BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission on its own motion to determine a surcharge for the Statewide Telecommunications Relay Service (TRS) to be effective January 1, 1994.	Application No. C-1021 ORDER ENTERED; SURCHARGE UNCHANGED Entered: October 4, 1993

APPEARANCES

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PRELIMINARY MATTERS

This docket was opened August 11, 1993 by the Commission to consider what, if any, change should be made to the surcharge used to fund the TRS. LBs 240 (LAWS 1990) and 305 (LAWS 1993) set forth the statutory requirements establishing the Relay. The legislation requires an annual review and hearing before October 1 of each year to determine the surcharge to fund the Relay for the forthcoming year.

Notice of the application and date of hearing was published in the Omaha Daily Record August 17, 1993 and personal service by mail was made on all local exchange carriers. Notice was also sent to the Omaha World Herald and the Lincoln Journal Star. Hearing was held in the Commission Hearing Room, Lincoln, Nebraska September 28, 1993. Commissioner Landis chaired the proceeding.

OPINION AND FINDINGS

Maurice Gene Hand testified. He is the Director of the Commission's Communications Department. He and the Department staff studied usage data (Exhibit 3) provided by the Relay vendor, Hamilton Telephone Company. This data shows actual usage from January, 1991 through and including August, 1993. The data shows usage, cost, number of calls, monthly cost, and revenue generated by the surcharge. Based on past usage, Hand testified that staff has projected the Relay's use through the end of 1994 and recommends that the current surcharge of ten cents per access line not be changed since it is sufficient to fund the Relay. According to Hand, the Relay Advisory Committee to the Commission passed a motion September 23, 1993 concurring with the staff's recommendation.

Hand attributed the adequacy of the current surcharge to additional funding of the Relay through NECA (the National Exchange Carrier Association). The Federal Communications Commission ordered NECA to provide funding through a pooling arrangement to pay for Relay users' interstate calls. Prior to the FCC's order, some states barred interstate calls on their Relay. Nebraska paid for interstate TRS calls through its surcharge funding. The addition of the NECA revenue relieves pressure on the surcharge in Nebraska. Hamilton Telephone provided a letter to the Commission (Exhibit 3) which states that the NECA contribution will reduce the minutes billed by Hamilton bill to the Commission by approximately ten percent. In addition to the NECA funding, the addition of cellular access lines to the pool of access lines subject to the surcharge has increased revenues and spread the cost the Relay across a broader spectrum of telephone users. General access line growth continues to grow in Nebraska also, although at a reduced rate and this increases the base from which to draw the surcharge revenue.

Each penny of the surcharge generates approximately $8,500 per month. Hand testified that the staff's projections on the amount of revenue generated by each penny of surcharge and the projections of the Relay's use have been historically accurate. He believes the projection of usage and costs through the end of 1994 is accurate and reliable. He did observe that the introduction of the NECA factor adds a degree of uncertainty to the projections because it is unknown if ten percent of each month's usage will be interstate calls. But he believes the uncertainty is manageable with the current surcharge unchanged.

Upon consideration of the evidence adduced at the hearing and being fully informed, the Commission is of the opinion and finds that the current surcharge of ten cents should remain in effect for the upcoming year beginning January 1, 1994.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to LBs 240 and 305 (LAWS 1990 and 1993, respectively), a ten cents per access line surcharge shall fund the Telecommunications Relay System in 1994.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning January 1, 1994, to collect a ten cent surcharge per month on each telephone access

line in Nebraska.[1] The companies shall add the surcharge to each customer's bill. The companies shall not be liable for any surcharge not paid by a customer and shall not be obligated to take legal action to collect the surcharge. The proceeds from the surcharge shall be remitted to the Commission monthly no later than thirty days after the end of the month in which they were collected.

MADE AND ENTERED at Lincoln, Nebraska this 4th day of October, 1993.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel G. Urwiller

Duane D. Gay

//s//Rod Johnson
//s//Frank E. Landis, Jr.
//s//James F. Munnelly

Chairman

ATTEST:

Acting **Executive Director**

[1] The surcharge shall only be collected on the first one hundred telephone access lines per customer.