

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Petition of) Application No. NUSF-77.08
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Cambridge)
Telephone Company.)
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In the Matter of the Petition of) Application No. NUSF-77.09
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from CenturyLink.)
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In the Matter of the Petition of) Application No. NUSF-77.10
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Citizens)
Telephone Company of Nebraska)
d/b/a Frontier Communications of)
Nebraska.)
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In the Matter of the Petition of) Application No. NUSF-77.11
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Diode Cable)
Company.)

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In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Glenwood)
Telecommunications, Inc.)
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) Application No. NUSF-77.12

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In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Great Plains)
Communications, Inc.)
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) Application No. NUSF-77.13

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In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Nebraska)
Central Telephone Company.)
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) Application No. NUSF-77.14

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In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Pierce)
Telephone Company.)
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) Application No. NUSF-77.15

Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from N.E. Colorado)
Cellular d/b/a Viaero.)
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In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from United States)
Cellular Corporation.)
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Application No. NUSF-77.21

In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Eastern)
Nebraska Telephone Company.)
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Application No. NUSF-77.22

In the Matter of the Petition of)
the Nebraska Telecommunications)
Association for Investigation and)
Review of Processes and Procedures)
Regarding the Nebraska Universal)
Service Fund: Application to the)
Nebraska Broadband Pilot Program)
(NEBP) received from Consolidated)
Telco, Inc.)
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Application No. NUSF-77.23

PRE-FILED TESTIMONY OF SUE VANICEK

Q: Please state your name for the record.

A: Sue Vanicek, V-A-N-I-C-E-K

Q: Where are you employed and in what capacity?

A: I am the Director of the Nebraska Telecommunications Infrastructure and Public Safety Department of the Nebraska Public Service Commission which administers the Nebraska Universal Service Fund. I have been employed by the Commission as Director since August 14, 2008.

Q: What Was Your Experience Prior To Your Current Position?

A: For 14 years I was employed by Lincoln Telephone/Aliant Communications. I held a variety of positions specializing in regulatory and legislative analysis and strategic planning. There I also served as Economic Costs and Analysis Manager. In that position I was responsible for managing the development of cost information, both forward-looking and historical. After leaving Aliant, I was employed as a Senior Consultant at TELECOM Consulting Resources now known as Consortia Consulting.

Q: What Is Your Educational Background?

A: I have Master of Arts degree in Economics and a Bachelor of Science degree in Business Administration, both from the University of Nebraska-Lincoln.

Q: What is the purpose of your testimony?

A: To make recommendations and to discuss the Department's opinion regarding the applications docketed as NUSF-77.08 through NUSF-77.23. Specifically, my testimony is related to the general adjustments made to the cost estimates filed by the companies in their applications.

Q: What steps did the Department take when reviewing these applications?

Staff and the Department first reviewed each application to determine whether the eligibility requirements of Progression Order No. 5 had been met. The Commission identified seven requirements each applicant must adhere to in order to be eligible to receive NEBP program support. In addition, staff and the Department reviewed each application to determine whether all application requirements listed in Progression Order No. 5 were fulfilled. The Commission adopted fourteen application requirements, demonstrating the requisite information for project consideration.

The Department contacted each applicant and asked each applicant for explanation and/or to provide additional

information. After preliminary internal review, staff and the Department held individual phone conferences with each applicant seeking clarification of various application specific issues. Pursuant to these discussions, application supplements were provided by applicants as needed.

Q: In general what are the Department's recommended modifications?

All applications were reviewed to determine whether they contained requests for ongoing operating expenses and/or categories of expenditures that the Department recommends should not be funded. The Department identified meals and lodging, collocation costs, and ongoing operating expenses, in the form of system maintenance agreement(s). The Department recommends these costs be removed. Consistent with the recommendation of the Department, staff used the adjusted amounts in the methodology described by Mr. Frost in his testimony.

Additionally, consistent with standards applied in the Commission's Dedicated Wireless Program, and where applicable, legal expenses, environmental review costs, contractor milestone expenses, and taxes on equipment and installation were identified and removed. The Department recommends the Commission make the adjustments described herein to these cost elements for overall consistency. Consistent with the recommendation of the Department, staff used the adjusted amounts in the methodology described by Mr. Frost in his testimony.

Based upon the application supplements received and the adjustments recommended above, the Department recommends the Commission find each application to be in conformance with the Commission's application requirements and eligible for consideration of support subject to the modifications made by the Department and the methodology described by Mr. Frost in his testimony.

Q: Do you have anything further to add at this time?

A: Not at this time.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original of the foregoing Direct Testimony of Sue Vanicek was filed with the Commission on this 27th day of September 2013, and that a copy of the Direct Testimony was sent via e-mail to the following:

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