

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission on) Application No. C-1074
its own motion to determine a sur-)
charge for the Statewide Telecom-) ORDER ENTERED;
munications Relay Service (TRS) to) SURCHARGE CHANGED
be effective January 1, 1995.) Entered: August 30, 1994

APPEARANCES

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Tami Richardson-Nelson, Chair
NE Relay System Advisory
Committee
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PRELIMINARY MATTERS

This docket was opened May 10, 1994, 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 were published in the Omaha Daily Record May 20, 1994, and the Secretary of the Commission sent notice to all interested parties on June 10, 1994. The hearing was held in the Commission Hearing Room in Lincoln, Nebraska, August 23, 1994. Commissioner Landis chaired the proceeding.

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

Maurice Gene Hand testified. He is the Director of the Commission's Communications Department. He and the Department staff studied usage data provided by the Relay vendor, Hamilton Telephone Company. This data shows actual usage from January, 1991 through and including July, 1994. 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 be reduced. According to Hand, the Relay Advisory Committee to the Commission passed a motion recommending the surcharge be lowered to nine cents per access line.

Hand attributed the need for a lower surcharge rate due to the additional funding the Relay has received 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. The NECA contribution will reduce the minutes billed by Hamilton to the Commission by approximately 15 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 of 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 \$9,300 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 1995 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 fifteen percent of each month's usage will be interstate calls. But, he believes the uncertainty is manageable with the current surcharge change. Furthermore, with a seven cent surcharge, the Relay will be functioning on a reserve of approximately three to four months.

Upon consideration of the evidence adduced at the hearing and being fully informed, the Commission is of the opinion and finds that the surcharge of seven cents should be established for the upcoming year beginning January 1, 1995.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to LBs 240 and 305 (LAWS 1990 and 1993, respectively), a seven cent per access line surcharge shall fund the Telecommunications Relay System in 1995.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning January 1, 1995, to collect a seven 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.

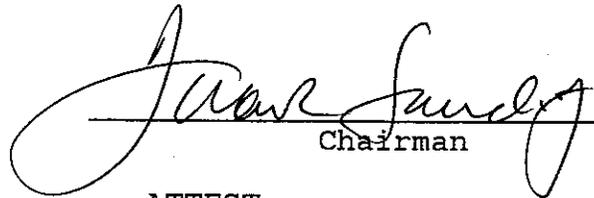
MADE AND ENTERED at Lincoln, Nebraska this 30th day of August, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Frank E. Landis
//s//James F. Munnelly
//s//Daniel G. Urwiller

COMMISSIONERS DISSENTING:
//s//Rod Johnson


Chairman

ATTEST:


Executive Director

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