

Chairman Vap called the regularly scheduled meeting to order at 10:01 a.m. with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap present and Commissioner Boyle excused.

GENERAL ADMINISTRATION

Notice was duly published June 29, 2004, on Page 7 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held July 7, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceeding:

Wednesday, July 7, 2004:

C-3095 Commission Hearing Room, Lincoln.
1:30 Qwest Corporation, Denver, Colorado, seeking arbitration to resolve issues related to interconnection rates, terms, conditions and related arrangements with AT&T Communications of the Midwest, Inc. and TCG Omaha, Denver, Colorado. Commissioner Landis chairing.

COMMUNICATIONS DEPARTMENT

Cheryl Elton reported on telecommunications complaints received during the preceding month. Gene Hand informed the Commission that tariffs had been received from Alltel adding language A) to limit the period of time in which a customer can dispute a billed charge; B) to limit the period of time that the Alltel Companies are obligated to make refunds for overbilling errors; and, C) clarifying that bills are due and payable upon receipt and shall be considered delinquent twenty (20) days from the date of mailing.

AD-305r In the Matter of Robert Gregg, Omaha, seeking authority to connect an automatic dialing-announcing device: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

C-2940 In the Matter of the Commission, on its own motion, seeking to determine whether the retail service quality provided by Alltel is adequate: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter an order closing the docket. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3025 In the Matter of the Commission, on its own motion, seeking to conduct a 90-day proceeding as contemplated by the Federal Communications Commission in its Triennial Review order adopting new rules for network unbundling obligations: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Frank Landis, to enter an order closing the docket. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

C-3204 In the Matter of Sprint Communications, L.P., Overland Park, Kansas, seeking approval of an amendment to its Certificate of Public Convenience and Necessity to provide local exchange telecommunications service in all exchanges within the State of Nebraska in which Sprint is not currently certificated: Gene Hand informed the Commission that Southeast Nebraska Telephone Company had filed a Motion to Dismiss.

C-3213 In the Matter of the Commission, on its own motion, seeking DC-67 an order to cease and desist operations and to revoke the Certificate of Public Convenience and Necessity issued to the named defendants: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order dismissing the complaint in part. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

C-3233 In the Matter of the Petition of Chase 3000 Inc., Imperial; PI-84 Skybeam, Scottsbluff; McCookNet Internet Service, McCook; AxtellTech, Axtell; and Facspro Infotech Consulting, LLC, Brady, seeking a Commission rulemaking: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter an order seeking comments. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

Gene Hand informed the Commission that AT&T was launching internet phone service in the Omaha area. Upon agreement of all Commissioners present, a letter will be sent to AT&T seeking further information.

Gene Hand discussed the status of Hamilton Telephone Company's proposed basic local rate increase and the need to revise Commission rules to mirror statute notice requirements.

UNIVERSAL SERVICE FUND

NUSF-2 In the Matter of the Commission, on its own motion, seeking to establish guidelines for administration of the Nebraska Lifeline Program, now known as the Nebraska Telephone Assistance Program (NTAP): Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order seeking comments by September 7, 2004, on changes to the NTAP Program. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

NUSF-5/
C-2045 In the Matter of the Commission, on its own motion, seeking to prescribe fair, just, and reasonable local exchange rates for all incumbent local exchange carriers in the state of Nebraska pursuant to Neb. Rev. Stat. Sec. 86-803(4): Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter an order investigating the fund's overpayment to K&M Telephone Company and scheduling a hearing for August 24, 2004 at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

NUSF-32 In the Matter of the Commission, on its own motion, seeking to conduct an inquiry into the failure of various companies to comply with Commission orders and, at its own discretion, impose administrative fines against the named defendants: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson, to enter an order dismissing the show cause and canceling the hearing previously scheduled for July 20, 2004, against MCI. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

Jeff Pursley discussed a draft of a letter to the Universal Service Administration Company (USAC) in response to the Federal Communications Commission (FCC) order released on April 29, 2004. The letter stated that Nebraska should not be considered a "federal default state" relative to the Nebraska Telephone Assistance Program. Upon agreement of all Commissioners present, approval was granted to forward the letter.

Jeff Pursley discussed a draft of a letter to the Nebraska Appleseed Center regarding the NTAP program and the opening of comments on the changes to the Nebraska Telephone Assistance Program in NUSF-2, presented to the Commission today. Upon agreement of all Commissioners present, approval was granted to forward the letter.

E911 DEPARTMENT

PSAP-033.1 In the Matter of Gage County/Beatrice Police Department, Beatrice, seeking approval for additional funding for recurring and non-recurring costs of wireless E911 implementation: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

PSAP-034 In the Matter of Nemaha County, Auburn, seeking funding approval for recurring and non-recurring costs of wireless E911 implementation: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson, to enter an order granting the application. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

911-009/
PI-78 In the Matter of the Commission, on its own motion, seeking to investigate the current status of Phase I enhanced wireless 911 service and alternatives for handling wireless 911 calls for areas currently without enhanced 911 service: Kara Thielen reported on comments and suggestions from the workshop held on June 24, 2004.

Kara Thielen reported on the current status of requests for Phase I. There are eight new requests for Nextel Partners that will be processed.

Kara Thielen reported on the payment of invoices. There are three carriers that are having billing/invoicing issues that need to be resolved.

Kara Thielen reported on quarterly reporting by the wireless service providers. There are many providers that have not filed their first quarter information with the Commission and the staff is in the process of obtaining these reports.

Kara Thielen reported on Fast Phones of NE E911 remittance. Fast Phones has been remitting the 911 surcharge for landlines. The staff will research this matter further.

NATURAL GAS DEPARTMENT

NG-0013 In the Matter of the Commission, on its own motion, seeking to evaluate and establish, on a quarterly basis, an assessment for jurisdictional utilities pursuant to the State Natural Gas Regulation Act [LB 790, 2003]: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson, to enter Progression Order No. 4. Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

NATURAL GAS DEPARTMENT (Cont.)

FC-1319 In the Matter of Kinder Morgan, Inc., Lakewood Colorado,
vs. City of Hastings, Hastings, alleging installation of
duplicative and redundant natural gas piping and services in the City
of Hastings and its environs: Laura Demman reported that a Motion to
Dismiss was filed on behalf of the City of Hastings on July 1, 2004.
An oral argument was scheduled for a date later to be determined.
Commissioner Rod Johnson will preside as Hearing Officer.

Laura Demman provided a report on the number and nature of
consumer inquiries and complaints received during the previous month.

Laura Demman reported that the reminder letter requesting
all 2003 yearly reporting requirements was distributed via first class
mail on July 1, 2004, to all the certificated competitive natural gas
providers.

LEGISLATIVE REPORT

PI-83 In the Matter of the Commission, on its own motion, seeking
to investigate the feasibility and propriety of the regula-
tion of wireless carriers: Upon agreement of all Commissioners pre-
sent, an order was entered opening the docket. Written comments will
be due on or before August 31, 2004 at 5:00 p.m. Public meetings were
scheduled as follows:

August 10, 2004 7:00 p.m.
Westside Community Conference Center, Room Keystone 5, 3534 South 108th
(108th and Grover), Omaha

August 12, 2004 6:00 p.m.
Commission Hearing Room, Lincoln.

August 17, 2004 9:00 a.m.
McKinley Education Center, Room 1, 301 West F Street, North Platte.

August 17, 2004 7:00 p.m.
City Council Chambers, City Hall, 302 West 5th, McCook.

August 19, 2004 7:00 p.m.
City Council Chambers, City Hall, 400 East Military, Second Floor,
Fremont.

August 25, 2004 9:00 a.m.
City Council Chambers, City Hall, 100 East 1st Street, Grand Island.

August 25, 2004 7:00 p.m.
City Council Chambers, City Hall, 309 Madison Avenue, Norfolk.

September 23, 2004, 2:00 p.m.
Commission Hearing Room, Lincoln,

WEB AND TECHNOLOGY DEPARTMENT

Tyler Frost reported on the number of complaints submitted online, as well as potential changes to the Commission's electronic mail systems.

GRAIN WAREHOUSE DEPARTMENT

The following shortage was discussed:

GW-1823 Soybeans at Farmers Union Cooperative Association, Cedar Bluffs.

John Fecht reported that there are 12 grain warehouse licenses that have not been renewed due to background checks and 50 bonds outstanding that need to be filed to meet the Commission's two cents per bushel requirement for licensees not filing an audited financial statement.

GW-5 In the Matter of Thelen Grain Company, Wood River: John Fecht updated the Commission on the financial status and reported that Pat Thelen has talked to various sources about selling the business.

GW-2141 In the Matter of Pender Grain, Inc., Pender: John Fecht updated the Commission on the status of the financial statement needed to meet the Commission's requirement.

GW-2163 In the Matter of Nationwide Mutual Insurance Company seeking cancellation of its Continuous Public Grain Warehouse Bond No. BD7900605262 in the amount of \$230,100.00, issued on behalf of Edgar Grain Company, Edgar: Application was granted effective July 3, 2004.

Grain Dealer Division

John Fecht reported that there are 15 grain dealer licenses that have not been renewed due to background checks.

GD-2730 In the Matter of Rittscher Trucking, Inc. Elgin: John Fecht informed the Commission that the March 31, 2004 financial statement is delinquent.

GD-2831 In the Matter of Mid-Continent Casualty Company seeking cancellation of its Continuous Grain Dealer Bond No. KBD-0090734 in the amount of \$150,000.00, issued on behalf of ICM Marketing, Inc., Colwich, Kansas: Application was granted effective July 1, 2004.

GRAIN WAREHOUSE DEPARTMENT (Cont.)

GD-2857 In the Matter of Union Insurance Company seeking cancellation of its Continuous Grain Dealer Bond No. 241 44 31 in the amount of \$35,000.00, issued on behalf of Agri Marketing Specialties, Inc. dba Ag Finder Iowa Nebraska, Omaha: Application was granted effective July 4, 2004.

GD-2869 In the Matter of DeBruce Grain, Inc., Kansas City, Missouri: John Fecht informed the Commission that the financial statement was delinquent when the agenda was prepared, but the statement was mailed to the Commission on July 6, 2004.

TRANSPORTATION DEPARTMENT

B-1619 In the Matter of Kincaid Coach Lines, Edwardsville, Kansas, seeking Commission approval to waive the age qualification for driving a motor vehicle: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order granting approval and waiving the rule. Motion passed with Lowell Johnson, Rod Johnson, Frank Landis, and Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

Commissioner Rod Johnson exited the Commission Hearing Room.

M-11532 In the Matter of Select Van & Storage, Omaha, seeking to acquire, through transfer, the authority granted to Benson Transfer & Storage Company in Certificate M-13404: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson, to grant the application for transfer and revoke Certificate M-13404. Motion passed with Commissioners Lowell Johnson, Frank Landis, and Jerry Vap voting AYE, and Commissioners Anne Boyle and Rod Johnson Excused Not Voting.

Rate Division

Commissioner Rod Johnson returned to the Commission Hearing Room.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was increased to 24 cents per mile and the taxi surcharge retained at 40 cents per trip.

GENERAL ADMINISTRATION

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Frank Landis, to approve the following invoices: Motion passed with Commissioners Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE, Commissioner Anne Boyle Excused Not Voting.

DAS - Transportation Services Bureau	\$	723.52
University of Nebraska - Bureau of Business Research		12,644.50
Ted Burkey		1,887.50
ESRI		2,000.00
Kelly Services		1,267.88
Robert Bowman		791.95
Fred Massing		1,017.39
Anne Boyle		450.00
Anne Boyle		45.00

Upon agreement of all Commissioners present, authorization was granted for Laura Demman to attend the National Association of Regulatory Utility Commissioners (NARUC) Regulatory Studies Program to be held at Michigan State University, Lansing, Michigan, from August 9-13, 2004.

The meeting adjourned at 11:20 a.m. with Commissioners Lowell Johnson, Rod Johnson, Landis and Vap present and Commissioner Boyle excused. The next regularly scheduled meeting will be held on July 20, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on July 19, 2004.

Chairman

Executive Director