

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-2552
on its own motion, to determine)
a surcharge for the statewide) ORDER APPROVING SURCHARGE
Telecommunications Relay System to)
be effective January 1, 2002.) Entered: September 19, 2001

BY THE COMMISSION:

This docket was opened by the Commission, on its own motion, to determine the surcharge for the statewide Telecommunications Relay System (TRS) to be effective January 1, 2002. The Commission is charged by statute to hold an annual public hearing, before October 1 of each year, to determine the amount of surcharge necessary to carry out the provisions of the Telecommunications Relay System Act (Neb. Rev. Stat. '86-1301 to 86-1307 (Cum. Supp. 1998)). The surcharge is used to fund the TRS for the coming year.

Notice of the application and hearing appeared in The Daily Record, Omaha, Nebraska, on June 21, 2001. The director of the Commission sent notice to all interested parties on July 5, 2001. The hearing was held in the Commission Hearing Room, 1200 N Street, Lincoln, Nebraska, on August 21, 2001.

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

Steve Stovall, staff accountant for the Public Service Commission's Communications Department, testified that Hamilton Telecommunications, which has the contract for the operation of the TRS, has provided annual usage statistics since 1991 when operations began. The usage data was made an exhibit in this docket. The data shows usage, number of calls, monthly cost and revenue generated by the current level of surcharge.

Mr. Stovall presented data projecting the surcharge level at five cents (the current level), at six cents, at seven cents and at four cents for the year 2002. By applying projected growth factors and based on a three-year historical average of usage, Mr. Stovall was able to estimate the amount of money each surcharge level would generate. Based on those projections, Mr. Stovall made a recommendation that the surcharge be raised to seven cents for the year 2002. Mr. Stovall explained that the increase is needed due to increased participation in the Equipment Distribution Program and possible increased traffic volumes as a result of 711 implementation. Mr. Stovall noted that the Relay Advisory Committee also supports a surcharge level of seven cents.

The Commission has reservations about increasing the surcharge from five cents to seven cents, which would be a 40 percent increase. Upon further review, the Commission believes that with a surcharge of six cents, the forecasted reserve balance will be at an acceptable level by the end of 2002. The Commission has traditionally held that a reasonable reserve level should be equal to two to three months of total monthly program costs. The forecasted reserve at a six-cent surcharge level would be at the low end of this range.

The Commission finds, based on the information adduced at the hearing and the evidence entered into the record, that the surcharge should be set at six cents.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that, pursuant to the Telecommunications Relay System Act, the surcharge be set at six cents per access line for the year 2002.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning January 1, 2002, to collect a six-cent surcharge per month on each telephone access line in Nebraska, provided that the surcharge shall be only collected on the first one hundred access lines per customer.

MADE AND ENTERED in Lincoln, Nebraska on this 19th day of September, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director