

In the Matter of the Commission,) Application No. C-2082
 on its own motion, to determine)
 a surcharge for the statewide) ORDER SETTING SURCHARGE
 Telecommunications Relay System to)
 be effective January 1, 2000.) Entered: October 5, 1999

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 on January 1, 2000. 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 July 14, 1999. The director of the Commission sent notice to all interested parties on July 14, 1999. The hearing was held in the Commission Hearing Room, 1200 N Street, Lincoln, Nebraska, on September 21, 1999.

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, and at four cents for the year 2000. By applying various growth factors and variables and based on a three-year historical average of usage, Mr. Stovall was able to determine the amount of money generated at each of the surcharge levels. Based on those projections, Mr. Stovall made a recommendation that the surcharge remain at five cents for the year 2000. Mr. Stovall noted that the Relay Advisory Committee also supports a surcharge level of five cents.

The Commission also heard from Jerry Siders, chairman of the Relay Advisory Committee, who testified in support of the proposal to maintain the level of surcharge at five cents.

Mr. Stovall indicated that staff's projections on the amount of revenue needed to fund the relay, as well as the surcharge needed for that funding, have been historically accurate.

Mr. Stovall also testified that he had requested from Hamilton Communications information regarding the provisioning of Turbocode® as part of the TRS service. Turbocode is a proposed enhancement to the TRS that will allow more precise emulation of real-time keyboard speed as opposed to the 16 or 17 second delay that exists with current technology. The Commission believes that Turbocode should be provided by Hamilton Telecommunications and will execute an addendum to the contract for its provision.

By letter to the Commission dated August 23, 1999, Hamilton Communications gave formal notice of its intent to renew its Telecommunications Relay Service contract with the state of Nebraska.

The contract renewal will commence July 1, 2000, and end June 30, 2002. The contract provides for up to a five percent price increase to be affected upon notice to the state. Hamilton's notice indicated that they would be requesting the maximum allowed increase under the contract. This would amount to an additional three and one-half cent increase (\$0.035) in the compensation rate, bringing the total price to \$.765 per session minute assuming Turbocode is approved. The Relay Advisory Committee recommended contract renewal with Hamilton Communications as a result of their August 19, 1999, meeting.

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 maintained at five cents per access line for the year 2000.

IT IS FURTHER ORDERED that all affected telecommunications companies are hereby required, beginning January 1, 2000, to collect a five cent surcharge per month on each telephone access line in Nebraska, provided that the surcharge shall be collected on the first one hundred access lines per customer.

IT IS FURTHER ORDERED that an addendum to the contract be executed to provide the Turbocode feature.

IT IS FURTHER ORDERED that the contract with Hamilton Communications be renewed, pursuant to the two year option clause in the initial contract, beginning July 1, 2000, with the 5 percent price agreed to as provided in the original terms of the contract.

MADE AND ENTERED in Lincoln, Nebraska on this 5th day of October, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director