

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

GENERAL ADMINISTRATION

Notice was duly published February 15, 2006 on Page 8 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held February 22, 2006 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Chairman Lowell Johnson recognized the Commission's Economist, Tyler Frost, for the article he and Dave Rosenbaum had published in the NRRI Journal of Applied Regulation, Volume 3, December, 2005.

Attention was called to the following proceedings:

Wednesday, February 22, 2006:

Rule and Commission Hearing Room, Lincoln.
Regulation In the Matter of the Commission, on its own motion,
#157A seeking to amend Title 291, Chapter 9, Natural Gas and
1:30 Pipeline Rules and Regulations, to adopt rules in
accordance with Nebraska Legislative Bill 790 [2003].
Commissioner Landis presiding as Hearing Officer.

Thursday, February 23, 2006:

TR-152 Commission Hearing Room, Lincoln.
10:00 In the Matter of Servant Cab Company, dba Yellow Cab
Company and Capital Cab Company, Lincoln, seeking authority
to adjust its rates and charges. Commissioner Landis
presiding as Hearing Officer.

NG-0034 Commission Hearing Room, Lincoln.
2:30 In the Matter of Aquila, Inc., d/b/a Aquila Networks
(Aquila), Omaha, seeking authority for Gas Cost Adjustment
"Fixed Price Option Pilot Program" for residential
customers in all Aquila rate areas in the state of
Nebraska. Commissioner Landis presiding as Hearing Officer.

COMMUNICATIONS DEPARTMENT

C-3206 In the Matter of the Commission, on its own motion, seeking
to administer the Nebraska Internet Enhancement Fund. Com-
missioner Rod Johnson presiding as Hearing Officer: Motion made by
Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to
enter an order approving payment of funds. Motion passed with Commis-
sioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and
Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3206 In the Matter of the Commission, on its own motion, seeking to administer the Nebraska Internet Enhancement Fund. Commissioner Rod Johnson presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to enter an order granting an extension. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3469 In the Matter of Budget Phone, Inc., Shreveport, Louisiana seeking Designation as an Eligible Telecommunications Carrier (ETC) in the state of Nebraska. Commissioner Jerry Vap presiding as Hearing Officer: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3528 In the Matter of Newcastle Holdings, Inc., Charlotte, North Carolina, seeking authority to operate as an interexchange carrier of telecommunications services within the state of Nebraska: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3531 In the Matter of SBC Long Distance, LLC, d/b/a SBC Long Distance, Pleasanton, California, seeking a name change to AT&T Long Distance: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3532 In the Matter of American Farm Bureau, Inc. (AFBI), Park Bridge, Illinois, seeking to withdraw their Certificate of Public Convenience and Necessity as a reseller of interexchange telecommunication services in the state of Nebraska, previously granted in C-1506: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order canceling the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

C-3534 In the Matter of XO Communications Services, Inc., Salt Lake City, Utah, seeking authority for a pro forma internal corporate restructuring: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

E-2064 In the Matter of Norris Public Power District, Beatrice, seeking authority to construct, operate and maintain an electric transmission line in Jefferson County: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E-2095 In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain electric transmission lines in Platte and Madison Counties: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E-2096 In the Matter of Southern Public Power District, Grand Island, seeking authority to construct, operate and maintain an electric transmission line in Hamilton County: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E-2097 In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Platte County: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E-2098 In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Platte County: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E-2099 In the Matter of Loup River Public Power District, Columbus seeking authority to construct, operate and maintain an electric transmission line in Boone County: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

C-2831/
NUSF-51/
PI-67 In the Matter of the Commission, on its own motion, seeking to investigate telecommunications infrastructure development in Nebraska. Commissioner Jerry Vap presiding as Hearing Officer: Gene Hand informed the Commission that an extension of time was granted until March 14, 2006 for all companies to file their responses to the survey.

Case No. In the Matter of *Qwest v. Koppendrayer* in the Eight Circuit
04-3677 Court of Appeals: Shana Knutson provided the Commission with a summary of the Opinion of the Eighth Circuit Court of Appeals.

Gene Hand informed the Commission of an article in Government Technology - "High Tech in the Heartland". (Volume 19, Issue 2, February 2006).

Gene Hand reported and the Commission discussed upcoming public hearing dates and the status of the Omaha Public Power District's route for a new transmission line to connect a new power plant under construction near Nebraska City with a new substation southeast of Lincoln.

Gene Hand reported on meetings held at the winter conference of the National Association of Regulatory Utility Commissioners (NARUC) in Washington D.C. from February 10-15, 2006.

UNIVERSAL SERVICE FUND

NUSF-37.75 In the Matter of Jeffrey L. Pursley, Director, Universal Service Fund Department, Complainant, vs. LCR Telecommunications, Defendant. Commissioner Rod Johnson presiding as Hearing Officer: Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis, to enter an order dismissing the complaint. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NUSF-50, In the Matter of the Commission, on its own motion, seeking
P.O. #1 to make adjustments to the universal service fund mechanism established in NUSF-26: Jeff Pursley discussed the Hearing Officer's Order of February 14, 2006, extending the comment period from February 24, 2006 to March 24, 2006, with reply comments due on or before April 24, 2006.

NUSF-51/
C-2831
PI-67 In the Matter of the Commission, on its own motion, seeking to investigate telecommunications infrastructure development in Nebraska: Jeff Pursley discussed the Hearing Officer's Order of February 16, 2006, extending the broadband survey response deadline from February 28, 2006 to March 14, 2006.

UNIVERSAL SERVICE FUND (Cont.)

Jeff Pursley reported on Late-Filed Carrier Remittances:
Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to levy a late fee against Citizens Telecommunications and to amend the current complaint against LDMI Telecommunications in docket NUSF-37.78 to include the late-filed 4th Quarter, 2005 worksheet. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

E911 DEPARTMENT

PSAP- In the Matter of Dawson County PSAP, Lexington, seeking
017.1 approval for recurring and non-recurring costs of Wireless
E-911 implementation: Motion made by Commissioner Jerry
Vap, seconded by Commissioner Frank Landis, to enter an order granting
the application. Motion passed with Commissioners Anne Boyle, Lowell
Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

PSAP- In the Matter of Fillmore County PSAP, Geneva, seeking
GISD-035 approval of funding for development of GIS data: Motion
made by Commissioner Rod Johnson, seconded by Commissioner
Frank Landis, to enter an order granting \$22,200 for base map develop-
ment and MSAG comparison and \$7,200 for annual GIS maintenance.
Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod
Johnson, Frank Landis and Jerry Vap voting AYE.

PSAP- In the Matter of Seward County PSAP, Seward, seeking
GISD-041 approval of funding for development of GIS data: Motion
made by Commissioner Rod Johnson, seconded by Commissioner
Frank Landis to enter an order granting \$9,000 for base map develop-
ment and MSAG comparison and \$5,400 for annual GIS maintenance.
Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod
Johnson, Frank Landis and Jerry Vap voting AYE.

Kara Thielen reported on the status of a payment report.

NATURAL GAS DEPARTMENT

NG-0012.1 In the Matter of the Public Alliance for Community Energy
(ACE), Lincoln, seeking additional authority as a Competi-
tive Natural Gas Provider to serve the entire state of Nebraska.
Commissioner Landis presiding as Hearing Officer: Motion made by
Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to
enter Assessment Order HSD-002. Motion passed with Commissioners Anne
Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting
AYE.

NATURAL GAS DEPARTMENT (Cont.)

NG-0033 In the Matter of RnD Energy, LLC, Boulder, Colorado, seeking authority as a Competitive Natural Gas Provider in the state of Nebraska. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter Assessment Order HSD-001. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

NG-0034 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking authority for Gas Cost Adjustment "Fixed Price Option Pilot Program" for residential customers in all Aquila rate areas in the state of Nebraska. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter Assessment Order HSD-001. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

P-0011 In the Matter of Aquila, Inc., Omaha, seeking resolution of a dispute under *Neb. Rev. Stat. §57-1306*: Laura Demman reported on the receipt of a Formal Complaint filed with the Commission on February 17, 2006. Should Metropolitan Utilities District of Omaha (M.U.D.) desire to file a Statement of Satisfaction, it must be filed by March 6, 2006. If a Statement of Satisfaction is not filed, M.U.D.'s answer date will be fifteen days from the date of service or March 13, 2006. Commissioner Landis was appointed Hearing Officer.

Laura Demman reported on meetings held at the winter conference of the National Association of Regulatory Utility Commissioners (NARUC) in Washington, D.C. from February 11-14, 2006.

LEGISLATIVE REPORT

Angela Melton reported on current legislative items.

TRANSPORTATION DEPARTMENT

Commissioner Frank Landis exited the Commission Hearing Room.

B-1663 In the Matter of Stella Counseling Services, Lincoln, seeking authority as a contract carrier in open class service in the transportation of passengers and their baggage for clients receiving services from Stella Counseling Services, PC, between points within the limits of the city of Lincoln: A hearing was scheduled for April 5, 2006 at 10:00 a.m. in the Commission Hearing Room, Lincoln. Commissioner Landis was appointed Hearing Officer.

TRANSPORTATION DEPARTMENT (Cont.)

B-1664 In the Matter of Kyle Halsey, dba Heartland Limousine, Beatrice, seeking authority as a common carrier in Nebraska intrastate commerce in the transportation of passengers and their baggage in limousine service over irregular routes in Gage and Jefferson counties, and between points in said counties, on the one hand, and, on the other hand, points in Nebraska for passengers originating in Jefferson or Gage Counties. Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order granting the application as amended. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson and Jerry Vap voting AYE, and Commissioner Frank Landis excused not voting.

PI-110 In the Matter of the Commission, on its own motion, seeking comments on the commuter service docket: A workshop was scheduled for April 12, 2006, at 10:00 in the Commission Library, Lincoln and the Nebraska State Office Building, Room 207, 1313 Farnam Street, Omaha. Commissioner Boyle was appointed Hearing Officer.

Commissioner Frank Landis returned to the Commission Hearing Room.

MCC-3156 In the Matter of Mark J. Breiner, Director, Motor Transportation Department, Complainant vs. delinquent motor carriers: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter a Motion to Reconsider and an Order reinstating authority for Smitty's Van & Storage Co. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

Rate Division

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 decreased to 54 cents per mile.

LR-265 In the Matter of Kyle Halsey, dba Heartland Limousine, Beatrice, seeking authority to adjust its rates and charges: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

GRAIN WAREHOUSE DEPARTMENT

GW-1737 In the Matter of John A. Fecht, Director, Warehouse
GWC-410 Department, Complainant, v. Northwest Grain Co., Ltd.,
Rushville, Defendant: Motion made by Commissioner Rod
Johnson, seconded by Commissioner Jerry Vap, to enter an order
approving a stipulation and dismissing the complaint. Motion passed
with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank
Landis and Jerry Vap voting AYE.

GENERAL ADMINISTRATION

Motion made by Commissioner Anne Boyle, seconded by Com-
missioner Jerry Vap, to approve the following Commission invoices.
Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod
Johnson, Frank Landis and Jerry Vap voting AYE.

DAS - Materiel	\$ 527.01
Larry Fauss	800.00
First Source	1,452.00
Thompson/West	573.92
Voyager	1,583.42
Lowell Johnson	1,243.51
Gerald Vap	1,289.45

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM:

Alternative Hearing	975.00
Associated Hearing Health	451.00
Dynavox Systems	999.00
Grand Island Hearing Aid	1,357.07
Hearing Aid Center of Columbus	122.77
Carl A. Johnson Junior	452.30
Larry Kent & Associates	535.60
Janet Killam	981.85
Sherard Hearing Aid Center	172.80
Teltex	465.65
Weitbrecht Communications	8,067.44

Motion made by Commissioner Jerry Vap, seconded by Commis-
sioner Frank Landis, to approve the Commission minutes for the month
of January 2006. Motion passed with Commissioners Anne Boyle, Lowell
Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

Motion made by Commissioner Frank Landis, seconded by Com-
missioner Jerry Vap, to ratify the Executive Director's approval of
the Public Advocate Contract Amendment. Motion passed with Commis-
sioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and
Jerry Vap voting AYE.

GENERAL ADMINISTRATION (Cont.)

Upon agreement of all Commissioners, authorization was granted for Kent Pribyl to travel to Clay Center, Kansas to conduct a modular housing unit factory inspection on February 15, 2006, at Wardcraft Homes with all expenses, including time, to be reimbursed by Wardcraft Homes.

Upon agreement of all Commissioners, authorization was granted for Steve Stovall to travel to Denver, Colorado from March 13-23, 2006, to attend the Qwest Section 272 audit as part of the Joint Oversight Team with expenses to be paid from the Competitive Telephone Marketplace Fund.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to go into closed session to discuss personnel and investigatory matters. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE. The Commission went into closed session at 10:48 a.m.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to return to open session. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE. The Commission returned to open session at 11:02 a.m.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to approve the Executive Director's recommendation on two personnel matters. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis and Jerry Vap voting AYE.

The meeting adjourned at 11:10 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, Landis and Vap present. The next regularly scheduled meeting will be held on February 28, 2006, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on February 27, 2006.

Chairman

Executive Director