

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. NUSF-108
Nebraska Public Service)
Commission, on its own)
Motion, to make adjustments)
to its high-cost distribu-) ORDER AUTHORIZING PAYMENTS
tion mechanism and make)
revisions to its reporting)
requirements.)
) Entered: January 29, 2019

BY THE COMMISSION:

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

The Nebraska Public Service Commission (Commission) initiated this proceeding on September 27, 2016 to consider certain modifications to the high-cost funding mechanism in the universal service fund program. On November 19, 2018 the Commission entered a Findings and Conclusions Order in Progression Order No. 3 which further set forth a process to challenge the preliminary list of census blocks used to base ongoing support and broadband deployment funding in the high-cost program allocation for rate-of-return carriers (ROR carriers). The preliminary list of census blocks was released on the Commission's website on November 26, 2018. Challenges were due on or before January 11, 2019. In this Order, the Commission concludes the 2019 challenge process and makes a determination regarding authorized high-cost support for calendar year 2019. The Commission reminds carriers that the support is considered interim pending further determinations which will be made through Progression Order No. 4.

In response to the preliminary list of census blocks released on November 26, 2018, the Commission received challenges from the following: American Broadband, ATC Communications, BW Telecom, Cambridge Telephone Company, Charter Communications, Inc., Cozad Telephone Company, Curtis Telephone Company, Diller Telephone Company, Glenwood Network Services, Glenwood Telephone Membership Corp., Great Plains Communications, Hamilton Telephone Company, Hartington Telecommunications Company, Hemingford Cooperative Telephone Company, Hershey Cooperative Telephone Company, K&M Telephone Company, Mainstay Communications, Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Stanton Telecom, Inc., and Three River Telephone Company. The challenges submitted were generally categorized as 1)

incumbent provider corrections to their own service coverage; 2) carrier challenges to the certified Form 477 data filed by another provider; and 3) carriers claiming to serve an area with 25/3 where it had not been previously reported.

In total, the Commission staff reviewed challenges for over 1,623 census blocks.¹ The Commission staff recommends approval of 1,596 requests and denial of 27 requests. The staff's recommended disposition of the census block challenges is posted on the Commission's website at www.psc.nebraska.gov. We adopt the Commission staff's recommendations. In accordance therewith, the Commission hereby modifies its census block data for the purpose of determining ongoing and broadband deployment support in the model consistent with the findings made herein. We further find for approved challenges that involved updating information relative to FCC Form 477 deployment data, that we would expect this to be reflected in the next FCC Form 477 submission made by the carrier.

We decline to grant the Motion for Further Investigation² at this point in time, but we find at the time where the Commission solicits updates to the SBCM model from its vendor, there will be an opportunity to make updates to the census block data included in the model.

In addition, for the present time, we find the amount of support made available for high-cost distribution should remain static. The Commission further finds the allocation between grant-based support and ongoing maintenance support will remain the same for price cap carriers, which is 80 percent grant-based support and 20 percent ongoing maintenance support.

¹This figure excludes blocks incumbent local exchange carriers requested to be included but where costs were not assigned in the SBCM.

² On January 11, 2019, RTCN filed a Motion for Further Investigation to investigate census blocks not modeled for support in the initial listing of census blocks. The SBCM indicates that no subscribers resided in certain census blocks which were therefore not included. Certain RTCN companies provided evidence which may indicate that some of these census blocks may have subscriber counts. However, there is no SBCM cost allocation for these census blocks and accordingly no basis for support assignment. The SBCM was adopted for use in the Commission's November 19, 2018 Order.

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For the calendar year of 2019, the Commission hereby authorizes its staff to pay up to \$29,161,992.00 in high-cost wireline support pursuant to the model adopted by the Commission in NUSF-26 as modified by subsequent orders issued in NUSF-50 on December 19, 2006, and in NUSF-108. As indicated in our November 26, 2018 Order, the Commission contemplates making adjustments to the high-cost support mechanism mid-year. The 2019 high-cost support distribution mechanism is available on the Commission's website at <http://www.psc.nebraska.gov>.

O R D E R




IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the challenges received by the Commission by on or before January 11, 2019 in this matter be, and they are hereby, determined as reflected in the census block challenge results posted on the Commission's website.

IT IS FURTHER ORDERED that the Commission staff be authorized to make revised high-cost program disbursements for calendar year 2019 as described above.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 29th day of January, 2019.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chair

ATTEST:


Executive Director

Commissioners Dissenting:

//s//Crystal R. Loades