

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its own motion, opens this docket for the purpose of developing a State Telecommunications Modernization Plan (STMP) which will provide for the improvement of the state's public switched network. ) Application No. C-1114  
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 )  
 ) DISMISSED  
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 )  
 ) Entered December 12, 1995

BY THE COMMISSION

On October 4, 1995, the Nebraska Public Service Commission opened a docket regarding the development of a State Telecommunications Modernization Plan (STMP) to enhance and improve the state's public switched network. Notice of the application was published in the Omaha Daily Record on October 7, 1995. A hearing was scheduled on the matter for November 1, 1994 in the Commission Hearing Room, Lincoln, Nebraska; however, a continuance was issued and a subsequent hearing has not been held.

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

After consideration of the application and being fully advised in the premises, the Commission is of the opinion and finds:

The Rural Utilities Service (RUS), formerly known as the Rural Electrification Association or the REA, issued interim rules responding to the Rural Electrification Loan Restructuring Act of 1993. Among other things, the rules codified the act's requirements that before a borrower could be eligible for RUS loans, RUS must have an approved state telecommunications modernization plan (STMP) from the utility's state. The interim rules set December 20, 1994, as the last day commissions may file a STMP. Accordingly, the Commission set a hearing to be held in which to develop a plan for November 11, 1994.

Comments to the interim rules were due on or before February 18, 1994 and the Commission responded accordingly. Many comments from both commissions, as well as affected utilities voiced concerns regarding the inclusion of all telecommunications providers in the STMP and the high standards established for technical requirements.

After the comments were received, the RUS adjusted many of its interim rules to accommodate the suggestions of the industry and the regulatory commissions. The present rules have been

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modified to affect only borrowing telecommunications providers and have lessened the technical standards.

In lieu of submitting a STMP, the Commission will send a letter to the RUS indicating that the Nebraska Commission will not file a plan, as it believes it is more appropriate for the Nebraska borrowers to develop the plan. Consequently, the Nebraska Public Service Commission will not be participating in its development. The Commission does not believe that its resources should be used to facilitate RUS borrowing, especially when the affected utilities can themselves accomplish the same result.

While the Commission is deeply interested in the continuing modernization of the state telecommunications system and reserves all rights it has to continue with its own actions to ensure the implementation of a modern telecommunications system in our state, it is our opinion that because the Modernization Plan is a requirement for Nebraska telecommunications utilities to obtain RUS financing, it is appropriate for the affected utilities, rather than the Commission to develop and file the Modernization Plan.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1114 be, and it is hereby dismissed.

IT IS FURTHER ORDERED that a letter and copy of this Order be sent to the Rural Utilities Services notifying them that the Nebraska Public Service Commission will not be submitting a State Telecommunications Modernization Plan.

MADE AND ENTERED at Lincoln, Nebraska, this 12th day of December, 1995.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s//Rod Johnson

//s//Frank E. Landis

//s//James F. Munnelly

//s//Daniel G. Urwiller

  
Chairman

ATTEST:

  
Executive Director