

ANNUAL REPORT TO THE LEGISLATURE
ON THE STATUS OF
THE NEBRASKA TELECOMMUNICATIONS INDUSTRY

NEBRASKA PUBLIC SERVICE COMMISSION

September 30, 1997

Nebraska Public Service Commission
300 The Atrium
1200 N Street
P.O. Box 94927
Lincoln, NE 68509-4927
(402) 471-3101
(800) 526-0017 (Instate Only)
<http://www.nol.org/home/NPSC>

1997 ANNUAL REPORT TO THE LEGISLATURE

Nebraska Public Service Commissioners

Rod Johnson
4th District
Sutton
Chairman

Lowell Johnson
3rd District
North Bend
Vice-Chairman

Frank Landis
1st District
Lincoln

Dan Urwiller
5th District
Kearney

Anne Boyle
2nd District
Omaha

Communications Department Staff

M. Gene Hand - Director
John Burvainis - Deputy Director
Deonne Bruning - Legal Counsel
Dick Palazzolo - Staff Accountant
Steve Stovall - Staff Accountant
Scott Smith - Technician
Cheryl Elton - Consumer Affairs
Tami Ganshorn - Department Secretary
Rose Price - Department Secretary

September 30, 1997

EXECUTIVE SUMMARY

To provide better access to the public about the Commission's activities, a web page on the Internet has been created. The address is www.nol.org/home/NPSC. Roughly 750 hits are made to access information each month. Agendas, minutes, hearing schedules and many orders can be accessed on-line.

Implementing the Telecommunications Act of 1996 continues to lead the Commission's agenda in the Communications Department. Several companies have been certificated to compete locally and numerous interconnection agreements between competing companies have been approved. Aliant Midwest is operating as a local competitor in Omaha and Cox Nebraska is expected to launch telephone service in the near future. The Commission has initiated various rulemaking proceedings and has implemented several policies to carry out the duties contained in the Act.

The Nebraska Universal Task Force has been an integral part of implementing local competition. The Task Force released its report and recommendations in July, 1997. Copies of the report are available at the Commission. The Task Force will continue to remain intact, thereby providing the Commission and Legislature with additional information on establishing a state universal service fund.

The level of intrastate access charges, a topic of significant debate before the 1997 Legislature, is being reviewed by the Commission. Access charges are charges paid by long distance carriers to local companies for the routing of long distance calls through local switches. The Commission opened a docket to study the access charge structure of every local exchange company in Nebraska and to establish the state universal service fund. All certificated companies, both local and long distance, are parties in this docket.

The Commission is reviewing our rules on Extended Area Service (EAS). EAS allows customers to call toll-free between exchanges. Several small towns have requested EAS to a nearby, larger community. To better accommodate the needs of small communities, we will examine our rules and work on developing optional calling plans across Nebraska. For example, Aliant currently has an optional calling plan which allows customers to place calls within a 25-mile radius at reduced rates.

Lastly, we urge Senators to review Part IV, Legislative Recommendations. Whether the Public Power Districts may offer telecommunications services and whether 911 surcharges should be assessed to cellular customers will likely be subjects for debate during the 1998 session.

TABLE OF CONTENTS

Table 1 Access Lines and Exchange Data

Table 2 Access Lines

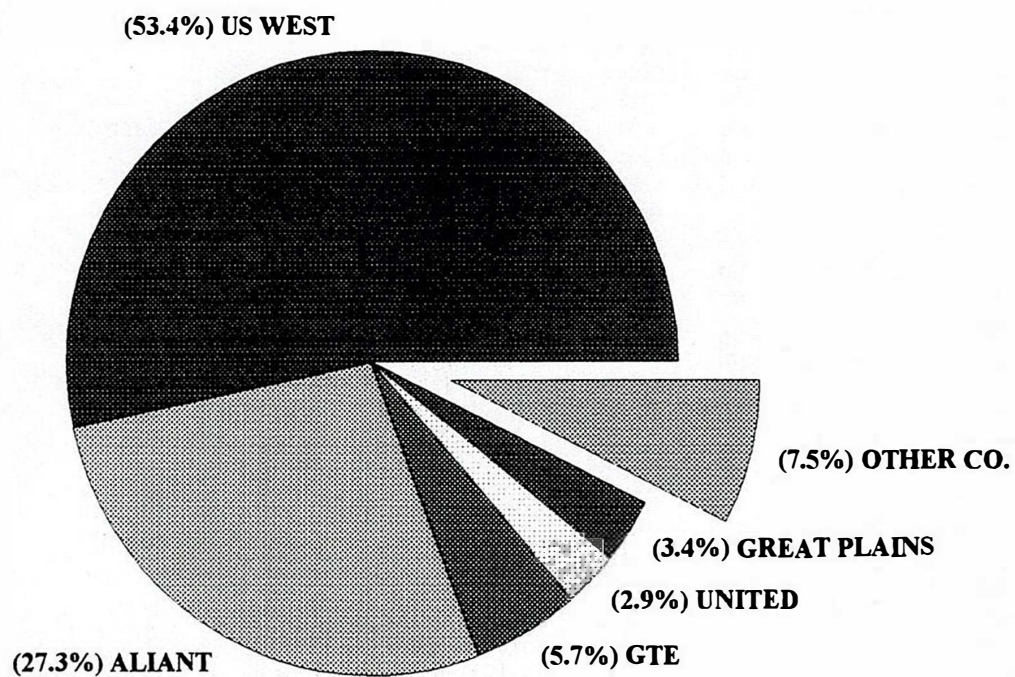
	Page
Part I Review of the Quality of Telecommunications Service Provided to Nebraska Citizens	
1. Telephone Complaints	1
2. Service Testing	5
Part II Review of the Availability of Diverse and Affordable Telecommunications Services to the People of Nebraska	
1. The Telecommunications Act of 1996	6
2. Central Office Data	8
3. Outage Reports	8
4. Equal Access	9
5. Link-Up Nebraska	10
6. Telecommunications Relay System (TRS)	11
7. Extended Area Service (EAS)	13
8. 911 Information	13
Part III Review of the Level of Rates of Local Exchange and Inter-exchange Companies	
1. Basic Local Rate Changes	15
2. Federal and State Universal Service Funds	19
3. Commission Audits	20
4. Financial Statistics	20
5. Long Distance Telephone Rates/Access Charges	21
6. Long Distance Carriers	24
Part IV Recommendations for the 1998 Legislative Session	
1. Assessing 911 Surcharges on Wireless Lines	25
2. Public Power Districts Offering Telecommunications Services	25
Part V Applications and Tariffs	26

ACCESS LINE & EXCHANGE DATA

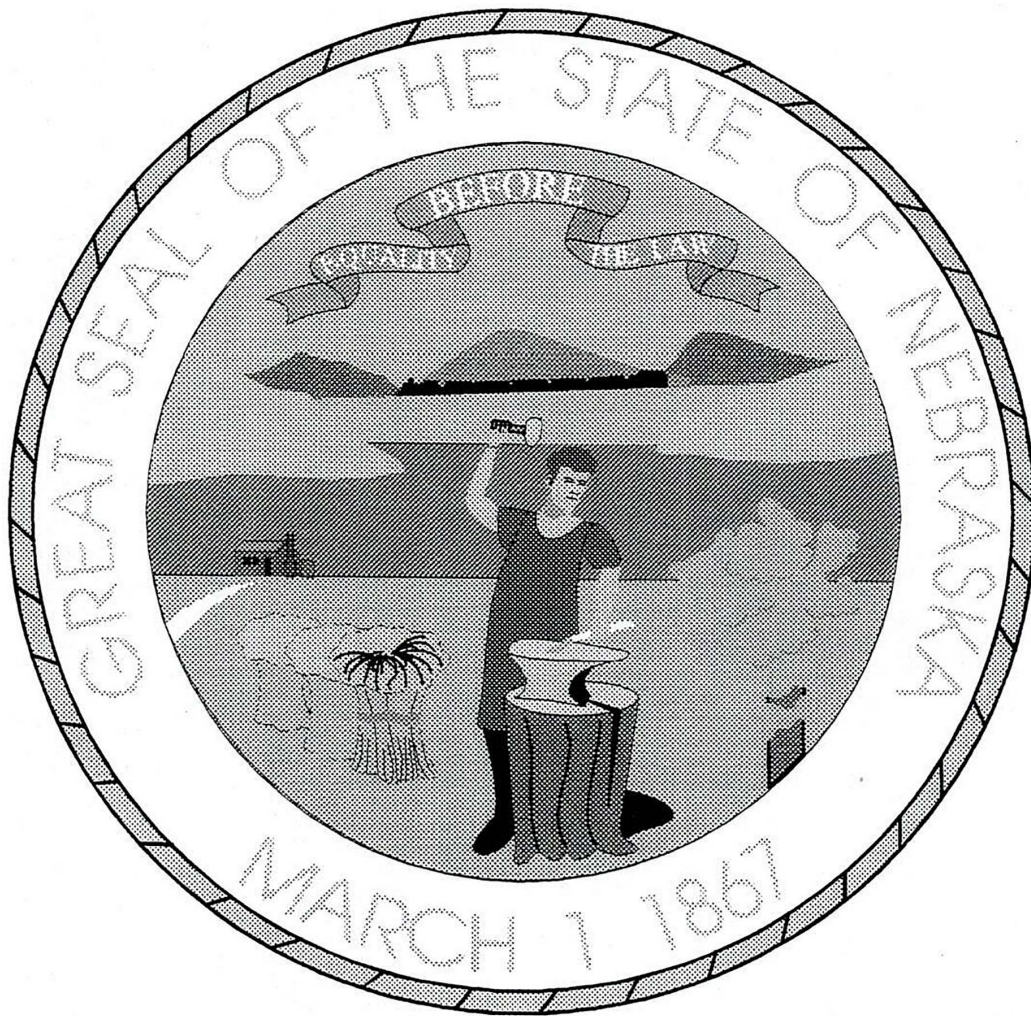
Jan. 1, 1997

COMPANY	ACCESS LINES		NUMBER OF TOTAL EXCHANGES		COMPANY	ACCESS LINES		NUMBER OF TOTAL EXCHANGES	
	BUS.	RES.				BUS.	RES.		
US WEST	156,120	358,522	514,642	67	ALIAINT	78,914	184,294	263,208	137
ALIAINT	78,914	184,294	263,208	137	US WEST	156,120	358,522	514,642	67
GTE	17,226	37,325	54,551	37	GREAT PLAINS	6,997	25,426	32,423	61
GREAT PLAINS	6,997	25,426	32,423	61	GTE	17,226	37,325	54,551	37
UNITED	8,285	19,212	27,497	13	NEBRASKA CENTRAL	1,740	7,208	8,948	20
NEBRASKA CENTRAL	1,740	7,208	8,948	20	CONSOLIDATED	692	2,413	3,105	15
BLAIR	1,678	5,323	7,001	3	UNITED	8,285	19,212	27,497	13
HAMILTON	1,633	4,397	6,030	9	NORTHEAST NEBRASKA	601	3,477	4,078	12
SOUTHEAST NEBRASKA	880	3,282	4,162	2	HAMILTON	1,633	4,397	6,030	9
NORTHEAST NEBRASKA	601	3,477	4,078	12	GLENWOOD	490	2,256	2,746	9
CONSOLIDATED	692	2,413	3,105	15	EASTERN NEBRASKA	719	2,030	2,749	8
NEBCOM	498	2,554	3,052	7	NEBCOM	498	2,554	3,052	7
COZAD	726	2,228	2,954	1	ARAPAHOE	521	2,056	2,577	7
EASTERN NEBRASKA	719	2,030	2,749	8	CONSOLIDATED TELCO	355	1,196	1,551	5
GLENWOOD	490	2,256	2,746	9	DALTON	347	989	1,336	5
ARAPAHOE	521	2,056	2,577	7	THREE RIVER	206	1,038	1,244	5
PIERCE	367	1,495	1,862	2	DILLER	118	785	903	4
HARTINGTON	516	1,059	1,575	1	BLAIR	1,678	5,323	7,001	3
CONSOLIDATED TELCO	355	1,196	1,551	5	CLARKS	128	835	963	3
DALTON	347	989	1,336	5	HARTMAN	3	428	431	3
CAMBRIDGE	372	912	1,284	2	SOUTHEAST NEBRASKA	880	3,282	4,162	2
HOOPER	273	972	1,245	2	PIERCE	367	1,495	1,862	2
THREE RIVER	206	1,038	1,244	5	CAMBRIDGE	372	912	1,284	2
BENKELMAN	330	906	1,236	1	HOOPER	273	972	1,245	2
PLAINVIEW	265	919	1,184	1	ROCK COUNTY	223	768	991	2
STANTON	273	858	1,131	1	HOME	95	699	794	2
ARLINGTON	142	876	1,018	1	K&M	103	524	627	2
ROCK COUNTY	223	768	991	2	KEYSTONE-ARTHUR	74	534	608	2
HENDERSON	260	729	989	1	COZAD	726	2,228	2,954	1
CLARKS	128	835	963	3	HARTINGTON	516	1,059	1,575	1
HEMINGFORD	163	764	927	1	BENKELMAN	330	906	1,236	1
DILLER	118	785	903	4	PLAINVIEW	265	919	1,184	1
HERSHEY	166	659	825	1	STANTON	273	858	1,131	1
HOME	95	699	794	2	ARLINGTON	142	876	1,018	1
CURTIS	181	599	780	1	HENDERSON	260	729	989	1
WAUNETA	140	511	651	1	HEMINGFORD	163	764	927	1
K&M	103	524	627	2	HERSHEY	166	659	825	1
KEYSTONE-ARTHUR	74	534	608	2	CURTIS	181	599	780	1
EUSTIS	77	396	473	1	WAUNETA	140	511	651	1
HARTMAN	3	428	431	3	EUSTIS	77	396	473	1
ELSIE	43	166	209	1	ELSIE	43	166	209	1
SODTOWN	4	83	87	1	SODTOWN	4	83	87	1
TOTAL	282,944	681,703	964,647	460	TOTAL	282,944	681,703	964,647	460

ACCESS LINES - 1996
State of Nebraska



Part I



PART I

Review of the Quality of Telecommunications Service Provided to Nebraska Citizens

1. Telephone Complaints

The following table shows the total number of complaints filed this year and divides the complaints between local exchange carriers (LECs) and interexchange carriers (IXCs), also known as long distance companies. The complaints catalogued in the "other" category include complaints filed against non-regulated utilities, such as cellular and cable television providers.

COMPLAINTS	1995-1996 Complaints	1995-1996 Complaint Percentage	1996-1997 Complaints	1996-1997 Complaint Percentage
LECs	488	64.8%	288	53.5%
IXCs	238	31.6%	246	45.7%
Other	27	3.6%	4	0.8%
TOTAL	753	100.0%	538	100.0%

Complaints were separated into the following categories:

COMPLAINTS	7/1/93 6/30/94	7/1/94 6/30/95	7/1/95 6/30/96	7/1/96 6/30/97
Service	150	162	310	158
Billing	101	179	222	178
800/900	88	179	7	11
Misc.	43	78	132	117
Slammed	*	*	66	65
Disconnect	*	*	16	9
Total	382	598	753	538

* Statistics not available for these periods.

Miscellaneous complaints include harassing calls, requests to establish various optional features, such as Caller I.D., requests for Extended Area Service (EAS), equal access, as well as local Internet access and availability. Billing complaints primarily consist of billing errors and large deposit requests imposed by both LECs and IXC's, as well as costly surcharges imposed by private pay phone providers. Service complaints decreased dramatically during the last year. The most noticeable reduction was made by US West, as described below.

A. Local Exchange Carriers (LEC)

There are 42 LECs in Nebraska (including the cooperative telephone companies). US West is the largest LEC with 514,642 access lines, while Sodtoun Telephone Company has only 87 access lines. The following table shows the LEC complaints by company. As one would expect, the largest number of complaints involved the two largest LECs, US West and Aliant (formerly known as Lincoln Telephone).

LECs	95-96 Com- plaints	95-96 Access Lines	95-96 Percent of Total Lines	96-97 Com- plaints	96-97 Access Lines	96-97 Percent of Total Lines
US West	357	517,410	53.3%	223	514,642	53.3%
Aliant	69	282,947	29.2%	35	263,208*	27.3%
GTE of the Midwest	25	52,873	5.5%	15	54,551	5.7%
Great Plains	2	26,032	2.7%	5	32,423	3.4%
United Tel.	3	26,751	2.8%	4	27,497	2.8%
Others	32	63,701	6.5%	6	72,326	7.5%
TOTAL	488	969,714	100.0%	288	964,647	100%

* Cellular/Mobile Access Lines Removed From 96-97 Totals

B. Interexchange Carriers (IXC)

The number of long distance companies certificated to operate continues to grow, with there currently being over 225 companies authorized to provide long distance services in Nebraska. The following table shows the number of complaints filed against long distance companies. The largest number of complaints involved the largest IXCs, AT&T and MCI. Excel, a lesser known company, had several complaints involving slamming (the unauthorized switching of a customer's long distance carrier) and billing. Customers can be sure they have the long distance carrier of their choice by dialing the toll-free telephone number (700) 555-4141.

Interexchange Carrier	1996-97 Complaints
AT&T	61
MCI	42
Excel	30
Sprint	16
WorldCom	9
Misc.	88

C. Formal Complaints

The following formal complaints were filed with the Commission during the past year.

Probe Technologies (of Omaha) vs. US West

Probe Technologies, an Omaha Internet service provider, filed two complaints against US West for failing to provide services as requested. After any formal complaint is filed, the Commission's rules permit the defendant to attempt to resolve the issue before further action is taken. After the complaints were filed by Probe, US West was able to furnish the services and the complaints were dismissed.

First St. Paul Lutheran Church (of Hastings) vs. Aliant

First St. Paul's Lutheran Church filed a formal complaint against Aliant for increasing the basic local exchange rate for churches from the residential rate of \$11 to the business rate of \$39. After a public hearing was held in Hastings, Aliant submitted a new rate to the Commission specifically for churches. Called a Church-Business rate, the new rate was \$22. The Commission dismissed the complaint and accepted the new rate; however, the term Church-Business was ordered to be changed, to avoid the implication that churches are a "for-profit" business.

Tim Franssen (of North Platte) vs. US West

Tim Franssen filed a formal complaint with the Commission alleging US West has imposed excessive construction charges to deploy telephone service to his rural home. US West has denied the allegations and the complaint remains pending at this time.

AT&T, MCI, McLeod Telemanagement vs. US West

In February, 1996, US West filed to withdraw the offering of Centrex Plus to all new customers. Centrex Plus provides business telephone customers with direct inward and outward dialing including numerous custom calling features. Centrex is used by large businesses, state government and the University of Nebraska. Subsequently, formal complaints were filed by AT&T, MCI and McLeod Telemanagement (of Cedar Rapids, Iowa) against US West stating the withdrawal was anti-competitive and violative of the Telecommunications Act of 1996. After holding a public hearing, the Commission dismissed the complaint and allowed US West to withdraw Centrex Plus. US West has offered a replacement to Centrex Plus, but at higher prices. The complainants have filed an appeal on the Commission's decision with the Nebraska Court of Appeals which remains pending at this time.

MCI vs. US West

Similar to the withdrawal of Centrex Plus, MCI filed a formal complaint against US West for withdrawing a service known as Local Area Data Service (LADS). Local Area Data Service is a local, voice-grade analog service that is provided via 2-wire or 4-wire non-loaded cable facilities. The service is used to deliver high quality, broadband telecommunications. The complaint was withdrawn on September 15, 1997.

AT&T vs. US West, Aliant and GTE

Lastly, AT&T filed a formal complaint against US West, Aliant and GTE for imposing unjust and discriminatory intrastate access charges. For some time now, the long distance and local companies have been working to set mutually acceptable access charges in Nebraska. While most local exchange companies in Nebraska have reduced their access charges, AT&T stated the reductions have not been enough and accordingly asked the Commission to reduce the level of access charges. The complaint remains pending; however, an oral argument has been held on motions made by the defendants to dismiss the complaint. MCI has a similar docket pending against US West; however, MCI did not file the matter as a formal complaint, but instead as an application.

The Commission dismissed both access charge complaints filed by MCI and AT&T and instead opened a "super docket", C-1628, whereby the access charge structures of all local exchange carriers will be reviewed. The Commission determined that scrutiny should not be given solely to the large local carriers, US West, Aliant and GTE, but rather to all local companies. Further, the Commission determined that all long distance companies, not just MCI and AT&T, should be involved in the access charge docket.

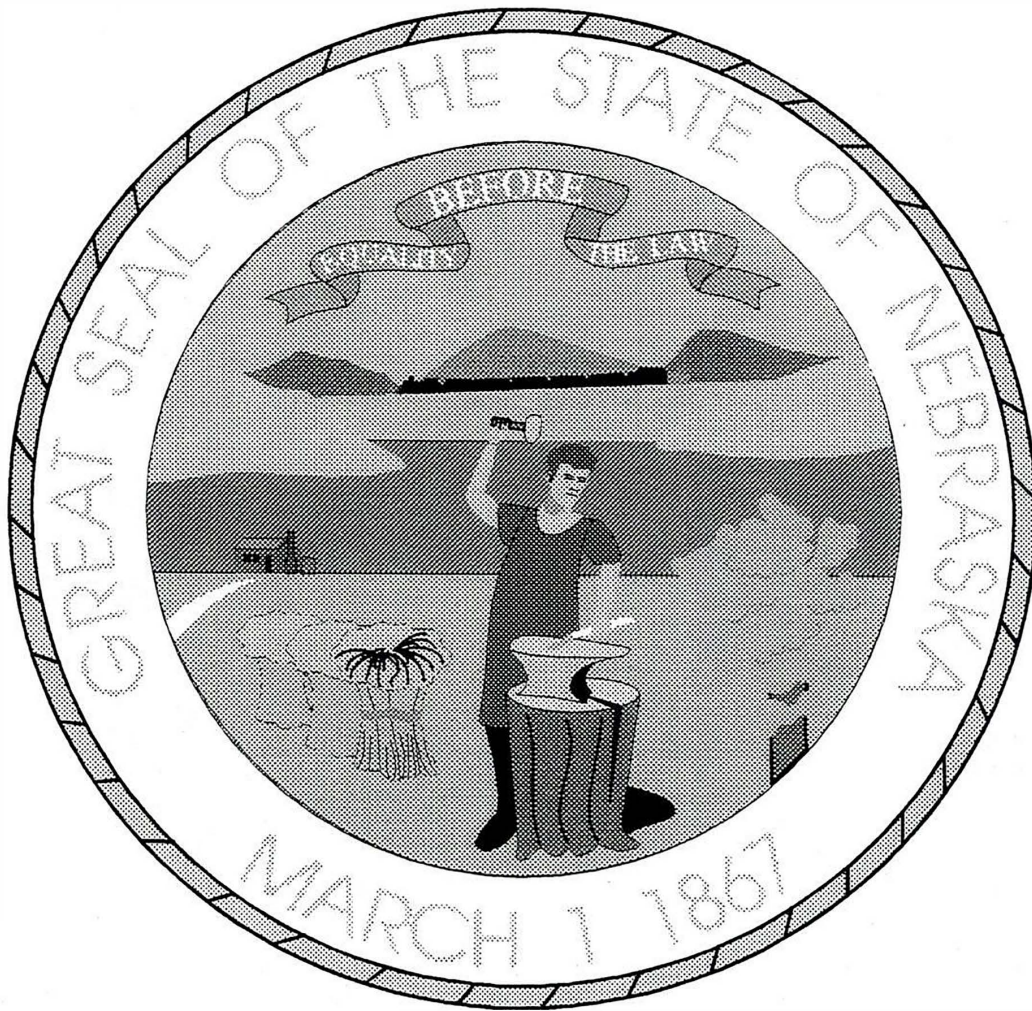
In order to effectuate statewide access charge reform, the state's universal service fund must be considered. The Commission must simultaneously examine access charges and the need for a state universal service fund, as some companies rely on access charges as a significant source of

revenue. Thus, the Commission closed docket C-1176, the docket investigating whether to establish a state universal service fund, and consolidated it with and into docket C-1628. A prehearing conference will be held in docket C-1628 in the near future.

2. Service Testing

The Commission ensures Nebraskans are receiving quality telecommunications service by testing all telephone companies' central offices. During the last year, the Commission made 303,534 test calls in 179 exchanges. In all, 18 local exchange carriers were tested. Almost all LECs are now using digital switches; as at the end of 1996, 95% of Nebraska switches were digital. Besides providing independent testing, the Commission's technical staff offers consumers assistance. Our technician visited several homes and businesses across the state to assist the Commission in resolving service complaints. For example, the staff jointly conducted tests with US West, Omaha Public Power District and Fox/Channel 42 to isolate interference problems experienced by telephone customers near Gretna.

Part II



PART II

Review of the Availability of Diverse and Affordable Telecommunications Services to the People of Nebraska

1. The Telecommunications Act of 1996

The Federal Telecommunication Act of 1996 (the Act) signed into law on February 8, 1996, provided changes within the information, cable TV, media and telecommunications markets in the United States. Most significantly, the Act permits competition to exist in the local exchange industry. For over a year now, the Federal Communications Commission (FCC) and the Nebraska Public Service Commission have been working to introduce competition in the local market.

A. Local Competition

The Commission has promulgated rules setting forth the requirements that a carrier must fulfill to be issued a certificate of public convenience and necessity to provide local exchange services. The following companies have received authority to provide local service in the corresponding territories in Nebraska:

Competitive Local Exchange Carrier	Territory to be Served
Aliant Midwest, Inc.	US West, GTE, Sprint/United
AT&T	Statewide
Cox Nebraska Telcom	US West (Omaha area)
Dial and Save of Nebraska	US West, GTE
Excel	US West, GTE
Firstel	US West, GTE
Intermedia Communications	US West, GTE
MCI	Statewide
Paramount Wireless	US West, GTE
Sprint	US West, GTE, Aliant, Sprint/United
TCG	US West (Omaha area)
LDDH	US West, GTE, Sprint /United
Nebraska Technology & Telecommunications	US West, GTE, Sprint/United/Aliant

B. Arbitration/Mediation

Under the Act, a company wanting to compete with a LEC may ask for mediation or arbitration if voluntary negotiations are not successful at reaching a mutually-acceptable interconnection agreement. The Commission has adopted a policy that provides independent, third-party arbitrators shall be selected by the parties to resolve the dispute. The Commission, in accordance with the Act, approves or rejects the Arbitrator's recommended decision. While no requests for mediation have been received, the Commission has received the following petitions for arbitration:

Arbitration Requested by:	For an Agreement with:	Arbitrator Selected
AT&T	US West	Dr. Jerry Langin-Hooper
AT&T	GTE	James Sharpe
TCG	US West	Richard Calkins
Sprint	US West	Dr. Jerry Langin-Hooper
Cox Nebraska Telcom	US West	David Blair
Western Wireless	GTE	James Sharpe
Western Wireless	US West	Samuel Van Pelt

The above proceedings have been completed and finalized interconnection agreements are currently on file at the Commission. Appeals have been filed in the Federal District Court of Nebraska by GTE, AT&T and US West. In addition, US West has sued the Commission in both federal and state courts on the Cox Nebraska Telcom decision.

C. Rural Telephone Exemptions

The above chart shows that few carriers are seeking to compete in the local market in areas served by small, independent telephone companies. This is because the Act establishes safeguards for areas served by rural telephone companies (companies that serve less than 50,000 access lines). Specifically, rural telephone companies are exempt from local competition until the rural company receives a bona fide request for interconnection from a competitor. After the rural company receives a bona fide request, the Commission must determine whether the request is unduly economically burdensome, is technically feasible and is consistent with universal service requirements of the Act. After reviewing the request, the Commission may permit competition in the company's territory or it may determine that the exemption for the company must remain intact. At this time, no rural company has received a bona fide request for interconnection.

D. Eighth Circuit Court of Appeals

In August, 1996, the FCC promulgated numerous rules to implement local competition. The rules were appealed by various state commissions, as well as incumbent local exchange companies. The appeals were consolidated to the Eighth Circuit Court of Appeals. In July, 1997, the Eighth Circuit ruled the FCC had exceeded its authority and vacated numerous rules. The court found that state commissions are responsible for determining intrastate matters, not the FCC. Specifically, states are responsible for developing the costs involved in interconnection, including establishing wholesale discounts on resold services and determining unbundled network element prices. Dockets are pending to establish such prices for US West and GTE, C-1415 and C-1416, respectively.

2. Central Office Data

Quality telecommunications services are dependent upon the condition and type of equipment that telephone companies utilize. In Nebraska, most telephone companies have upgraded to digital switches. Digital switches offer customers more advanced features, such as call waiting, call forwarding, equal access and caller ID. During 1997, the last twenty switches using step and cross-bar technology were converted to digital. Accordingly, 100% of all switches in Nebraska are now digital or electronic. Just five years ago, only 77% of the state's access lines were digital or electronic.

Technology	No. of Switches	% Switches	% Access Lines	Age in Years
Step-by Step	0	0	0	N/A
Crossbar	0	0	0	N/A
Electronic	5	1%	2%	13-24
Digital	468	99%	98%	0-21
Total	473	100.0%	100.0%	

3. Outage Reports

Reports are required to be filed with the Commission by LECs when service outages are experienced. The report provides the date and time of the outage, the geographic area affected, the cause of the outage, if known, and an estimate of the access lines affected. Within five days, a final report is filed showing the number of customer trouble reports received related to the outage and the corrective action taken. The following tables show the number of service outages and causes, as well as the total number of outages and access lines affected during the past two years.

	Cable Cuts	Telephone Equipment Malfunction	Weather	Accidental	Unknown
1995-96	29	18	7	4	5
1996-97	40	33	8	6	12

	Total Service Outages	Total Affected Access Lines	Avg. No. Of Access Lines Affected per Outage
1995-96	63	43,210	847
1996-97	99	244,899	2,474

4. Equal Access

Equal access allows customers to choose the long distance company of their choice. With equal access, customers reach their chosen long distance carrier by simply dialing 1+ the called party's number. To reach other long distance companies, the customer must use access codes or a calling card. More than 99% of Nebraska customers have interLATA equal access. Those companies not yet offering interLATA equal access to consumers are:

Hartington Telephone Company
Hemingford Cooperative
Hershey Cooperative
Hooper Telephone Company
Northeast Nebraska Telephone Company *
Sodtown Cooperative
Southeast Nebraska Telephone Company

* A partial list of exchanges have equal access.

Some companies have offered customers a choice of choosing not only their interLATA long distance provider, but their intraLATA provider as well. Currently, without intraLATA equal access, unless customers use access codes, Aliant carries all calls made within the southern portion of the 402 area code and US West carries all calls in the northern part of the 402 area code plus all calls made within the 308 area code. GTE and Sprint/United have begun to allow their customers the option to presubscribe to an intraLATA carrier of their choice. The Commission has ordered

all local exchange carriers to provide both interLATA and intraLATA equal access to all customers no later than December 31, 1998.

5. Link-Up Nebraska

The Link-Up Nebraska program enables low income subscribers to obtain basic telephone service by reducing installation charges. Up to one-half of the installation charges, not to exceed \$30 may be recovered. Currently, funding for the program comes from large interexchange carriers. However, funding for the program will change beginning in 1998 pursuant to the directives of the FCC to include all interstate telecommunications carriers, not just interexchange carriers. The following table depicts the number of Nebraska customers that have received assistance from this program.

Year	Customers
1993	633
1994	588
1995	445
1996	337

Eligibility for Link-Up Nebraska

- a. Supplemental Security Income (SSI)
- b. Aid to the Aged, Blind or Disabled
- c. Aid to Dependent Children (ADC)
- d. Medicaid
- e. Energy Assistance
- f. Food Stamps, or
- g. Income which falls with the following guidelines:

1997 Income Guidelines

Household Size	Income
1	\$10,257
2	13,793
3	17,329
4	20,865
5	24,401
6	27,937
7	31,473
8	35,009
9	38,545
10	42,081

The following installation charges were assessed as of July, 1997.

Type of Svc.	US West		Aliant		Great Plains		GTE		United	
	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.	Res.	Bus.
Service Order	33.00	*	15.00	24.00	10.00	10.00	14.30	18.70	16.40	17.85
Central Office	N/A	N/A	14.00	17.00	18.00	18.00	13.20	13.20	5.65	5.65
Travel Charge	N/A	N/A	11.00	11.00	9.00	9.00	28.60	41.80	9.80	9.80
Total	33.00	*	40.00	52.00	37.00	37.00	56.10	73.70	31.85	33.30

* Installation charges vary depending upon the service requested

N/A = Included in the service order rate

6. Telecommunications Relay System

The Relay System allows hearing and/or speech impaired persons to communicate using the telephone network. Communications Assistants (CAs) transmit written communication from a text telephone to a person using a standard telephone. The person using the standard telephone, speaks to the CA, who types the message to the hearing impaired individual. The relay is funded through a monthly surcharge on all access lines, including cellular lines. The monthly surcharge was \$.10 per access line in 1993 and 1994. It was \$.07 in 1995, 1996 and 1997. The Commission has reduced the surcharge for 1998 to \$.06.

In 1995, the Legislature created the Nebraska Equipment Distribution Program which enabled low income citizens to obtain specialized telecommunications at reduced rates. Funded by the relay surcharge, expensive telecommunications equipment, such as text telephones, amplifiers and signaling devices have been made available to low income, hearing impaired consumers. Since the program was initiated in April, 1996, over \$103,000 has been spent on specialized telecommunications equipment for low income individuals.

The following table displays statistics that reflect the operation of the Nebraska Relay System since its inception January 1, 1991.

Nebraska Relay System
Usage Statistics
09/15/97

Month	Calls	Minutes	Converted Minutes	Average Minutes Per Call	Monthly Cost		Surcharge Revenue at \$.07	Surcharge Revenue at \$.08	Surcharge Revenue at \$.10
					TRS Program	Equipment Program			
Jan 91	5,243	33,453	33,453	6.38	\$44,081		\$51,213		
Feb	5,112	36,197	40,075	7.08	47,380		52,678		
Mar	5,530	38,219	38,219	6.91	49,803		52,849		
Apr	5,260	40,144	41,482	7.63	49,427		53,182		
May	6,119	42,362	42,362	6.92	47,173		52,414		
Jun	5,758	41,066	42,435	7.13	52,608		54,239		
Jul	5,931	42,505	42,505	7.17	47,167		53,761		
Aug	6,639	45,908	45,908	6.91	50,565		53,689		
Sep	6,472	47,169	48,741	7.29	51,953		54,052		
Oct	7,178	50,058	50,058	6.97	54,755		54,163		
Nov	7,628	50,684	52,373	6.64	55,135		54,277		
Dec	6,954	43,785	43,785	6.30	48,287		54,385		
Jan 92	7,514	53,218	53,218	7.08	54,922			60,829	
Feb	7,310	50,862	54,370	6.96	52,450			62,179	
Mar	8,665	57,264	57,264	6.61	60,178			62,535	
Apr	8,635	56,624	58,511	6.56	59,734			62,803	
May	9,085	58,115	58,115	6.40	61,255			62,919	
Jun	9,321	63,053	65,155	6.76	66,340			62,909	
Jul	9,618	62,667	62,667	6.52	67,178			63,241	
Aug	10,238	64,494	64,494	6.30	66,550			63,387	
Sep	9,385	64,989	67,155	6.92	68,473			65,134	
Oct	9,577	65,928	65,928	6.88	69,493			65,839	
Nov	9,114	65,319	67,496	7.17	68,795			66,071	
Dec	9,519	67,768	67,768	7.12	71,275			66,283	
Jan 93	10,373	78,957	78,957	7.61	78,515				84,850
Feb	9,514	71,133	78,754	7.48	70,843				83,572
Mar	11,442	85,048	85,048	7.43	82,381				83,912
Apr	11,196	78,965	81,597	7.05	78,670				84,307
May	10,801	72,888	72,888	6.75	72,273				84,581
June	10,408	74,576	77,062	7.17	74,291				84,905
July	10,755	75,559	75,559	7.03	71,799				85,169
Aug.	10,986	77,727	77,727	7.08	63,599				85,375
Sept.	10,947	78,905	81,535	7.21	64,254				86,103
Oct.	11,597	84,077	84,077	7.25	67,821				88,176
Nov.	11,623	84,359	87,171	7.26	66,414				88,632
Dec.	12,003	85,532	85,532	7.13	70,025				89,458
Jan 94	9,450	90,178	90,178	9.54	73,453				90,409
Feb	11,774	82,179	90,984	6.98	67,930				91,061
Mar	13,104	90,363	90,363	6.90	74,945				91,595
Apr	13,230	91,737	94,795	6.93	74,286				92,166
May	14,067	94,585	94,585	6.72	75,698				93,673
Jun	13,316	87,503	90,420	6.57	71,225				93,160
Jul	13,114	86,723	86,723	6.61	69,641				93,966
Aug	14,215	94,426	94,426	6.64	77,204				94,465
Sep	13,128	87,909	90,839	6.70	72,104				95,368
Oct	13,460	86,032	86,032	6.39	69,272				95,725
Nov	14,605	90,868	93,897	6.22	73,582				96,697
Dec	15,461	101,593	101,593	6.57	76,226				97,093
Jan 95	15,096	103,226	103,226	6.84	76,197		73,780		
Feb	12,900	85,937	95,144	6.66	63,587		69,815		
Mar	15,563	104,597	104,597	6.72	76,410		70,824		
Apr	14,896	99,780	103,106	6.70	75,568		70,873		
May	16,714	108,346	108,346	6.48	77,773		71,473		
Jun	16,130	103,240	106,682	6.40	76,026		72,180		
Jul	15,851	101,543	101,543	6.41	75,001		72,638		
Aug	16,049	103,802	103,802	6.47	76,723		72,997		
Sep	14,611	92,501	95,584	6.33	70,201		73,508		
Oct	14,905	95,463	95,463	6.40	72,556		74,112		
Nov	15,274	96,948	100,180	6.35	73,683		74,444		
Dec	14,780	98,677	98,677	6.68	75,011		75,614		

Nebraska Relay System
Usage Statistics
09/15/97

Month	Calls	Minutes	Converted Minutes	Average Minutes Per Call	Monthly Cost		Surcharge Revenue at \$.07	Surcharge Revenue at \$.08	Surcharge Revenue at \$.10
					TRS Program	Equipment Program			
Jan 96	16,713	116,640	116,640	6.98	84,926		76,432		
Feb	15,227	105,033	116,286	6.90	78,921		77,104		
Mar	17,025	117,286	117,286	6.89	83,194		79,152		
Apr	17,016	112,339	116,084	6.60	79,178	3,229	78,459		
May	17,302	117,276	117,276	6.78	82,911	13,525	79,056		
Jun	16,638	112,724	116,482	6.78	81,091	7,641	79,784		
Jul	17,290	113,706	113,706	6.58	79,184	19,448	80,262		
Aug	17,574	114,690	114,690	6.53	80,845	10,836	81,509		
Sep	16,747	111,173	114,878	6.64	80,414	2,465	81,206		
Oct	17,765	116,725	116,725	6.57	81,708	3,898	81,456		
Nov	16,729	113,255	117,030	6.77	82,134	6,954	82,193		
Dec	16,736	112,816	112,816	6.74	79,204	9,017	84,028		
Jan 97	18,846	128,819	128,819	6.84	92,336	0	84,598		
Feb	17,606	123,677	136,928	7.02	88,666	7,033	85,146		
Mar	18,657	125,025	125,025	6.70	88,726	4,728	85,710		
Apr	17,979	119,541	123,525	6.65	84,762	8,857	86,492		
May	17,841	120,129	120,129	6.73	85,428	2,442	82,756		
Jun	19,781	131,689	136,079	6.66	92,500	3,349	87,524		

7. Extended Area Service

Extended Area Service (EAS) allows customers in one exchange to place calls to and receive calls from another exchange without paying toll charges. Since July, 1996, EAS petitions have been filed by residents of the following communities:

Petitioning Community	Community Requested in the EAS Petition
Kilgore	Cody
Kilgore	Valentine
Cody	Valentine
Oxford	Orleans
Oxford	Stamford
Oxford	Beaver City
Madison	Norfolk
Fort Calhoun	Omaha
Arlington	Omaha/Fremont/Blair

Consumers in the Kilgore and Cody exchanges approved the EAS rates proposed by Great Plains and the EAS routes will be implemented. Oxford's petitions were dismissed, as not enough calls were made to the community requested to satisfy the Commission's Rules. The Fort Calhoun and Arlington petitions were dismissed, as the affected phone companies, Blair Telephone Company and Arlington Telephone Company, developed an acceptable alternative, the Metro Calling Plan, which enabled consumers to call Omaha and Fremont for up to two hours per month for \$4.95. The Madison petition remains pending at this time.

8. 911 Information

A 911 surcharge was established by the Legislature in 1990 to fund public safety answering points. Cities, except those of the metropolitan class, may assess up to \$1.00 per access line, monthly. Cities of the metropolitan class, (population 300,000+) may only assess up to 50 cents per line. Currently, cellular telephone customers do not pay 911 surcharges.

This information, by community, is provided in the following table:

- (1) Whether 911 service or E911 service is provided
- (2) The amount of the 911 surcharge
- (3) The location of the answering point

- (4) Whether the governing body belongs to an inter-local agreement with another governing body, and if so, the name of the other governing body; and
- (5) The amount of revenue collected by the surcharge.

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Adams	Alliant		X	0.50	207.81	Beatrice	No
Alexandria	Alliant		X	0.50	72.31	Hebron	No
Ashland	Alliant		X	0.50	1,108.20	Wahoo	No
Auburn	Alliant		X	0.50	1,240.12	Auburn	No
Avoca	Alliant		X	0.50	111.43	Plattsmouth	No
Barneston	Alliant		X	0.50	75.17	Beatrice	No
Beatrice	Alliant		X	0.75	5,856.59	Beatrice	No
Beaver Crossing	Alliant	X		0.50	175.74	Seward	No
Bellwood	Alliant		X	0.50	200.83	David City	No
Benedict	Alliant		X	0.50	123.95	York County	Yes
Bennet	Alliant		X	0.50	286.13	Lincoln	No
Bradshaw	Alliant		X	0.50	121.53	York County	Yes
Brainard	Alliant		X	0.50	195.47	David City	No
Brock	Alliant		X	0.50	70.61	Auburn	No
Brownville	Alliant		X	0.50	100.46	Auburn	No
Bruning	Alliant		X	0.50	139.02	Hebron	No
Bruno	Alliant		X	0.50	106.26	David City	No
Burchard	Alliant		X	0.60	69.07	Tecumseh	Yes
Burr	Alliant		X	0.50	54.90	Nebraska City	No
Carleton	Alliant		X	0.50	57.38	Hebron	No
Cedar Bluffs	Alliant		X	0.50	247.97	Wahoo	No
Ceresco	Alliant		X	0.50	276.77	Wahoo	No
Clatonia	Alliant		X	0.50	108.08	Beatrice	No
Clay Center	Alliant		X	0.50	284.31	Clay Center	No
Colon	Alliant		X	0.50	69.32	Wahoo	No
Cook	Alliant		X	0.50	166.16	Tecumseh	No
Cordova	Alliant	X		0.50	64.87	Cordova	No
Cortland	Alliant		X	0.50	169.49	Lincoln	No
Crab Orchard	Alliant		X	0.50	37.74	Tecumseh	No
Crete	Alliant		X	0.50	1,578.10	Crete	No
Davenport	Alliant		X	0.50	156.28	Hebron	No
Davey	Alliant		X	0.50	179.14	Lincoln	No
David City	Alliant		X	0.50	905.19	David City	No
Dawson	Alliant		X	0.50	98.34	Tecumseh	Yes
Daykin	Alliant		X	0.50	106.95	Fairbury	No
Denton	Alliant		X	0.50	167.40	Lincoln	No
Deweese	Alliant		X	0.50	68.27	Clay Center	No
DeWitt	Alliant		X	0.50	232.75	Wilber	No
Dorchester	Alliant		X	0.50	214.70	Wilber	Yes
Douglas	Alliant		X	0.50	92.62	Nebraska City	No
DuBois	Alliant		X	0.60	96.20	Tecumseh	Yes
Dunbar	Alliant		X	0.50	131.97	Nebraska City	No
Dwight	Alliant		X	0.50	97.00	David City	No
Eagle	Alliant		X	0.50	387.65	Lincoln	No
Edgar	Alliant		X	0.50	185.80	Clay Center	No
Elk Creek	Alliant		X	0.50	140.00	Tecumseh	Yes
Elmwood	Alliant		X	0.50	239.75	Plattsmouth	No
Exeter	Alliant	X		0.50	233.64	Geneva	No
Fairbury	Alliant		X	0.50	1,538.65	Fairbury	No
Fairfield	Alliant		X	0.50	162.39	Clay Center	No

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Fairmont	Allant	X		0.50	218.49	Geneva	No
Filley	Allant		X	0.50	99.24	Beatrice	No
Firth	Allant		X	0.50	192.99	Lincoln	No
Friend	Aliant		X	0.50	395.24	Wilber	Yes
Garland	Aliant	X		0.50	121.52	Seward	No
Geneva	Aliant	X		0.50	869.08	Geneva	No
Glenvil	Allant		X	0.50	158.49	Clay Center	No
Grafton	Allant	X		0.50	65.99	Geneva	No
Greenwood	Aliant		X	0.50	148.52	Lincoln	No
Gresham	Aliant		X	0.50	125.40	York County	Yes
Gulde Rock	Allant	X		0.00		Guide Rock	No
Hallam	Allant		X	0.50	105.72	Lincoln	No
Hansen	Aliant		X	0.50	150.92	Hastings	Yes
Hardy	Aliant		X	0.50	66.08	Nelson	No
Harvard	Allant		X	0.50	269.68	Clay Center	No
Hastings	Allant		X	0.50	6,853.83	Hastings	Yes
Hebron	Aliant		X	0.50	630.25	Hebron	No
Hickman	Allant		X	0.50	369.61	Lincoln	No
Humboldt	Allant		X	0.50	392.62	Tecumseh	Yes
Ithaca	Allant		X	0.50	73.71	Wahoo	No
Jansen	Aliant		X	0.50	76.81	Fairbury	No
Johnson	Allant		X	0.50	175.33	Auburn	No
Jullian	Allant		X	0.50	43.60	Auburn	No
Juniata	Allant		X	0.50	289.34	Hastings	Yes
Kenesaw	Allant		X	0.50	240.80	Hastings	Yes
Liberty	Aliant		X	0.50	61.90	Beatrice	No
Lincoln	Aliant		X	0.50	60,851.19	Lincoln	No
Louisville	Allant		X	0.50	588.52	Plattsmouth	No
Malcolm	Allant		X	0.50	224.03	Lincoln	No
Martell	Aliant		X	0.50	151.03	Lincoln	No
McCool Junct.	Allant		X	0.50	194.64	York	No
Mead	Aliant		X	0.50	207.46	Wahoo	No
Millford	Aliant	X		0.50	696.17	Seward	No
Milligan	Allant	X		0.50	143.22	Geneva	No
Murdock	Allant		X	0.50	145.68	Plattsmouth	No
Murray	Aliant		X	0.50	528.22	Plattsmouth	No
Nebraska City	Aliant		X	0.50	2,191.72	Nebraska City	No
Nehawka	Allant		X	0.50	114.81	Plattsmouth	No
Nelson	Allant		X	0.50	294.97	Nelson	No
Nemaha	Allant		X	0.50	61.13	Auburn	No
Octavia	Allant		X	0.50	61.42	David City	No
Ohiowa	Aliant	X		0.50	79.67	Geneva	No
Ong	Allant		X	0.50	38.53	Clay Center	No
Osceola	Allant	X		0.50	399.95	Osceola	No
Otoe	Allant		X	0.50	63.83	Nebraska City	No
Palmyra	Allant		X	0.50	240.91	Nebraska City	No
Panama	Allant		X	0.50	109.08	Lincoln	No
Pawnee City	Aliant		X	0.60	495.21	Tecumseh	Yes
Peru	Allant		X	0.50	287.17	Auburn	No
Pickrell	Allant		X	0.50	138.54	Beatrice	No

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Plattsmouth	Aliant		X	0.50	2,189.10	Plattsmouth	No
Pleasant Dale	Aliant		X	0.50	135.51	Lincoln	No
Plymouth	Aliant		X	0.50	207.58	Beatrice	Yes
Polk	Aliant	X		0.50	194.14	Osceola	No
Raymond	Aliant		X	0.50	175.79	Lincoln	No
Rising City	Aliant		X	0.50	161.35	David City	No
Ruskin	Aliant		X	0.50	73.74	Nelson	No
Seward	Aliant	X		0.50	1,888.58	Seward	No
Shelby	Aliant	X		0.50	278.31	Osceola	No
Shickley	Aliant	X		0.50	172.06	Geneva	No
Steele City	Aliant		X	0.50	42.30	Fairbury	No
Steinauer	Aliant		X	0.60	70.92	Tecumseh	Yes
Sterling	Aliant		X	0.50	236.25	Tecumseh	No
Stromsburg	Aliant	X		0.50	449.58	Osceola	No
Superior	Aliant	X		0.00		Superior	No
Surprise	Aliant		X	0.50	41.92	David City	No
Sutton	Aliant		X	0.50	550.57	Clay Center	No
Swanton	Aliant		X	0.50	55.14	Wilber	No
Syracuse	Aliant		X	0.50	638.27	Nebraska City	No
Table Rock	Aliant		X	0.60	164.66	Tecumseh	Yes
Talmage	Aliant		X	0.50	111.34	Nebraska City	No
Tamora	Aliant	X		0.50	100.21	Seward	No
Tecumseh	Aliant		X	0.50	698.45	Tecumseh	No
Tobias	Aliant		X	0.50	69.29	Wilber	Yes
Unadilla	Aliant		X	0.50	137.73	Nebraska City	No
Union	Aliant		X	0.50	200.68	Plattsmouth	No
Utica	Aliant	X		0.50	272.56	Seward	No
Valparaiso	Aliant		X	0.50	235.78	Lincoln	No
Waco	Aliant		X	0.50	169.95	York County	Yes
Wahoo	Aliant		X	0.50	1,254.02	Wahoo	No
Waverly	Aliant		X	0.50	557.15	Lincoln	No
Weeping Water	Aliant		X	0.50	428.37	Plattsmouth	No
Western	Aliant		X	0.50	116.13	Wilber	Yes
Wilber	Aliant		X	0.50	574.31	Wilber	Yes
Wymore	Aliant		X	0.50	578.13	Beatrice	Yes
York	Aliant		X	0.50	2,678.91	York	No
Yutan	Aliant		X	0.50	359.75	Wahoo	No
Arapahoe	Arapahoe	X		\$1.00	\$771.00	Beaver City	Yes
Hendley	Arapahoe	X		1.00	48.00	Beaver City	Yes
Holbrook	Arapahoe	X		1.00	213.00	Beaver City	Yes
Arlington-City	Arlington		X	0.75	419.57	Arlington	Yes
Arlington-Rural	Arlington		X	1.00	455.55	Arlington	Yes
Benkelman	Benkelman	X		0.00		Benkelman	No
Blair-426 City	Blair		X	0.75	2,692.50	Blair	Yes
Blair-426 Rural	Blair		X	1.00	1,055.42	Blair	Yes
Blair-533 City	Blair		X	0.75	441.69	Blair	Yes
Blair-533 Rural	Blair		X	1.00	246.67	Blair	Yes
Ft. Calhoun-City	Blair		X	0.75	287.63	Blair	Yes
Ft. Calhoun-Rural	Blair		X	1.00	439.75	Blair	Yes

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Kennard-City	Blair		X	0.75	108.69	Blair	Yes
Kennard-Rural	Blair		X	1.00	166.00	Blair	Yes
No. Summerfield	Blue Valley		X	0.00		Marysville, KS	Yes
Bartley	Cambridge	X		0.00		N/A	No
Cambridge	Cambridge		X	1.00	1,105.00	Beaver City	Yes
Clarks	Clarks	X		0.50	217.50	Central City	Yes
Staplehurst	Clarks	X		0.50	134.50	Seward	Yes
Ulysses	Clarks		X	1.00	232.00	David City	Yes
Anselmo	Consolidated		X	0.50	108.30	Broken Bow	Yes
Arthur	Consolidated	X		0.00		Arthur	No
Ashby	Consolidated	N/A	N/A	0.00			No
Bingham	Consolidated	N/A	N/A	0.00			No
Brewster	Consolidated	X		0.75	47.88	Taylor	No
Brownlee	Consolidated	X		0.50	42.50	Thedford	Yes
Dunning	Consolidated	X		0.75	68.63	Taylor	No
Halsey	Consolidated	X		0.50	48.18	Taylor	Yes
Hyannis	Consolidated	N/A	N/A	0.00			No
Merna	Consolidated		X	0.50	176.69	Broken Bow	No
Mullen	Consolidated	N/A	N/A	0.00			No
Purdum	Consolidated	X		0.50	43.09	Taylor	No
Seneca	Consolidated	X		0.50	34.01	Taylor	Yes
Thedford	Consolidated	X		0.50	158.70	Taylor	Yes
Whitman	Consolidated	N/A	N/A	0.00			No
Madrid	Consolidated Telco	X		0.00		Grant	No
Maywood	Consolidated Telco	X		0.50	130.89	Curtis	No
Paxton	Consolidated Telco		X	1.00	498.73	Ogallala	No
Wallace	Consolidated Telco	X		0.50	273.58	Wallace	No
Wellfleet	Consolidated Telco	X		0.50	61.59	Curtis	No
Cozad	Cozad		X	0.50	1,450.00	Cozad	Yes
Curtis	Curtis		X	1.00	800.00	Frontier Co.	Yes
Bushnell	Dalton		X	1.00	214.00	Bushnell	Yes
Dalton	Dalton		X	1.00	353.00	Dalton	Yes
Dix	Dalton		X	1.00	197.00	Dix	Yes
Gurley	Dalton		X	1.00	212.00	Gurley	Yes
Lodgepole	Dalton		X	1.00	360.00	Lodgepole	Yes
Diller	Diller		X	0.50	140.00	Fairbury	Yes
Harbine	Diller		X	0.50	60.00	Fairbury	Yes
Odell	Diller		X	0.50	166.00	Beatrice	Yes
Virginia	Diller		X	0.50	42.00	Beatrice	Yes
Belden	Eastern	X		1.00	99.90	Belden	Yes
Carroll	Eastern	X		0.50	126.33	Carroll	Yes
Macy	Eastern	N/A	N/A	0.00			No
Meadow Grove	Eastern	N/A	N/A	0.00			No
Osmond	Eastern	N/A	N/A	0.00			No
Rosalie	Eastern	N/A	N/A	0.00			No
Walthill	Eastern	N/A	N/A	0.00			No
Winnebago	Eastern	N/A	N/A	0.00			No
Elsie	Elsie	X		0.00		Grant	Yes
Eustis	Eustis		X	0.50	229.00	Curtis	Yes

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Bladen	Glenwood		X	1.00	193.00	Campbell	Yes
Blue Hill	Glenwood		X	1.00	823.00	Campbell	Yes
Campbell	Glenwood		X	1.00	305.00	Campbell	Yes
Funk	Glenwood	N/A	N/A	0.00			No
Holstein	Glenwood		X	1.00	222.00	Campbell	Yes
Lawrence	Glenwood		X	1.00	354.00	Campbell	Yes
Norman	Glenwood	N/A	N/A	0.00			No
Roseland	Glenwood		X	1.00	291.00	Campbell	Yes
Upland	Glenwood		X	1.00	127.00	Campbell	Yes
South Ardmore	Golden West	X		0.00		Hot Springs	No
White Clay	Golden West		X	0.50	23.00	Sheridan Co.	Yes
Archer	Great Plains	X		0.50	57.00	Central City	Yes
Arnold	Great Plains	X		0.50	336.00	Broken Bow	No
Bancroft	Great Plains	X		1.00	492.00	West Point	Yes
Beemer	Great Plains	X		1.00	553.00	West Point	Yes
Bloomfield (counties):	Great Plains	X	X	1.00	1,216.00	Center/Hartgtn	Yes
(Knox Co.)	Great Plains	X		N/A	N/A	Center-Knox Co.	Yes
(Cedar Co.)	Great Plains		X	N/A	N/A	Hartgtn-Cedar	Yes
Byron	Great Plains	X		0.50	107.00	Hebron	Yes
Callaway	Great Plains	X		0.00			No
Center	Great Plains	X		1.00	145.00	Knox Co.	Yes
Chapman	Great Plains	X		0.50	182.00	Central City	Yes
Chester	Great Plains	X		0.50	226.00	Hebron	Yes
Chester/(Hubbell)	Great Plains	X		N/A	N/A	Hebron	Yes
Chester/(Reynolds)	Great Plains		X	N/A	N/A	Fairbury	Yes
Cotesfield	Great Plains		X	1.00	96.00	Saint Paul	Yes
Creighton	Great Plains	X		1.00	1,021.00	Knox Co.	Yes
Crofton (counties):	Great Plains	X	X	1.00	1,012.00	Center/Hartgtn	No
(Knox Co.)	Great Plains	X		N/A	N/A	Center-Knox Co.	Yes
(Cedar Co.)	Great Plains		X	N/A	N/A	Hartgtn-Cedar	Yes
Deshler	Great Plains	X		0.50	357.00	Hebron	Yes
Dodge	Great Plains		X	0.50	309.00	Fremont	Yes
Elgin	Great Plains		X	0.50	407.00	Neligh	Yes
Ewing	Great Plains	N/A	N/A	0.00			No
Grant	Great Plains	X		0.00		Grant	No
Hay Springs	Great Plains		X	0.50	295.00	Rushville	No
Hayes Center	Great Plains	N/A	N/A	0.00			No
Herman	Great Plains	X		.75/1.00	390.00	Blair	Yes
Imperial	Great Plains	X		0.00		Imperial	No
Indlanola/(Frontier Co.)	Great Plains	X		0.50	20.00	Curtis	No
Kilgore	Great Plains	N/A	N/A	0.00			No
Merriman	Great Plains	X		0.00			No
Mirage Flats	Great Plains	X		0.50	82.00	Rushville	No
Niabrara	Great Plains	X		1.00	534.00	Center	Yes
Niobrara/(Santee Resv)	Great Plains	X		N/A	N/A	Center	Yes
North Bend	Great Plains		X	0.50	495.00	Fremont	Yes
Oakdale	Great Plains		X	0.50	115.00	Neligh	Yes
Oconto	Great Plains	X		0.50	105.00	Broken Bow	No
Oconto/(Eddyville)	Great Plains	X		0.00			No
Page	Great Plains	N/A	N/A	0.00			No

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Palisade	Great Plains	X		0.00			No
Ponca	Great Plains	X		0.00		Ponca	No
Ragan	Great Plains	N/A	N/A	0.00			No
Ragan/(Huntley)	Great Plains	N/A	N/A	0.00			No
Red Cloud	Great Plains		X	1.00	1,181.00	Campbell	Yes
Red Cloud/(Riverton)	Great Plains		X	0.00		Campbell	Yes
Saint Edward	Great Plains	N/A	N/A	0.00			No
Scribner	Great Plains		X	0.50	382.00	Fremont	No
Snyder	Great Plains		X	0.50	178.00	Fremont	No
Stapleton	Great Plains	X		0.00			No
Sutherland	Great Plains		X	0.50	415.00	North Platte	Yes
Tryon	Great Plains	X		0.00			No
Venango	Great Plains	X		0.00		Grant	No
Verdigre	Great Plains	X		1.00	540.00	Center	Yes
Walnut	Great Plains	X		1.00	84.00	Center	Yes
Wausa (counties):	Great Plains	X	X	1.00	700.00	Center/Hartgtn	Yes
(Knox Co.)	Great Plains	X		N/A	N/A	Center-Knox Co.	Yes
(Cedar Co.)	Great Plains		X	N/A	N/A	Hartgtn-Cedar	Yes
Wilcox	Great Plains	X		0.00		Minden	No
Winnetoan	Great Plains	X		1.00	145.00	Center	Yes
Wisner	Great Plains	X		1.00	1,099.00	West Point	Yes
Wolbach	Great Plains	N/A	N/A	0.00			No
Woodlake	Great Plains	N/A	N/A	0.00			No
Wynot	Great Plains		X	1.00	687.00	Hartington	Yes
Wynot/(Fordyce)	Great Plains		X	N/A	N/A	Hartington	Yes
Wynot/(St. Helena)	Great Plains		X	N/A	N/A	Hartington	Yes
Albion	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Alma	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Amherst	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Battle Creek	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Beaver City	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Bertrand	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Bloomington	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Brunswick	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Columbus	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Duncan	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Edison	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Franklin	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Genoa	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Greeley	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Heartwell	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Hildreth	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Kearney	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Leigh	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Lindsay	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Madison	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Miller	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Monroe	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Naponee	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Neligh	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Newman Grove	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Orchard	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Ord	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Orleans	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Palmer	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Platte Center	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Pleasanton	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Republican City	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Riverdale	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Stamford	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Sumner	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Tilden	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Wilsonville	GTE-Midwest	N/A	N/A	N/A	N/A	N/A	N/A
Aurora	Hamilton		X	0.50	1,629.00	Hamilton	No
Doniphan	Hamilton		X	0.50	352.00	Hall	No
Glitner	Hamilton		X	0.50	176.00	Hamilton	No
Hampton	Hamilton		X	0.50	207.00	Hamilton	No
Hordville	Hamilton		X	0.50	73.50	Hamilton	No
Marquette	Hamilton		X	0.50	161.50	Hamilton	No
Phillips	Hamilton		X	0.50	222.00	Hamilton	No
Stockham	Hamilton		X	0.50	35.50	Hamilton	No
Trumbull	Hamilton		X	0.50	90.00	Hamilton	No
Hartington	Hartington	X		1.00	1,565.64	Hartington	Yes
Danbury	Hartman	N/A	N/A	0.00			No
Haigler	Hartman	N/A	N/A	0.00			No
Lebanon	Hartman	N/A	N/A	0.00			No
Hemmingford	Hemmingford Coop	X		1.00	913.00	Alliance	Yes
Henderson	Henderson Coop		X	0.50	492.50	York	No
Hershey	Hershey Coop		X	0.50	405.50	North Platte	Yes
Brady	Home Telephone	X		0.50	234.00	Gothenburg	Yes
Maxwell	Home Telephone	X		0.50	164.00	North Platte	Yes
Hooper	Hooper		X	1.00	82.00	Fremont	Yes
Hooper & Uehling	Hooper		X	0.50	567.50	Fremont	Yes
Uehling	Hooper		X	0.50	6.50	Fremont	Yes
Uehling	Hooper		X	0.50	15.00	Fremont	Yes
Keystone	Keystone-Arthur		X	1.00	200.00	Ogallala	Yes
Lemoyne	Keystone-Arthur		X	1.00	440.00	Ogallala	Yes
Chambers	K&M	X		0.50	220.50	Chambers	Yes
Inman	K&M	X		0.00		Inman	No
Ansley	Nebraska Central	X		0.75	397.00	Taylor	Yes
Arcadia	Nebraska Central	X		0.75	245.00	Taylor	Yes
Burwell	Nebraska Central	X		0.75	977.00	Taylor	Yes
Comstock	Nebraska Central	X		0.50	67.00	Broken Bow	Yes
Ericson	Nebraska Central	X		0.75	144.00	Taylor	Yes
Gibbon	Nebraska Central	X		0.65	787.00	Kearney	Yes
North Burwell	Nebraska Central	X		0.75	82.00	Taylor	Yes
North Loup	Nebraska Central	X		0.75	255.00	Taylor	Yes
Sargent	Nebraska Central	X		0.50	293.00	Broken Bow	Yes
Scotia	Nebraska Central	X		0.75	235.00	Taylor	Yes
Shelton	Nebraska Central	X		0.65	523.00	Kearney	Yes

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Taylor	Nebraska Central	X		0.75	221.00	Taylor	Yes
Bartlett	Northeast Nebraska	N/A	N/A	0.00			No
Clearwater	Northeast Nebraska	X		0.50	242.50	Neligh	Yes
Coleridge	Northeast Nebraska	X		1.00	507.00	Hartington	Yes
Craig	Northeast Nebraska		X	0.50	148.50	Tekamah	Yes
Dixon/Concord	Northeast Nebraska	X		1.00	312.00	Hartington	Yes
Jackson/Hubbard	Northeast Nebraska		X	1.00	546.00	S. Sioux City	Yes
Linwood	Northeast Nebraska		X	1.00	134.00	David City	Yes
Martinsburg	Northeast Nebraska	N/A	N/A	0.00			No
Morsebluff	Northeast Nebraska		X	0.50	101.50	Wahoo	Yes
Newcastle	Northeast Nebraska	N/A	N/A	0.00			No
Obert/Maskell	Northeast Nebraska	X		1.00	121.00	Hartington	Yes
Prague	Northeast Nebraska		X	0.50	203.50	Wahoo	Yes
Weston/Malmo	Northeast Nebraska		X	0.50	233.00	Wahoo	Yes
North Peetz	Peetz Coop		X	0.70	6.30	Sterling Hwy Ptr	Yes
Petersburg	Petersburg	N/A	N/A	0.00		Petersburg	No
Hoskins	Pierce	X		0.50	184.00	Norfolk	Yes
Pierce	Pierce	X		0.00		Pierce	No
Plainview	Plainview	X		0.00		Plainview	No
Bassett	Rock County	N/A	N/A	0.00			No
Newport	Rock County	N/A	N/A	0.00			No
Sodtown	Sodtown	X		0.50	43.50	Kearney	Yes
Falls City	Southeast Nebraska		X	0.30	1,005.00	Falls City	No
Tri City	Southeast Nebraska		X	0.30	180.00	Falls City	No
Stanton	Stanton	X		1.00	1,163.00	Norfolk	Yes
Johnstown	Three River Telco	N/A	N/A	0.00			No
Lynch	Three River Telco	N/A	N/A	0.00			No
Naper	Three River Telco	X		0.00			Yes
Springview	Three River Telco	X		0.00			Yes
Verdel	Three River Telco	X		1.00	113.00		Yes
Bayard	United	X		1.00	995.00	Bridgeport	No
Broadwater	United	X		1.00	184.00	Bridgeport	No
Chappell	United		X	1.00	761.00	Ogallala	No
East Lagrange	United	N/A	N/A	0.00			No
East Lyman	United		X	1.00	229.00	Gering	Yes
Gering	United		X	1.00	4,781.00	Gering	No
Kimball	United	X		1.00	1,977.00	Kimball	No
Lewellen	United	X		1.00	341.00	Oshkosh	Yes
Minatare	United		X	1.00	1,234.00	Gering	Yes
Mitchell	United		X	1.00	1,506.00	Gering	Yes
Morrill	United		X	1.00	1,170.00	Gering	Yes
Oshkosh	United	X		1.00	928.00	Oshkosh	No
Potter	United	X		1.00	329.00	Sidney	No
Scottsbluff	United		X	1.00	11,597.00	Gering	Yes
Ainsworth	US West	X		0.00		Ainsworth	No
Alda	US West	N/A	N/A	0.00		Grand Island	Yes
Allen	US West	X		0.50	192.38	Ponca	No
Alliance	US West	X		1.00	5,688.25	Alliance	Yes
Ashton	US West		X	0.50	711.75	Taylor	Yes
Axtell	US West		X	1.00	448.42	Minden	Yes

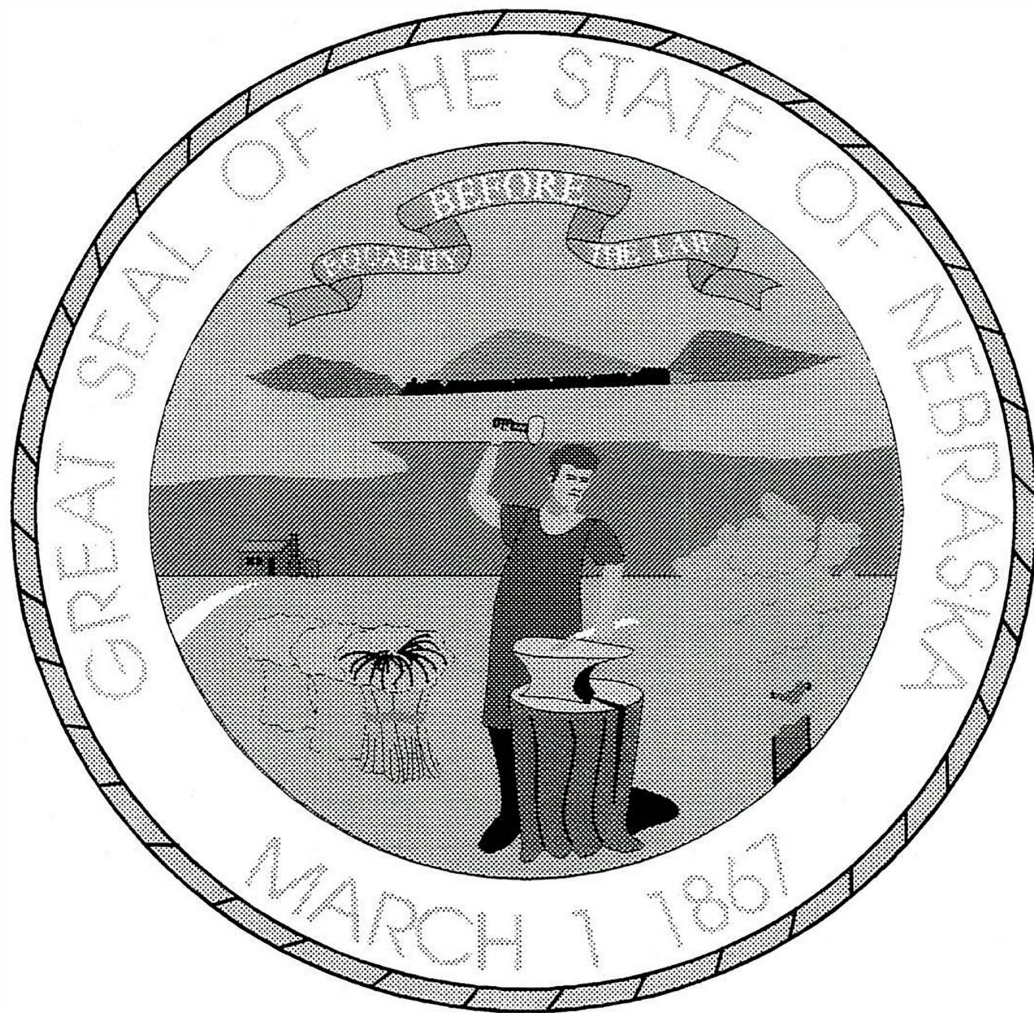
911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Belgrade/Fullerton	US West	X		0.50	546.71	Fullerton	Yes
Bellevue	US West		X	1.00	15,044.33	Bellevue	Yes
Bennington	US West		X	0.50	433.34	Douglas Co.	Yes
Big Springs	US West		X	0.50	215.54	Ogallala	Yes
Boelus	US West		X	1.00	181.28	St. Paul	Yes
Boystown(Omha/Rlston)	US West	N/A	N/A	0.00		Douglas Co.	Yes
Bridgeport	US West	X		1.00	1,332.08	Bridgeport	Yes
Broken Bow	US West		X	0.50	1,373.33	Broken Bow	Yes
Cairo	US West		X	0.50	26.03	Grand Island	Yes
Central City	US West	X		0.50	867.50	Central City	Yes
Chadron	US West		X	1.00	3,434.48	Chadron	Yes
Clarkson	US West	X		0.00		Schuyler	No
Crawford/Whitney	US West		X	1.00	820.52	Chadron	Yes
Culbertson	US West		X	0.50	273.84	Trenton	No
Dakota City/So. Sioux	US West		X	1.00	7,486.29	Dakota City	Yes
Dannebrog	US West		X	1.00	334.10	St. Paul	Yes
Decatur	US West		X	0.50	204.51	Tekamah	Yes
Elba	US West		X	1.00	159.45	St. Paul	Yes
Elkhorn/Waterloo	US West		X	0.50	1,957.73	Douglas Co.	Yes
Elm Creek	US West		X	0.50	921.33	Kearney	Yes
Elwood	US West		X	0.50	567.21	Lexington	Yes
Emerson	US West		X	1.00	835.96	Dakota City	Yes
Farnam	US West		X	0.50	101.33	Curtis	Yes
Farwell	US West		X	1.00	151.86	St. Paul	Yes
Fremont	US West		X	0.50	7,403.50	Fremont	Yes
Gordon	US West	X		0.50	807.24	Rushville	Yes
Gothenburg	US West		X	0.50	1,151.46	Gothenburg	Yes
Grand Island	US West		X	0.50	12,317.56	Grand Island	Yes
Gretna	US West		X	1.00	10,460.08	Sarpy Co.	Yes
Holdrege	US West	X		0.00		Holdrege	No
Howells	US West	X		0.50	293.75	Schuyler	Yes
Humphrey	US West		X	0.50	501.88	Columbus	Yes
Laurel	US West		X	1.00	423.26	Laurel	Yes
Lavista/Millrd/Papillion	US West		X	1.00	32,669.55	Sarpy Co.	Yes
Lexington	US West		X	0.50	2,413.54	Lexington	Yes
Loomis	US West	X		1.00	338.42	Holdrege	Yes
Loup City (Eff 3/1/96)	US West		X	1.00	1,099.20	Taylor	Yes
Lyons	US West		X	0.50	401.29	Tekamah	Yes
Mason City	US West		X	0.50	89.59	Broken Bow	Yes
McCook	US West	X		0.00		McCook	No
Minden	US West		X	1.00	1,956.00	Minden	Yes
Norfolk	US West		X	1.00	14,704.00	Norfolk	Yes
North Platte	US West		X	0.50	7,233.42	North Platte	Yes
Oakland	US West		X	0.50	518.49	Tekamah	Yes
Ogallala	US West		X	1.00	4,059.67	Ogallala	Yes
Omaha(Bystwn/Rlston)	US West		X	0.50	124,792.51	Douglas Co.	Yes
O'Neill	US West	X		0.00		O'Neil	No
Overton	US West		X	0.50	255.88	Lexington	Yes
Oxford	US West		X	1.00	586.33	Beaver City	Yes
Pender	US West	X		0.00		Pender	No

911/E911 INFORMATION - 1996

EXCHANGE	COMPANY	911	E-911	MONTHLY SURCHARGE	MONTHLY REVENUE	PSAP	INTERLOCAL AGREEMENT
Pilger	US West	N/A	N/A	0.00			No
Ralston(Bystwn/Omha)	US West	N/A	N/A	0.00		Douglas Co.	Yes
Randolph	US West		X	1.00	472.41	Laurel	Yes
Ravenna	US West		X	0.65	1,212.03	Kearney	Yes
Rushville	US West	X		0.50	398.22	Rushville	Yes
Schuyler	US West	X		0.00		Schuyler	No
Sidney	US West	X		1.00	4,260.50	Sidney	Yes
Silver Creek	US West	X		0.50	156.54	Central City	Yes
Spaulding	US West		X	0.50	237.33	Taylor	Yes
Spaulding (Eff 3/1/96)	US West		X	0.75	373.61	Taylor	Yes
Springfield	US West		X	1.00	5,538.45	Sarpy Co.	Yes
Stratton	US West		X	0.50	162.87	Trenton	No
St. Libory	US West		X	1.00	364.98	St. Paul	Yes
St. Paul	US West		X	1.00	1,454.08	St. Paul	Yes
Tekamah	US West		X	0.50	688.75	Tekamah	Yes
Trenton	US West		X	0.50	250.25	Tenton	No
Valentine	US West	X		0.00		Valentine	No
Valley	US West		X	0.50	886.46	Douglas Co.	Yes
Wakefield	US West	X		0.50	454.63	Wayne	Yes
Wayne	US West	X		0.50	1,512.96	Wayne	No
West Point	US West	X		1.00	2,397.17	West Point	No
Winside	US West	X		0.50	184.50	Wayne	No
Wood River	US West		X	0.50	426.12	Grand Island	Yes
Wauneta	Wauneta	X		0.00		Imperial	No

Part III



PART III

Review of the Level of Rates of Local Exchange and Interexchange Companies

This section of the report discusses local rate changes made from July 1, 1996 to June 30, 1997. It also includes the local rate levels, long distance and access charge information and a complete list of the interexchange carriers operating in Nebraska. Note, by request of certain local exchange companies, financial information, specifically the financial status of local exchange companies has been omitted from this year's report. As the local exchange market slowly becomes competitive, we acknowledge that some changes will need to be made in releasing information that could be used to gain a competitive advantage.

1. Basic Local Rate Changes

The passage of the Telecommunications Act of 1996 and the emphasis on the need to lower access charges have driven numerous companies to review their local rate levels. This has resulted in a number of local rate increases. Some of the increases have been offset by the company reducing its access charges by a comparable amount, while others have simply been increased to update their rates.

In an effort to keep residential subscribership levels high, historical pricing of local service has resulted in most companies charging a higher rate for business service than for residential service. The price differential was justified since most business customers derived substantial economic benefits from their telephone, and in turn placed a greater value on telephone service. If residential service is priced below cost and business service is priced above cost, business subscribers will most likely be the first targets of local competitors. To remedy this disparity, business rates need to be decreased toward their actual cost. However, to date, only two companies, Nebraska Central and Great Plains, headquartered in Gibbon and Blair, have lowered their business rates. These reductions affected business customers in the exchanges which the companies purchased from US West in 1996. The remainder of the rate changes have been to increase residential or business rates, and in most cases, to lower access charges by a similar amount.

Pursuant to LB 835, passed in 1986, large local exchange companies may increase their basic local rates up to 10% a year, subject to a petition process. In 1997, the Legislature changed the definition of a large local exchange company from a company serving more than 5,000 access lines to a company that has more than 5% of the state's access lines. This change means companies that serve roughly 50,000 access lines or more are considered large local exchange carriers. Companies serving under 50,000 access lines are considered small local exchange carriers and thus, may increase basic local rates up to 30% per year. Again, the rate increase is subject to a petition

may increase basic local rates up to 30% per year. Again, the rate increase is subject to a petition process whereby customers may protest the rate and ask the Public Service Commission to review the proposed change. A sufficient number of customers have protested the Curtis Telephone Company's proposed rate increase to merit Commission review. A hearing has been held in Curtis to determine whether the basic local rate should be increased as proposed.

Companies wanting to increase their basic local rates in excess of the limits described above, may file rate applications with the Commission and ask that their basic local rates be increased. The Commission then reviews whether the proposed rate is fair, just and reasonable. Such rate applications have been filed by Great Plains and Hamilton Telecommunications (located in Aurora).

The following local rate changes have been made during the past year:

COMPANY	DOCKET NO.	SERVICE	DATE FILED	DATE EFFECTIVE	FORMER RATE	PERCENT INCREASE	NEW RATE
US WEST	C-1389	FLAT	08/01/96	12/16/96	\$14.90	9.73%	\$16.35
		3 HR ALLOWANCE	08/01/96	12/16/96	\$10.50	9.52%	\$11.50
		6 HR ALLOWANCE	08/01/96	12/16/96	\$12.25	9.79%	\$13.45
BENKELMAN	C-1390	RES	08/02/96	10/01/96	\$8.25	9.09%	\$9.00
		BUS	08/02/96	10/01/96	\$11.50	4.34%	\$12.00
WAUNETA	C-1391	RES	08/02/96	10/01/96	\$8.25	9.09%	\$9.00
		BUS	08/02/96	10/01/96	\$11.50	4.34%	\$12.00
GTE	C-1405	RES	08/27/96	11/01/96	\$7.48	9.89%	\$8.22
		BUS	08/27/96	11/01/96	\$13.49	9.93%	\$14.83
PLAINVIEW	C-1427	RES	10/24/96	11/01/96	\$12.00	29.16%	\$15.50
		BUS	10/24/96	11/01/96	\$16.00	21.87%	\$19.50
CURTIS	C-1428	RES	10/28/96	PENDING	\$13.50	18.51%	\$16.00
BENKELMAN	C-1429	RES	10/28/96	01/01/97	\$9.00	18.88%	\$10.70
		BUS	10/28/96	01/01/97	\$12.00	16.66%	\$14.00
WAUNETA	C-1430	RES	10/28/96	01/01/97	\$9.00	18.88%	\$10.70
		BUS	10/28/96	01/01/97	\$12.00	16.66%	\$14.00

COMPANY	DOCKET NO.	SERVICE	DATE FILED	DATE EFFECTIVE	FORMER RATE	PERCENT INCREASE	NEW RATE
CAMBRIDGE	C-1431	RES	12/26/96	03/03/97	\$10.65	25.82%	\$13.40
		BUS	12/26/96	03/03/97	\$14.50	9.65%	\$15.90
DILLER	C-1432	RES	10/30/96	01/01/97	\$7.50	30.00%	\$9.75
		BUS	10/30/96	01/01/97	\$8.50	30.00%	\$9.75
ALIAANT	C-1438	RES	11/08/96	03/23/97	\$10.00	10.00%	\$11.00
		RES	11/08/96	03/23/97	\$11.00	10.00%	\$12.10
		RES	11/08/96	03/23/97	\$11.50	10.00%	\$12.65
		RES	11/08/96	03/23/97	\$12.50	10.00%	\$13.75
COZAD	C-1449	RES	11/19/96	01/01/97	\$5.50	27.27%	\$7.00
		BUS	11/19/96	01/01/97	\$8.50	29.41%	\$11.00
GREAT PLAINS	C-1455	RES	12/09/96	07/01/97	\$10.75	30.23%	\$14.00
		BUS	12/09/96	07/01/97	\$14.00	42.85%	\$20.00
GLENWOOD	C-1468	RES 308-263-XXXX	12/27/96	03/04/97	\$11.00	6.36%	\$11.70
		BUS 308-263-XXXX	12/27/96	03/04/97	\$15.00	17.00%	\$17.55
		RES 402-756-XXXX	12/27/96	03/04/97	\$9.00	30.00%	\$11.70
		BUS 402-756-XXXX	12/27/96	03/04/97	\$13.50	30.00%	\$17.55
HAMILTON	C-1482	RES.	01/31/97	09/03/97	\$6.00 \$7.00	79% 54%	\$10.75 \$10.75
		BUS.	01/31/97	09/03/97	\$7.00 \$9.50	35% 13%	\$10.75 \$10.75

COMPANY	DOCKET NO.	SERVICE	DATE FILED	DATE EFFECTIVE	FORMER RATE	PERCENT INCREASE	NEW RATE
HOOPER	C-1495	RES.	03/03/97	05/01/97	\$6.85	20.4%	\$8.25
		BUS.	03/03/97	05/01/97	\$8.85	22.6%	\$10.85
KEYSTONE-ARTHUR	C-1534	RES.	04/30/97	07/01/97	\$11.50	26%	\$14.50
		BUS.	04/30/97	07/01/97	\$14.50	20%	\$17.50
KEYSTONE-ARTHUR	C-1534	RES.	04/30/97	07/01/97		26%	\$14.50
		BUS.	04/30/97	07/01/97		20%	\$17.50
THREE RIVER	C-1535	RES.	04/30/97	07/01/97	\$9.00	30%	\$11.70
		BUS.	06/02/97	08/01/97	\$13.50	29.6%	\$17.55
CONSOLIDATED	C-1551 & C-1552	RES.	05/29/97	08/01/97	\$9.00	25%	\$11.25
CLARKS	C-1553	RES.	06/02/97	08/01/97	\$9.50	30%	\$12.35
		BUS.	06/02/97	08/01/97	\$13.50	29.6%	\$17.55
HARTINGTON	C-1571	RES.	06/25/97	10/01/97	\$8.25	29.7%	\$10.70
		BUS.	06/25/97	10/01/97	\$12.75	29.8%	\$16.55
HOME	C-1576	RES.	06/27/97	10/01/97	\$4.50	30%	\$5.85
		BUS.	06/27/97	10/01/97	\$7.25	30%	\$9.40
EUSTIS	C-1575	BASIC RES.	06/27/97	10/01/97	\$5.00	30%	\$6.50
		BUS.	06/27/97	10/01/97	\$8.00	30%	\$10.40
		RURAL RES.	06/27/97	10/01/97	\$7.00	30%	\$9.00
		RURAL BUS.	06/27/97	10/01/97	\$10.00	30%	\$13.00

Basic Local Rate Changes
Local Exchange Companies

	1/1/97- Current	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	Previous Rate Change
Aliant	X						X		X			
Arapahoe	X											1979
Arlington												1976
Benkelman	X	X			X							
Blair												1978
Cambridge	X							X				
Clarks	X											1985
Consolidated	X											1974
Consolidated Telco	X											1973
Cozad	X											1983
Curtis	X	(2)										
Dalton												1973
Diller	X											1980
Eastern											X	
Eustis	X											1971
GTE		X									X	
Glenwood	X			X								
Great Plains	X							X				
Hamilton	X											1976
Hartington	X				X							
Hartman						(1)						1978
Home	X											1959
Hooper	X											1979
K & M												1984
Keystone-Arthur	X											1978
Nebraska Central											X	
Northeast												1974
Pierce											X	
Plainview		X							X			
Rock County												1976
Southeast Nebraska												1981
Stanton												1985
Three River	X											1978
United									X			
US West		X									X	
Wauneta	X	X			X							

(1) Proposed increase withdrawn after protests from 5% of subscribers were received.

(2) Petitions were received from customers for the Commission to review the rate proposal, and the application was approved on 9/30/97.

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	B-1	R-1
Aliant	Group A	39.00	13.75
	Group B	37.00	12.65
	Group C	35.00	12.10
	Group D	33.00	11.00
Arapahoe Tel. Co.	Group 1	13.25	10.50
	Group 2	37.55	14.90
Arlington Tel Co.	Arlington	12.80	8.60
Benkelman Tel. Co.	Benkelman	14.00	10.70
Blair Tel. Co.	Blair	20.80	10.15
	Ft Calhoun	20.80	10.15
	Kennard	20.80	10.15
Cambridge Tel. Co.	Bartley	15.90	13.40
	Cambridge	15.90	13.40
Clarks Tel. Co.	Clarks	17.55	12.35
	Staplehurst	17.55	12.35
	Ulysses	17.55	12.35
Consolidated Telco	Dickens	14.00	13.50
	Madrid	14.65	11.25
	Maywood	20.50	14.50
	Paxton	14.65	11.25
	Wallace	14.65	11.25
	Wellfleet	19.75	14.50
Consolidated Tel. Co.	Anselmo	10.10	6.70
	Arthur	18.50	11.00
	Ashby	19.75	19.25
	Bingham	19.75	19.25
	Brewster	10.10	6.70
	Brownlee	19.75	19.25
	Dunning	10.10	6.70
	Halsey	10.10	6.70
	Hyannis	10.10	8.30
	Merna	10.10	6.70
	Mullen	10.10	6.70
	Purdum	8.10	5.20
	Seneca	10.10	6.70
	Thedford	10.10	6.70
	Whitman	19.75	19.25
Cozad Tel. Co.	Cozad	11.00	7.00
Curtis Tel. Co.	Curtis	17.50	16.00

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	B-1	R-1
Dalton Tel. Co.	Bushnell	11.50	10.00
	Dalton	7.00	5.00
	Dix	11.50	10.00
	Gurley	7.00	5.00
	Lodgepole	7.00	5.00
Diller Tel Co.	Diller	9.75	9.75
	Harbine	9.75	9.75
	Odell	9.75	9.75
	Virginia	9.75	9.75
Eastern Neb. Tel. Co.	Belden	16.95	10.95
	Carroll	16.95	10.95
	Meadow Grove	16.95	10.95
	Osmond	16.95	10.95
	Rosalie	16.95	10.95
	Walthill	16.95	10.95
	Winnebago	16.95	10.95
	Macy	16.95	10.95
Eustis Tel. Exchange	Eustis	10.40	6.50
GTE North Inc.	Group I	14.83	8.22
	Group II	17.83	9.88
Glenwood Tel. Memb. Corp.	Bladen	17.55	11.70
	Blue Hill	17.55	11.70
	Campbell	17.55	11.70
	Funk	17.55	11.70
	Holstein	17.55	11.70
	Lawrence	17.55	11.70
	Norman	17.55	11.70
	Roseland	17.55	11.70
	Upland	17.55	11.70
Great Plains Comm.	Schedule A	20.00	14.00
	Schedule B	30.55	14.90
Hamilton Tel. Co.	Aurora	10.75	10.75
	Doniphan	10.75	10.75
	Giltner	10.75	10.75
	Hampton	10.75	10.75
	Hordville	10.75	10.75
	Marquette	10.75	10.75
	Phillips	10.75	10.75
	Stockham	10.75	10.75
	Trumbull	10.75	10.75
Hartington Tel. Co.	Hartington	16.55	10.70

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	B-1	R-1
Hartman Tel. Exchange	Danbury	9.50	9.50
	Haigler	9.50	9.50
	Lebanon	9.50	9.50
Home Tel Co. of Neb.	Brady	9.40	5.85
	Maxwell	9.40	5.85
Hooper Tel. Co.	Hooper	10.85	8.25
	Uehling	10.85	8.25
K & M Tel. Co.	Chambers	15.50	12.25
	Inman	15.50	12.25
Keystone-Arthur Tel. Co.	Keystone	17.50	14.50
	Lemoyne	17.50	14.50
NebCom	Allen/		
	Waterbury	37.55	14.90
	Butte	37.55	14.90
	Decatur	37.55	14.90
	Long Pine	37.55	14.90
	Spencer/		
	Bristow	37.55	14.90
	Stuart	37.55	14.90
	Winside	37.55	14.90
Neb. Central Tel. Co.	Group 1	16.25	9.25
	Group 2	14.30	9.70
	Group 3	35.00	14.90
Northeast Neb. Tel. Co.	Bartlett	7.75	5.25
	Clearwater	7.75	5.25
	Coleridge	7.75	5.25
	Craig	8.00	6.25
	Dixon	7.75	5.25
	Jackson	7.75	5.25
	Linwood/		
	Morse Bluffs	9.25	6.25
	Martinsburg	7.75	5.25
	Newcastle	7.75	5.25
	Obert	7.75	5.25
	Prague	9.25	6.25
	Weston	9.25	6.25
Pierce Tel. Co., Inc.	Hoskins	14.60	10.10
	Pierce	14.60	10.10
Plainview Tel. Co.	Plainview	19.50	15.50
Rock County Tel. Co.	Bassett	15.65	9.65
	Newport	15.65	9.65

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	B-1	R-1
Southeast Neb. Tel. Co.	Falls City	27.50	10.50
	Tri-City	27.50	10.50
Stanton Tel. Co. Inc.	Stanton	1st Line: 17.50	1st Line: 13.50
		Ea Add'l: 16.50	Ea Add'l: 16.50
Three River Telco	Johnstown	13.25	11.70
	Lynch	13.25	11.70
	Naper	13.25	11.70
	Springview	13.25	11.70
	Verdel	13.25	11.70
United Tel. Co. of the West	Group 1	18.15	9.07
	Group 2	18.92	9.46
	Group 3	21.93	10.96
US West	Group A	37.55	16.35
Wauneta Tel. Co.	Wauneta	14.00	10.70

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchanges
	<p>Aliant:</p> <p>Group A: Alvo-Eagle, Bennet, Ceresco, Clatonia, Cortland, Davey, Denton, Dorchester, Douglas, Dwight, Elmwood, Firth, Garland, Greenwood, Hallam, Hickman, Ithaca, Lincoln, Malcolm, Martell, Milford, Murdock, Palmyra, Panama, Plattsmouth, Pleasant Dale, Raymond, Seward, Unadilla, Valparaiso, Waverly</p> <p>Group B: Ashland, Crete</p> <p>Group C: Alexandria, Avoca, Barneston, Beatrice, Beaver Crossing, Bellwood, Benedict, Bradshaw, Brainard, Brock, Brownville, Bruning, Bruno, Burchard, Carleton, Cedar Bluffs, Colon, Cook, Cordova, Crab Orchard, David City, Dawson, Daykin, Deweese, DeWitt, DuBois, Dunbar, Edgar, Elk Creek, Fairfield, Fairmont, Filley, Glenvil, Grafton, Gresham, Hansen, Hardy, Harvard, Hastings, Jansen, Johnson, Julian, Juniata, Kenesaw, Liberty, McCool, Mead, Murray, Nemaha, Octavia, Ohioa, Ong, Otoe, Pawnee City, Peru, Pickrell, Plymouth, Polk, Rising City, Ruskin, Shelby, Shickley, Steele City, Steinauer, Sterling, Superior, Surprise, Sutton, Swanton, Syracuse, Table Rock, Talmage, Tamora, Union, Utica, Waco, Weeping Water, Western, Wymore, Yutan</p> <p>Group D: Adams, Auburn, Burr, Clay Center, Davenport, Exeter, Fairbury, Friend, Geneva, Guide Rock, Hebron, Humboldt, Louisville, Milligan, Nebraska City, Nehawka, Nelson, Osceola, Stromsburg, Tecumseh, Tobias, Wahoo, Wilber, York</p>
	<p>Arapahoe:</p> <p>Group 1: Arapahoe, Hendley, Holbrook</p> <p>Group 2: Brule, Farnam, Overton, Loomis</p>
	<p>Great Plains Communications:</p> <p>Schedule A: Archer, Arnold, Bancroft, Beemer, Bloomfield, Bryan, Callaway, Center, Chapman, Chester/Hubbell/Reynolds, Cotesfield, Creighton, Crofton, Deshler, Dodge, Elgin, Ewing, Grant, Hay Springs, Hayes Center, Herman, Huntley/Ragan, Imperial, Indianola, Kilgore, Merriman, Mirage Flats, Niobrara, North Bend, Oakdale, Oconto, Page, Palisade, Petersburg, Ponca, Red Cloud/Riverton, St. Edward, Scribner, Snyder, Stapleton, Sutherland, Tryon, Venango, Verdigre, Walnut, Wausa, Wilcox, Winnetoon, Wisner, Wolbach, Wood Lake, Wynot</p> <p>Schedule B: Cedar Rapids, Cody, Crookston, Culbertson, Gordon, Rushville, Stratton, Spalding, Trenton</p>
	<p>GTE:</p> <p>Group 1: Albion, Alma, Amherst, Battle Creek, Beaver City, Bertrand, Bloomington, Brunswick, Duncan, Edison, Franklin, Genoa, Greeley, Heartwell, Hildreth, Leigh, Lindsay, Madison, Miller, Monroe, Naponee, Neligh, Newman Grove, Riverdale, Stamford, Sumner, Tilden, Wilsonville</p> <p>Group 2: Columbus, Kearney</p>
	<p>NebCom, Inc.: Allen-Waterbury, Butte, Decatur, Long Pine, Spencer-Bristow, Stuart, Winside</p>
	<p>Nebr. Central:</p> <p>Group 1: Ansley, Arcadia, Comstock, Gibbon, Sargent, Shelton</p> <p>Group 2: Burwell, Erickson, North Loup, Scotia, Taylor, N. Burwell</p> <p>Group 3: Ashton, Boelus, Dannebrog, Elba, Litchfield, Mason City, Ravenna, Rockville</p>
	<p>US West:</p> <p>Group A: Ainsworth, Alliance, Atkinson, Atlanta, Axtell, Belgrade, Bennington, Big Springs, Bridgeport, Broken Bow, Cairo, Central City, Chadron, Clarkson, Crawford, Creston, Dakota City, Elkhorn, Elm Creek, Elwood, Emerson, Farwell, Fremont, Fullerton, Gothenburg, Grand Island, Gretna, Harrison, Holdrege, Homer, Howells, Humphrey, Laurel, Lexington, Loup City, Lyons, McCook, Minden, Norfolk, North Platte, Oakland, Ogallala, Omaha, O'Neill, Oxford, Pender, Pilger, Primrose, Randolph, St. Libory, St. Paul, Schuyler, Sidney, Silver Creek, South Sioux City, Springfield, Tekamah, Valentine, Valley, Wakefield, Waterloo, Wayne, West Point, Whitney, Wood River</p>
	<p>United Telephone Company of the West:</p> <p>Group 1: Bayard, Broadwater, Chappell, Lewellen, Lyman, Minatare, Mitchell, Morrill, Oshkosh, Potter</p> <p>Group 2: Kimball</p> <p>Group 3: Gering, Scottsbluff</p>

2. Federal and State Universal Service Funds

Since 1986, Nebraska telephone companies have received federal universal service funding. This funding is to help high cost, rural companies offer affordable telephone service to customers. Previously funded solely by large long distance companies, the FCC has redirected that all interstate telecommunications providers contribute to the federal universal service fund. Funding for Nebraska companies is projected to be \$6,300,718 for 1997. Twenty-seven Nebraska companies benefit from the federal fund. To date, large companies, such as US West, Aliant, GTE and United have not received federal universal service support. However, due to changes made by the FCC this year, the number of recipients of federal support will undoubtedly increase as large companies will be eligible to receive universal service funding.

Pursuant to LB 686, the 1997 Legislature authorized the creation of a state universal service fund. The fund, while not yet operational, is intended to assist low income customers, as well as customers located in high cost, rural areas obtain affordable basic local service. LB 686 also makes assistance available for schools, libraries and health care providers. The financial size of the fund is unknown at this time, as several variables remain unanswered. The state fund will supplement the federal fund. Therefore, if the federal universal service fund adequately supports Nebraska, a state fund may not be needed. Second, access charge reform has not been completed which may heavily impact a state fund. Some local companies rely on access charges as a significant source of revenue. For example, one small independent company earned annual revenues of \$1.6 million. Of that, \$1.3 million came from access charges. The Commission has opened a docket, C-1628, to review the level of access charges in Nebraska.

The Nebraska Universal Service Task Force, created by the Commission in April, 1996, provided its recommendations to the Commission and Legislature in July, 1997. Represented by members of the telecommunications industry, school, library and health care communities and public and governmental sectors, the task force has worked many hours to provide guidance on the development of a state universal service fund. In the future, pursuant to the directives of LB 686, an Advisory Board will be named to assist in creating and maintaining a state fund.

The following table shows by company the projected Universal Service Fund payments for 1997:

Federal Universal Service Fund
1997

Company	Projected USF Per Line Monthly
Arapahoe	\$10.62
Arlington	\$12.30
Benkelman	\$13.58
Blair	\$2.07
Cambridge	\$18.94
Clarks	\$13.99
Consolidated Telco	\$4.25
Consolidated Tel.	\$8.33
Cozad	\$0.00
Curtis	\$24.62
Dalton	\$16.42
Diller	\$1.60
Eastern Nebraska	\$7.58
Elsie Mutual	\$8.00
Eustis	\$1.21
GTE Midwest	\$0.00
Glenwood	\$0.00
Great Plains	\$3.52
Hamilton	\$0.00
Hartington	\$0.00
Hartman	\$26.08
Hemingford Co-op	\$1.47
Henderson Co-op	\$0.00
Hershey	\$0.00
Home	\$2.54
Hooper	\$0.00
K & M	\$4.28
Keystone-Arthur	\$23.66
L T & T	\$0.00
Nebraska Central	\$4.80
Northeast Nebraska	\$3.73
Petersburg	\$20.96
Pierce	\$0.00
Plainview	\$0.00
Rock County	\$32.49
Sodtown	\$15.74
Southeast Nebraska	\$14.94
Stanton	\$20.38
Three River	\$11.56
U.S. West	\$0.00
United Telephone	\$0.00
Wauneta	\$31.84
Total	\$6,300,718

The F.C.C. order on Universal Service continues the above funding level through January 1, 2001, when the method of calculating universal service may change to the use of proxy models, causing a potential change in the level of funding.

3. Commission Audits

The Commission's authority to review local rate increases is invoked if either (1) the rate increase is petitioned by a certain percentage of the affected customers, or (2) if the rate increase exceeds a certain annual percentage. This percentage is dependent on the size of the company. Three rate increases were brought before the Commission under these provisions during the past year.

Staff audits were performed and testimony was provided to the Commission in each application. Great Plains Communications and Hamilton Telecommunications proposed local increases which exceeded the allowed annual percentage. Their proposals provided that access charges would be reduced by an amount equal to the revenue generated by the local rate increase. These applications were granted by the Commission after hearings were held in the affected communities.

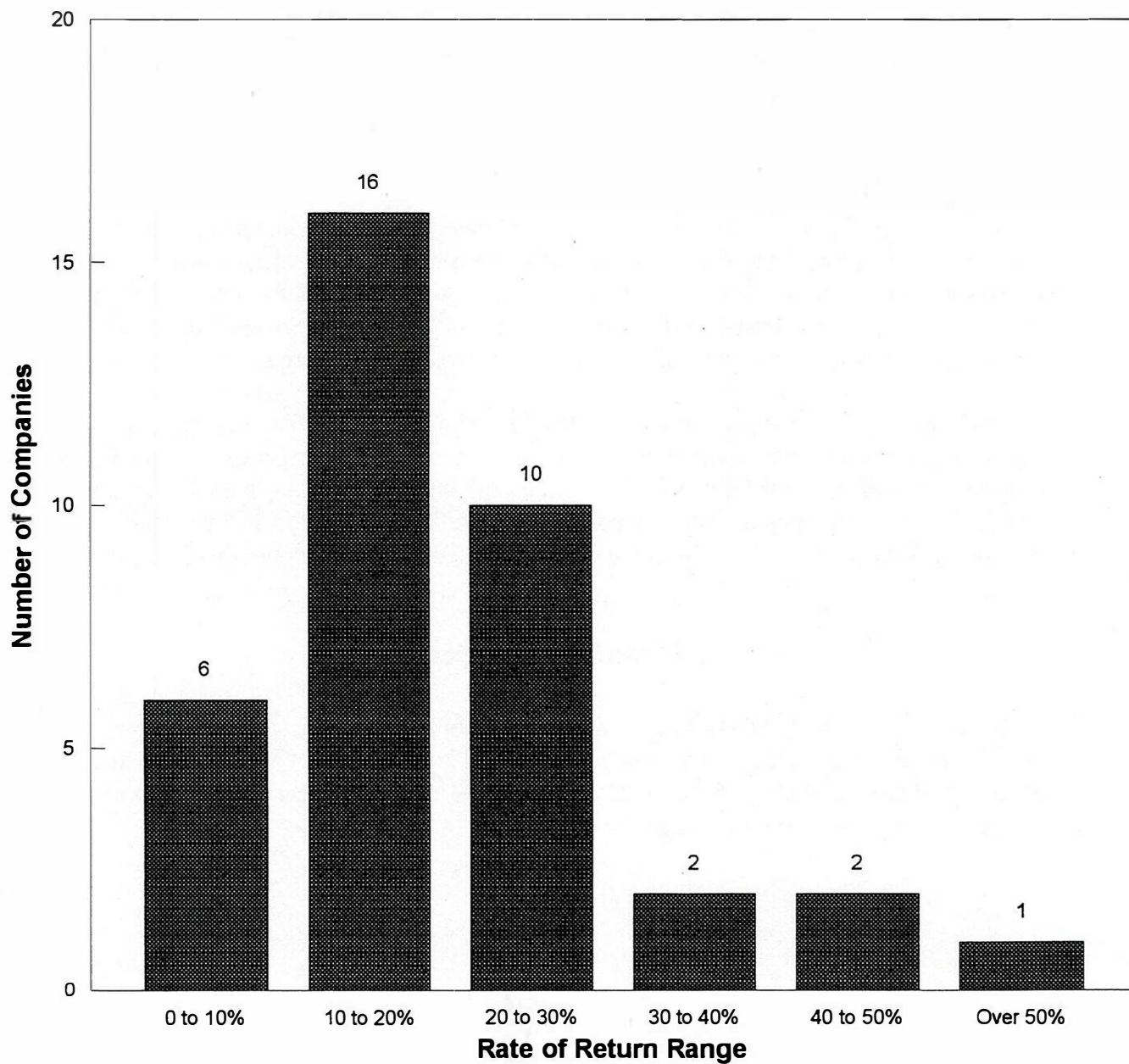
The third application, filed by Curtis Telephone Company, was brought before the Commission because more than 5% of its affected customers petitioned for review of the rate. Similar to the two rate reviews mentioned above, Curtis also proposed that local rates be increased, but that access charges be reduced by an equal amount resulting in no net revenue increase or decrease for the company. The Curtis application was approved after a hearing was held in Curtis.

The Commission also participated in a Federal-State joint audit of GTE, administered by the Federal Communications Commission. The audit focused on their continuing property records and involved the states of Missouri, Pennsylvania, Ohio, Arkansas, California, Hawaii, Texas and Nebraska. The audit findings and recommendations have been presented to the Chief of the Common Carrier Bureau of the FCC. After the Commissioners review the report, it will be released to the public.

4. Financial Statistics

The financial information related to local exchange company earnings is not being reported for 1996, due to the fact that competition is being introduced into this market and company specific information could provide a competitive advantage. The reports filed by local exchange companies are, however, available at the Commission.

Nebraska Local Exchange Carriers 1996 Rate Of Return



5. Long Distance Telephone Rates/Access Charges

Competition in the Long Distance Market

Competition in the long distance market started in 1985, with the authorization of Sprint and MCI in Nebraska to compete with AT&T. Also, in 1985, local telephone companies began to provide equal access, which meant that subscribers could choose the long distance carrier of their choice for interLATA calls. Presently, 98% of Nebraska customers have a choice of interLATA carriers.

The next step in this process is to allow customers a choice of long distance carriers on their intraLATA calls. During 1997, two companies, GTE and United, have begun to offer customers the option to presubscribe to an intraLATA carrier of their choice. Currently, only 8.5% of Nebraska customers have a choice for their intraLATA calling. The other two primary intraLATA carriers in the state (Aliant and US West) have not yet provided customers with an intraLATA choice. The Commission has ordered all local exchange carriers to provide both interLATA and intraLATA equal access on or before December 31, 1998.

Cost of Long Distance Calling - Access Charges

Access charges are the wholesale cost of long distance calls. This represents the cost which long distance carriers pay to the local exchange carriers to originate and terminate calls on the local network. Thus, if an AT&T customer originates a call from Lincoln to Benkelman, AT&T pays Lincoln (Aliant), a rate per minute to originate the call, and pays Benkelman a rate per minute to terminate the call. AT&T collects the revenue from its customer, and pays both of the local carriers access charges to process the call. The level of access charges on both ends of the call determines the retail rate for long distance calling.

As noted in the local rate level section, many companies increased local rates this past year, and lowered access charges to offset these local increases. These savings in access charges have been passed on to long distance carriers such as AT&T, Sprint, MCI, Aliant and US West. The access charge reductions resulted in two companies reducing toll rates. In March of 1997, Aliant reduced its toll rates for daytime calling from \$.20 to \$.18 per minute. Evening, night and weekend rates were reduced from \$.12 to \$.11 per minute at the same time. AT&T implemented the One Rate Plan during 1997 in all exchanges in Nebraska. Its plan provides customers with a \$.15 per minute rate for all calls, both interstate and intrastate.

The level of these per minute access charges has been a concern to the long distance carriers in Nebraska and most other states. Two formal complaints by AT&T and MCI are currently pending before the Commission which allege that these access charge rate levels are too high. The largest element of access charge costs is the carrier common line rate. The table following lists the carrier common line rates currently in effect for all of the companies in Nebraska:

**Access Charges - Carrier Common Line Rates
Local Exchange Companies**

Exchange	Originating Per Minute	Terminating Per Minute
Aliant	0.02880	0.02880
Aliant Midwest	0.02880	0.02880
Arapahoe	0.08800	0.08800
Arlington	0.03120	0.03120
Benkelman	0.16130	0.16130
Blair	0.03160	0.03160
Cambridge	0.13790	0.13790
Clarks	0.06880	0.06880
Consolidated	0.05800	0.05800
Consolidated Telco	0.03300	0.03300
Cozad	0.03840	0.03840
Curtis	0.16420	0.16420
Dalton	0.08350	0.08350
Diller	0.011590	0.011590
Eastern	0.04560	0.04560
Elsie	0.09510	0.09510
Eustis	0.04210	0.04210
Glenwood	0.05080	0.05080
Great Plains	0.02000	0.03000
GTE	0.01000	0.04330
Hamilton	0.02869	0.02869
Hartington	0.06160	0.06160
Hartman	0.18310	0.18310
Hemingford	0.05870	0.05870
Henderson	0.05310	0.05310
Hershey	0.02860	0.02860

Exchange	Originating Per Minute	Terminating Per Minute
Home	0.03800	0.03800
Hooper	0.03340	0.03340
K & M	0.10850	0.10850
Keystone-Arthur	0.14810	0.14810
NebCom, Inc.	0.04080	0.04080
Nebraska Central	0.06060	0.06060
Northeast	0.04080	0.04080
Pierce	0.03430	0.03430
Plainview	0.04660	0.04660
Rock County	0.09950	0.09950
Sodtown	0.03660	0.03660
Southeast Nebraska	0.17300	0.17300
Stanton	0.07200	0.0722
Three River	0.10200	0.10200
United	0.02940	0.06950
US West Zones 1 and 2	0.02000	0.02700
US West Zone 3	0.02240	0.04150
Wauneta	0.17860	0.17860

Access Charge Changes at the FCC

In May of 1997, the FCC issued its Access Reform Order to restructure access charges for the Bell companies and other large incumbent local exchange carriers. The FCC found that a large amount of the costs recovered through access charges were non-traffic sensitive, i.e., the costs were incurred regardless of the amount of traffic generated by the customer. However, allowing companies to recover these costs on a per minute basis was economically inefficient and it penalized the high volume user and provided a subsidy to the low volume user. Thus, its order replaced much of the recovery of these costs with flat rated charges in lieu of per minute rates.

The two elements of the access charges that were affected were the carrier common line and the transport interconnection charge. These elements have been replaced by the Subscriber Line Charge (SLC) and the Primary Interexchange Carrier Charge (PICC). The SLC will be assessed to the end user and the PICC charge will be charged to the long distance carrier for each of their

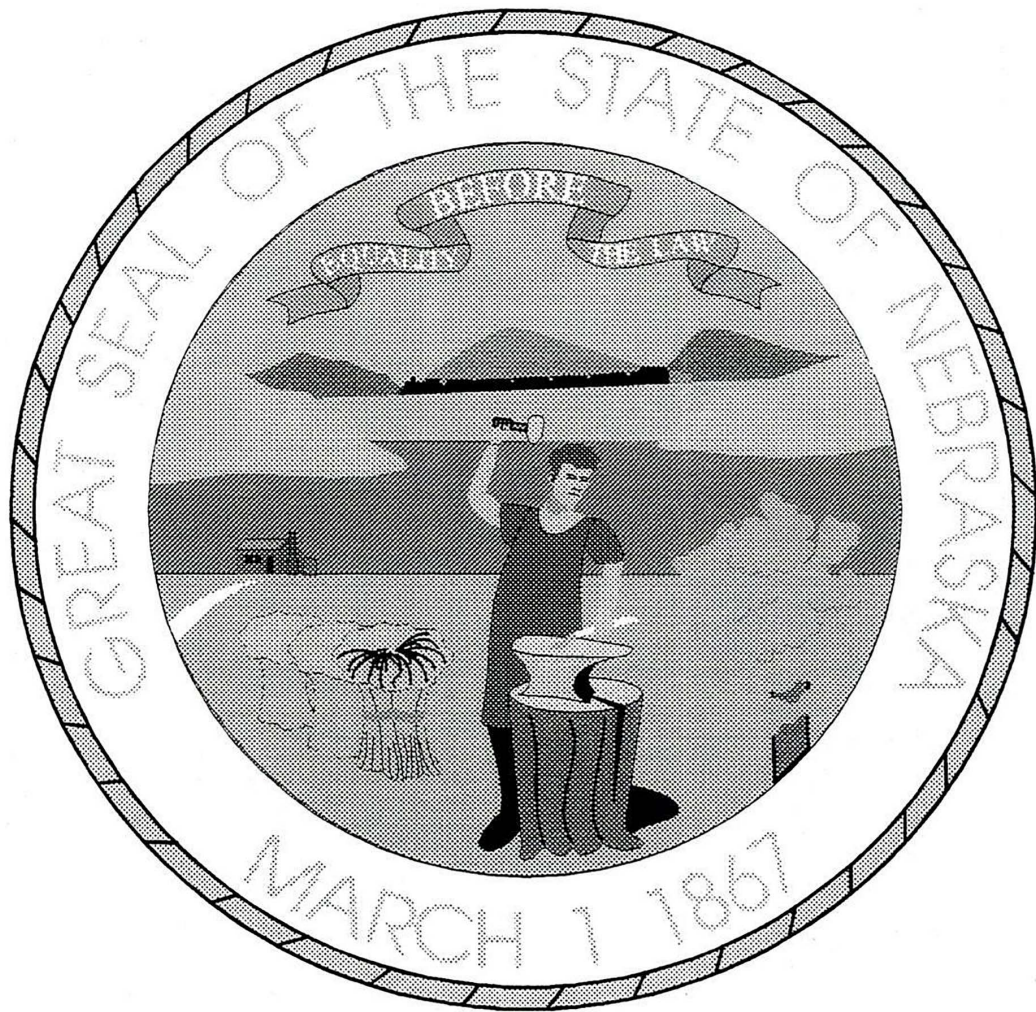
presubscribed customers. Listed below are the scheduled changes in each of the elements, as well as the rate in effect prior to the FCC order.

Subscriber Line Charges (Billed to the end user)	06/30/97	07/01/97	01/01/98	01/01/99
Residential-Single Line	\$3.50	\$3.50	\$3.50	\$3.50
Residential-Second Line	\$3.50	\$3.50	\$5.00	\$6.00
Business-Single Line	\$3.50	\$3.50	\$3.50	\$3.50
Business-Multi-Line:				
Aliant	\$4.53	\$5.01	Calculated	Calculated
GTE	\$5.42	\$5.06	Calculated	Calculated
United	\$6.00	\$6.87	Calculated	Calculated
US West	\$5.71	\$6.61	Calculated	Calculated
All Other Telcos	\$6.00	\$6.00	\$9.00	Calculated
Charges to Interexchange Carriers - PICC (Contribution to high cost fund and low-income support programs)	06/30/97	07/01/97	01/01/98	01/01/99
Residential-Single Line	\$0.53	\$0.53	\$0.53	\$1.00
Residential-Second Line	\$0.53	\$0.53	\$1.50	\$2.50
Business-Single Line	\$0.53	\$0.53	\$0.53	\$1.00
Business-Multi-Line	\$0.53	\$0.53	\$2.75	Calculated

6. Long Distance Carriers

During the last year, 75 companies filed for long distance authority. There are over 225 long distance companies certificated to operate in the state. Long distance companies may offer any combination of presubscribed 1+ services, operator services, calling cards, debit cards, and 800/888 services. Most companies serve both residential and business customers, however, some focus solely on providing service to payphones and inmate facilities.

Part IV



PART IV

Recommendations for the 1998 Legislative Session

1. Assessing 911 Surcharges on Wireless Lines

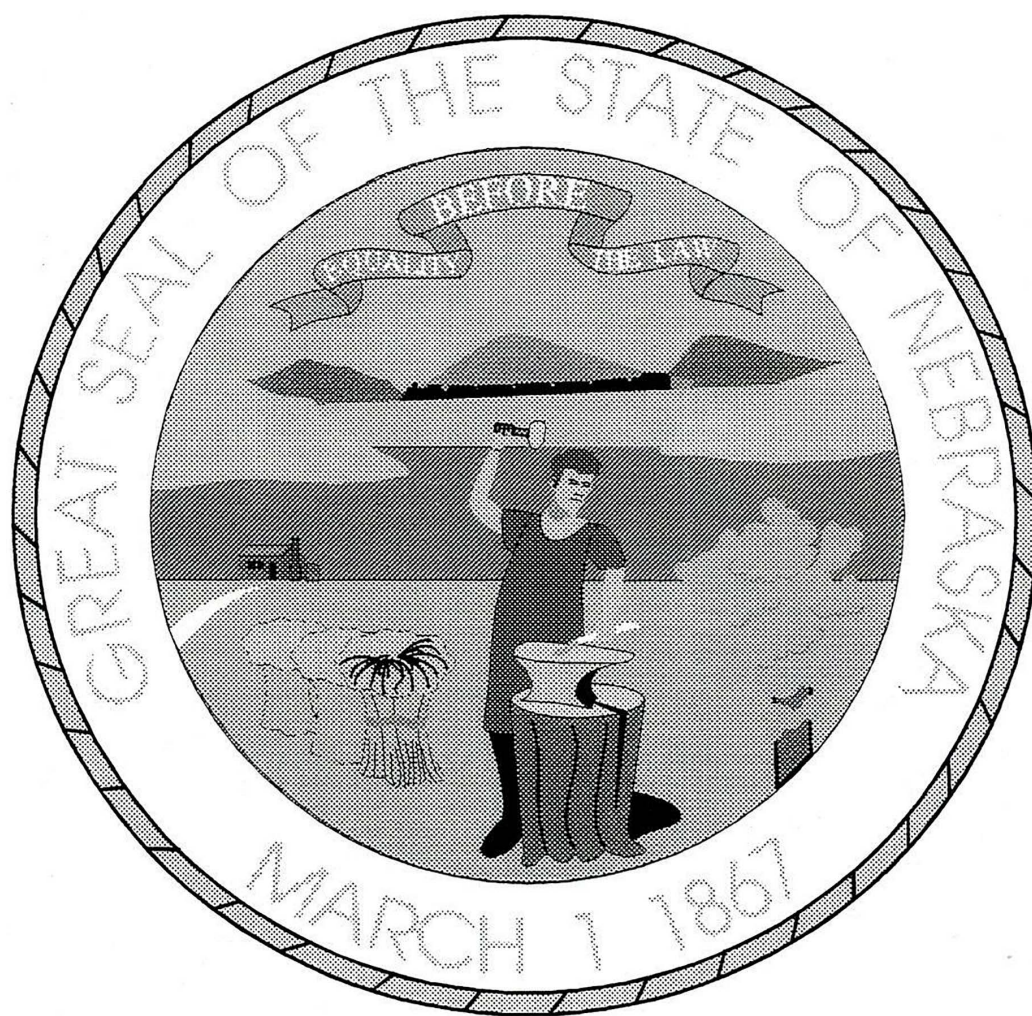
One issue that may be squarely before the Legislature in 1998 will be whether to assess 911 surcharges on wireless telephone lines, including both cellular and PCS (personal communications services). Currently, pursuant to statutory mandate, cellular customers pay monthly surcharges to support the Nebraska Relay. However, no such statutory mandate exists to fund 911 centers. Noticed to be a significant amount of untapped revenue for the emergency centers, some have advocated to the Commission that wireless customers also be required to pay 911 surcharges as they place a significant percentage of the emergency calls.

2. Public Power Districts Offering Telecommunications Services

The subject of whether Nebraska's public power districts should be able to enter the telecommunications market, and under what conditions, may be subject to debate during the 1998 legislative session. In 1997, the Legislature removed the statutory barrier prohibiting public power districts from offering telecommunications services. However, explicit authority granting public power districts the ability to provide such services was not given.

The Nebraska Public Power District (NPPD) has been offering special services in and around Norfolk for over one year to the schools, library and city. The Commission held a hearing in March, 1997 to determine whether the services NPPD were offering were "telecommunications services" and therefore subject to regulation. After receiving the evidence, the Commission found NPPD was indeed offering telecommunications services. The Commission requested the Attorney General to advise how it should proceed. The Attorney General's Opinion, No. 97045, stated the Commission could not issue a certificate of authority to NPPD, nor could NPPD legally provide such services as no public power district had statutory authority to offer telecommunications services. Given this legal opinion, it is highly likely the power districts will be approaching the Legislature requesting statutory authority to provide telecommunications services.

Part V



PART V

APPLICATIONS AND TARIFFS

The Commission received a total of 210 applications during the period of July 1, 1996, to June 30, 1997. One of the principal reasons for this activity was passage of the Telecommunications Act of 1996, which prompted telecommunications providers to apply for local certification, and to begin negotiation and arbitration procedures to determine the terms and conditions of their market entry. During this period, 13 applicants filed for local certification and 16 requests for arbitration or approval of negotiated interconnection agreements were received.

Following is a summary of applications filed with the Commission during this period:

Type of Application	Number Filed
Local Certification	13
Reseller Certification	75
Amend Certification	42
Cease and Desist	1
Boundary/LEC	5
Boundary/Customer	1
Depreciation	2
Rate Increase/LEC	25
Loan	7
Commission Initiated	7
EAS	10
Interconnection	16
Other	6
TOTAL	210

Over 500 tariff filings were filed with the Commission, therefore, they have been omitted from this year's report. Individual applications and tariff listings can be obtained upon request.