

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska	)	Application No. NUSF-108
Public Service Commission, on its	)	Progression Order No. 7
Own Motion, to make adjustments	)	
to its high-cost distribution mechanism	)	<b>COMMENTS OF THE RURAL</b>
and make revisions to its reporting	)	<b>TELECOMMUNICATIONS</b>
requirements.	)	<b>COALITION OF NEBRASKA</b>
	)	
	)	

**INTRODUCTION**

The Rural Telecommunications Coalition of Nebraska (“RTCN”)<sup>1</sup>, by and through its undersigned counsel of record, submits these Comments in response to the *Order Seeking Comment* entered by the Nebraska Public Service Commission (the “Commission”) on October 19, 2021.

**COMMENTS**

The *Order* seeks input on the appropriate accounting treatment for certain state broadband deployment funding sources such as NUSF BDS, NUSF Reverse Auction Support, and Nebraska Broadband Bridge Program funds. Within the *Order*, the Commission correctly frames the issue by suggesting that such sources may be accounted for as either aid in construction or revenue.

The RTCN understands and appreciates the Commission’s desire to arrive at a uniform method of accounting for and reporting such items. At the same time, the RTCN believes that differing methods of recognizing and reporting such funds exist because there are legitimate arguments for each approach. The RTCN has no specific recommendation in response to the

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<sup>1</sup> For purposes of this proceeding, the RTCN consists of the following carriers: Arapahoe Telephone Company d/b/a ATC Communications; Benkelmen Telephone Company, Inc., Cozad Telephone Company, Hartman Telephone Exchanges, Inc., Plainview Telephone Company, Southeast Nebraska Communications, Inc., Pierce Telephone Company, and Wauneta Telephone Company.

Commission's queries; however, we suggest that these issues may be resolved by categorizing each of the state funding sources as either grant funding or support.

Grant funding is typically paid in a lump sum, based on reimbursed costs or a specific bid, and tied to one-time or specific projects. Grants are generally accounted for as aid in construction, and the value of the plant associated with the grant funding is reduced by the amount of aid. Conversely, support is paid to a recipient on a recurring basis over a period of time, is not related to a specific project, and is not reimbursement based. Support is generally accounted for as revenue. Federal funding through programs such as ACAM and CAF are typically categorized as support and treated as revenue.

Using these principles, we suggest that the Commission determine whether each form of state deployment funding identified in the *Order* falls within the category of grant funding or support. The proper method for accounting and reporting each such item would follow from that determination.

DATED: November 29, 2021.

**RURAL TELECOMMUNICATIONS  
COALITION OF NEBRASKA**

**Arapahoe Telephone Company d/b/a  
ATC Communications, Benkelmen  
Telephone Company, Inc., Cozad  
Telephone Company, Hartman  
Telephone Exchanges, Inc., Plainview  
Telephone Company, Southeast Nebraska  
Communications, Inc., Pierce Telephone  
Company, Wauneta Telephone Company**

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