

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-2772
on its own motion, to determine)
the surcharge for the statewide) ORDER SETTING SURCHARGE
Telecommunications Relay System)
to be effective January 1, 2003.) Entered: September 18, 2002

BY THE COMMISSION:

The above-captioned proceeding was opened by the Commission, on its own motion, to determine the appropriate surcharge for the statewide Telecommunications Relay System (TRS) to be effective January 1, 2003. The Commission is charged by statute to hold an annual public hearing, prior to October 1 of each year, to determine the amount of surcharge necessary to carry out the provisions of the Telecommunications Relay System Act (Neb. Rev. Stat. § 86-1301 to 86-1307 (Cum. Supp. 1998)). The surcharge is used to fund the TRS for the coming year.

Notice of the application and hearing appeared in The Daily Record, Omaha, Nebraska, on August 12, 2002.

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

Steve Stovall, staff accountant for the Commission's Communications Department, testified that Hamilton Telecommunications, which has the contract for the operation of the TRS, has provided annual usage statistics since 1991, when operations began. The data shows usage, number of calls, monthly cost and revenue generated by the current level of surcharge.

Mr. Stovall presented data projecting the surcharge level at six cents (the current level), at seven cents, at eight cents and with a decrease to five cents for the 2002 to 2003 fiscal year and 2003 to 2004 fiscal year. By applying projected growth factors and based on a five-year historical average of usage, Mr. Stovall was able to estimate the amount of money each surcharge level would generate. Based on those projections, Mr. Stovall made a recommendation that the surcharge be raised from six cents to seven cents for the year 2003. Mr. Stovall explained that the increase is needed due to the high participation in the Equipment Distribution Program, increased expenses for vouchers and because of new households who are applying for the program (due to the fact that previous participants who have satisfied the five year requirement can now reapply). Finally, Mr. Stovall testified that should the Legislature change the base of the surcharge from a calendar year to our fiscal year like the Commission is requesting, more

funds will need to be available to ensure that the obligations can be met for the one-and-one-half year period. Mr. Stovall noted that the Telecommunications Relay Service Advisory Committee also supports a surcharge level of up to eight cents.

The Commission finds that the recommendations of Mr. Stovall are reasonable and that the surcharge should be increased from six to seven cents. The increase will ensure that an acceptable level will be in the fund at the end of the fiscal year of 2003. The Commission has traditionally held that a reasonable reserve level should be equal to two or three months of total monthly program costs. The forecasted reserve at the seven-cent surcharge level would be within this range.

The Commission finds based on the testimony and evidence adduced at the hearing that the surcharge should be set at seven cents.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to the Telecommunications Relay System Act, the surcharge be set at seven cents per access line for the year 2003.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning January 1, 2003, to collect a seven-cent surcharge per month on each telephone access line in Nebraska, provided that the surcharge shall be only collected on the first one hundred access lines per customer.

MADE AND ENTERED at Lincoln, Nebraska, this 18th day of September, 2002.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director