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the telephone companies with 5,000 customers or less to put in a rate change without going before the Commission. We have 43 telephone companies in Nebraska. Many of them have a hundred, two hundred, three hundred subscribers. It takes at least \$5,000 to go before the Commission. The reason it does is because you have to set your basic cost of everything you own, all your operating costs. You have to get an accountant to do that. You have to get an attorney to do it. It costs at least \$5,000 and you can imagine if you are going to ask for a \$5 increase in rates, and it is going to have to happen, believe me, that would be \$50 a telephone just for the privilege of going before the Commission to ask. The separation formula that has been before all of these people is not going to be there anymore due to the deregulation. Most of these companies are getting seventy or eighty percent of their operating cost now from that separation formula. They are not going to get that. There is going to be a separation formula but it is going to be way, way down. They are not going to get it, they are going to have to increase the cost of telephone service. Now as they do that, it certainly is not wise to have them go before the telephone commission and the Public Service Commission has certainly agreed to this that it is not wise for them to have to go before them and spend that kind of money when it would take them ten years to get just the money back that it cost to try to get the increase. So what they could do, would do this once a year at the most, they couldn't do it any oftener than that. Right now they can file every three months if they wanted to if they could get a hearing on it, but at that time what is going to really happen outstate is these people that have five and a half, six dollar rates right now are certainly going to have to raise those rates up. If five percent of the people, of subscribers, would protest this, under any condition, they would still have to have a hearing. Chances are they wouldn't. They probably would just go out of business and you wouldn't have any telephone. So this bill is very, very important to the State of Nebraska and I would certainly urge you to support the bill and put it to E & R. I will answer any questions you might have on it.

PRESIDENT: Any questions? Senator Beutler, you are next in speaking order.

SENATOR BEUTIER: Senator Clark, I would just get a few things on the record if I may and I do have a couple of questions. First of all, as I understand it, there are about 45 telephone companies in the State of Nebraska.

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