

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. NUSF-34.12
Public Service Commission, on)
its own motion, seeking to) ORDER TO SHOW CAUSE
investigate the Remittance Audit)
filed by USCOC of Greater Iowa,)
Inc. for the 2004 calendar year.) Entered: November 8, 2006

BY THE COMMISSION:

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

Pursuant to Neb. Rev. Stat. 86-324(d)(2006 Cum. Supp.) the Nebraska Public Service Commission (Commission) is charged with requiring, as reasonably necessary, an annual audit of any telecommunications company to insure the billing, collection and remittance of a surcharge for universal service. By Commission rules and regulations and Commission order, agreed upon audit procedures are used to verify accurate billing, collection and remittance of the surcharge to the Nebraska Universal Service Fund (NUSF).

Although the Commission received the remittance audit filed by USCOC of Greater Iowa, Inc., upon review by Commission accounting staff, however, it was incomplete and further clarification was required. On July 31, 2006, the Director of the Nebraska Telecommunications Infrastructure and Public Safety Department (NTIPs) which administers the NUSF sent a letter to USCOC of Greater Iowa, Inc. requesting that further clarification be filed within 30 days.

According to the Commission staff's letter, the audit report filed by USCOC of Greater Iowa, Inc. was insufficient to meet the Commission's standards. The Commission staff requested USCOC of Greater Iowa, Inc. file (1) a detailed explanation of the types of credits included in the BAN level adjustment for each data period in which this adjustment was taken. The explanation required, needs to provide for the dollar amounts associated with each type of credit, and (2) a detailed explanation for the high percentages of the bad debt during 2004.

No response to this letter has been filed by USCOC of Greater Iowa, Inc. Accordingly, the Commission opens this investigation requiring such detailed explanation to be filed and to determine whether the adjustments made to the surcharge remitted should be approved. USCOC of Greater Iowa, Inc. is required to respond to this Order to Show Cause on or before **December 12, 2006** with the detailed explanations referenced as (1) and (2) above. In addition, the Commission has concerns

that USCOC has been taking deductions which have not been approved by the Department or the Commission. Accordingly, the Commission opens this docket to investigate the high percentages of bad debt reported in the audit during 2004 and the BAN level adjustments reported.

A hearing on this matter will be held on **January 9, 2007** at 1:30 p.m. in the Commission Hearing Room, 300 The Atrium Building, Lincoln, Nebraska. Failure to file a detailed explanation by the December 12, 2006 deadline, or to appear at the hearing, will result in administrative penalties.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-captioned investigation be and it is hereby opened.

IT IS FURTHER ORDERED that USCOC of Greater Iowa, Inc. be required to file a detailed explanation along with supporting documentation, as set forth herein, on or before **December 12, 2006**.

IT IS FURTHER ORDERED that a hearing on this matter will be held on **January 9, 2007** at 1:30 p.m. in the Commission Hearing Room, 300 The Atrium, 1200 "N" Street, Lincoln, Nebraska.

MADE AND ENTERED at Lincoln, Nebraska this 8th day of November, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director