

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Cozad Telephone     ) Application No. C-4699  
Company, Cozad, seeking a basic     )  
local rate increase.                 ) APPROVED  
  )  
  ) Entered: November 4, 2014

APPEARANCES:

**For Cozad Telephone Company:**

Troy Kirk  
Rembolt Ludtke LLP  
1201 Lincoln Mall Suite #102  
Lincoln, Nebraska 68508

**For the Commission:**

Shana Knutson  
1200 N Street, Suite 300  
Lincoln, Nebraska 68508

BY THE COMMISSION:

On July 28, 2014, Cozad Telephone Company("Cozad"), of Cozad, Nebraska, gave written notice to the Nebraska Public Service Commission ("Commission") and its subscribers of its intent to increase rates for residential and business basic local telephone service pursuant to the Nebraska Telecommunications Regulation Act<sup>1</sup> ("the Act").

The Commission received notice of the filing and determined the proposed rate increase triggered the Commission's review under Neb. Rev. Stat. § 86-148. An informational meeting was held in Cozad, Nebraska, on August 28, 2014. Subscribers were given until October 28, 2014, to file protests to the proposed rate increases.

On September 5, 2014, the Commission notified Cozad that pursuant to the Act, the Commission would hold a hearing to gather evidence to conduct a review of whether the proposed rates are fair, just, and reasonable. Cozad filed pre-filed testimony which included confidentially filed independently reviewed financial statements and projected revenue adjustments to be reviewed by the Commission staff. A public hearing in the above-captioned docket was held on September 29, 2014, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska.

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<sup>1</sup> See NEB. REV. STAT. § 86-101 et seq.

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

Cozad is a rural independent local exchange carrier. Cozad is a family-owned company that has been providing telecommunications service in Nebraska since 1933. Cozad currently provides local exchange service and broadband service in the Cozad, Nebraska, area. Cozad proposes to increase its residential basic local exchange rate to \$19.95 and its business rate to \$29.95.

Mr. Marcus Young II, is the President of Cozad. He has worked in the telecommunications industry for 34 years. He offered testimony in support of the rate increase.

According to Mr. Young, Cozad has invested extensively in the installation of fiber to the node in its rural areas. In 2011 Cozad began a fiber-to-the-home project in its service area which is approximately 66 percent complete.

Cozad proposes to increase its basic local service rate for residential lines to \$19.95 from \$17.50. This is an increase of 14 percent. Cozad also proposes to increase its basic local service rate for business lines to \$29.95 from \$27.50. This is an increase of 8.9 percent.

Mr. Young stated his belief that the proposed rates for residential and business services to be comparable to the rate for service in the surrounding area. Cozad has not increased its basic local service rate since 2002. Cozad has experienced a declining number of access lines while its cost per access line continues to increase.

The Commission has reviewed the testimony, financial information, and testimony provided at the hearing. No affected subscriber appeared at the public meeting in Cozad on August 28, 2014, to complain about the proposed rate increase. Further, as of the date of this order, no protest from any Cozad customer affected by the rate increases has been filed.

After consideration of the financial information including Cozad's capital investment in plant; and, in recognition of the changed environment in which Cozad operates, the Commission is of the opinion and finds the proposed rate increases are fair and reasonable. Accordingly, the Commission finds the proposed rates should be approved.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Cozad is hereby authorized to increase its basic local rates as proposed in the above-captioned proceeding.

IT IS FURTHER ORDERED that Cozad file appropriate rate lists with the Commission reflecting the changes approved herein.

MADE AND ENTERED in Lincoln, Nebraska, on this 4th day of November, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Vice Chairman

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Anna Boyle*  
*Tim Schram*  
*Red Johnson*

*Gerald L. Vap*  
Vice Chairman

ATTEST:

*Steve Meredith*  
Executive Director

//s//Gerald L. Vap