing customer base. Advertising will be done by signage, flyers, word-of-mouth and perhaps television. Applicant will not engage in telemarketing to promote its telecommunications services. The status of Applicant's check cashing customers will not affect their status as telecommunications customers, and vice versa.

Applicant entered into a Stipulation with the Intervenor, which provides that Applicant will limit its service territory under this certificate to that territory presently served by U S WEST. Should an expanded service area be desired, Applicant will file a subsequent application with the Commission.

Additionally, in support of its Application, Applicant submitted the prefiled testimony of Bill Weber, president of Omaha Business Telephone, the company with which Applicant has established a consulting relationship to meet the technical needs of Applicant's telecommunications customers. Mr. Weber testified that he has nearly 30 years of technical experience in the telecommunications industry, beginning with lineman work for Northwestern Bell in 1969. Omaha Business Telephone presently is a full-service interconnect business. They install, repair and maintain voice and data systems. Omaha Business Telephone will respond to service needs of Applicant's customers that US West is unable to handle.

No other parties introduced testimony or evidence.

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

The Commission considers this application for authority in light of the following criteria and standards established in the Commission's telecommunications rules:

- (a) Whether the applicant has provided the information required by the Commission;
- (b) Whether the applicant has provided a performance bond, if required;

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- (c) Whether the applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether the applicant possesses adequate technical competence and resources to provide the proposed service;
- (e) Whether the applicant possesses adequate managerial competence to provide the proposed service; and
- (f) Whether granting the applicant a certificate preserves and advances universal service, protects the public safety and welfare and ensures the continued quality of telecommunications services and safeguards the rights of consumers, pursuant to Section 253(b) of the Act.

Applicant has demonstrated that it meets and exceeds the standards of financial, technical and managerial competence and all other criteria necessary to provide local exchange service in Nebraska in the territory presently served by US West Communications, Inc.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide local exchange service in the above-mentioned territories. All telecommunications carriers seeking such a certificate must demonstrate that they meet, at a minimum, the standards and criteria set forth herein.

Before Applicant is allowed to provide local exchange service to its users, it must either:

- (1) through negotiation or arbitration reach an interconnection/resale agreement with US West Communications, Inc., and receive Commission approval of the interconnection/resale agreement; or
- (2) in the event a certified local exchange carrier provides a wholesale tariff, purchase rates from that tariff, file its own tariff and receive Commission approval of its tariff.

This Order does not terminate, waive or in any manner diminish the exemptions and protections created by the Federal Telecommunications Act for rural carriers, as defined by the Federal Act. This Order does not address the issue of the rural local exchange carriers' exemption under this Federal Act. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Federal Act.

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Prior to providing local exchange service in any area in the state of Nebraska, Applicant must file, and the Commission must approve, tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. tit. 291, ch. 5.

As a provider of local exchange service in the state of Nebraska, Applicant would be subject to 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 any other local exchange company except those obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Federal Telecommunications Act.

O R D E R

IT IS THEREFORE ORDERED by the Commission that Application No. C-1782 be, and it is hereby, granted.

IT IS FURTHER ORDERED that upon final approval of the inter-connection/resale agreement, Applicant is granted authority to provide local exchange service on a resale basis to the area presently served by US West Communications, Inc.

IT IS FURTHER ORDERED that, before Applicant is allowed to provide local exchange service to areas currently served by rural local exchange carriers, as defined by the Federal Telecommunications Act, that all of the requirements set forth in the Federal Telecommunications Act must be evaluated.

IT IS FURTHER ORDERED that Applicant 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. If such reports are unavailable, Applicant shall file a balance sheet and income statement for the previous year of operation, and 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.

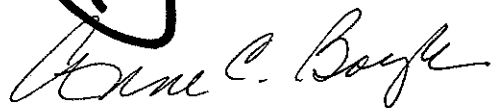
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IT IS FINALLY ORDERED that this order be and hereby is made the Commission's official Certificate of Public Convenience and Necessity to the Applicant to provide local exchange service within Nebraska in the area presently served by US West Communications, Inc.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of August, 1998.

COMMISSIONERS CONCURRING:

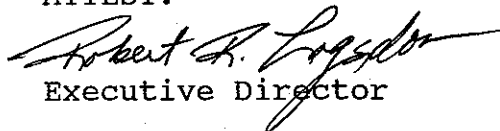


//s//Lowell C. Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

ATTEST:


Executive Director