

Chairman Rod Johnson called the regularly scheduled meeting to order at 10:01 a.m. with Commissioners Boyle, Johnson, Landis, Schram and Vap present. Chairman Johnson also invited the public to address the Commission at any point during the meeting. He also announced that a copy of the Nebraska Open Meetings Act was available in the meeting room.

Chairman Johnson recognized Lisa Polivka, Administrative Assistant for the Housing and Recreational Vehicle Department. Because of her perseverance and dedication with a new Housing and Urban Development (HUD) internet program, Nebraska is the first state in the nation to fulfill the new obligations required by HUD.

#### GENERAL ADMINISTRATION

Notice was duly published February 20, 2007 on Page 6 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held February 27, 2007 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

#### Wednesday, February 28, 2007:

NUSF-33/ Commission Hearing Room, Lincoln.  
PI-68 In the Matter of the Commission, on its own motion, seeking  
10:00 to investigate the audit requirements related to the  
Nebraska Universal Service Fund. Commissioner Landis  
presiding as Hearing Officer.

911-018/ Commission Hearing Room, Lincoln.  
PI-117 In the Matter of the Commission, on its own motion, seeking  
10:00 to establish audit requirements related to the Wireless  
Enhanced 911 Fund. Commissioner Boyle presiding as Hearing  
Officer.

#### COMMUNICATIONS DEPARTMENT

AD-377r In the Matter of Allied International Credit Corp., New-  
market, Ontario, Canada, seeking authority to register an  
automatic dialing-announcing device: Motion made by Commissioner Anne  
Boyle, seconded by Commissioner Jerry Vap, to enter an order granting  
the application. Motion passed with Commissioners Anne Boyle, Rod  
Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

AD-378 In the Matter of The Martin Agency, Inc., Richmond,  
Virginia, seeking authority to register an automatic  
dialing-announcing device: Motion made by Commissioner Jerry Vap,  
seconded by Commissioner Tim Schram, to enter an order granting the  
application. Motion passed with Commissioners Anne Boyle, Rod  
Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3716/ In the Matter of the Commission, on its own motion, seeking NUSF-60.01 to investigate Qwest Corporation's Access Rates. Commissioner Anne Boyle presiding as Hearing Officer: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order closing the investigation. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

C-3739 In the Matter of Alltel Communications of Nebraska, Inc., Little Rock, Arkansas, seeking expansion of Eligible Telecommunications Carrier Designation pursuant to section 214(e)(2) of the Communications Act of 1934. Commissioner Frank Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

C-3746 In the Matter of OPEX Communications, Inc., Elk Grove Village, Illinois, seeking a transfer of control to Total Call International, Inc., Los Angeles, California: Motion made by Commissioner Anne Boyle, seconded by Commissioner Tim Schram, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

C-3747 In the Matter of Buzz Telecom Corporation, Merrillville, Indiana, seeking authority to withdraw its Certificate of interLATA, intraLATA and intrastate long distance telecommunications service in the State of Nebraska: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

C-3751 In the Matter of Infone LLC, Beaverton, Oregon, seeking cancellation of their Certificate to operate as a resale carrier of intrastate, interLATA and intraLATA telecommunications services with the State of Nebraska and withdrawal of Nebraska Tariff No. 3: Motion made by Commissioner Frank Landis, seconded by Commissioner Tim Schram, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

C-3748 In the Matter of Qwest Corporation, Denver, Colorado, seeking a Rate Update Amendment to Interconnection Agreement with Windstream of the Midwest, Inc. (f/k/a ALLTEL Communications of the Midwest, Inc.), Little Rock, Arkansas, previously granted in Docket C-1530: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to enter an order approving the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3749 In the Matter of Windstream Nebraska, Inc., Little Rock, Arkansas, seeking an interconnection agreement with Pinpoint Communications, Inc., Cambridge: Motion made by Commissioner Rod Johnson, seconded by Commissioner Jerry Vap, to enter an order approving the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Gene Hand reported that a notice of desire to exercise the option to extend the current Nebraska Relay System Agreement was filed by Hamilton Telecommunications. Gary Warren of Hamilton addressed the Commissioners' questions.

FCC Public In the Matter of Developing a Unified Intercarrier Compensation Regime: Gene Hand informed the Commission that comments are being sought on amendments to the CC Docket 01-92 Missoula Plan Intercarrier Compensation Proposal to incorporate a federal benchmark mechanism. Comments are due on March 19, 2007 with reply comments due on April 3, 2007. The staff was directed to draft and file initial comments subsequent to Commissioner Boyle's approval.

Gene Hand informed the Commission of an invitation received from Nebraska Public Power District to attend an informational meeting about their intent to build a high-voltage power line in east-central Nebraska.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

911-020 In the Matter of Jeffrey L. Pursley, Director, Nebraska Telecommunications Infrastructure and Public Safety Department, Complainant v. Budget Phone, Inc., d/b/a Budget PrePay; BullsEye Telecom, Inc.; Excel; Ionex Communications North, Inc. a/k/a Birch Telecom, Inc.; MCImetro Access Transmission Services, LLC; NOS Communications, Inc.; Orbit.com; Vartec, Respondent(s). Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter an order amending the assessed fine against BullsEye Telecom, Inc. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter orders approving costs and incorporating prior dockets in Applications 911-022.07 through 911-022.14. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

911-022.07 In the Matter of Qwest Wireless, LLC, Denver Colorado, seeking approval of a request for funding from the Enhanced Wireless 911 Fund.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

911-022.13 In the Matter of T-Mobile, Bellevue, Washington, seeking approval of a request for funding from the Enhanced Wireless 911 Fund.

911-022.14 In the Matter of Indigo Wireless, Mansfield, Pennsylvania, seeking approval of request for funding from Enhanced Wireless 911 Fund.

Motion made by Commissioner Landis, seconded by Commissioner Schram, to enter orders approving funding requests for implementation in Dockets 911-023.4 through 911-023.48. Motion passed with Commissioners Boyle, Johnson, Landis, Schram and Vap voting AYE.

911-023.4 In the Matter of Custer County, Public Service Answering Point, Broken Bow, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.45 In the Matter of Johnson County, Public Safety Answering Point, Tecumseh, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.48 In the Matter of York County, Public Safety Answering Point York, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.51 In the Matter of Dixon County, Public Service Answering Point, Ponca, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Motion made by Commissioner Landis, seconded by Commissioner Schram, to enter orders approving funding requests for implementation reimbursement and GIS mapping. Motion passed with Commissioners Boyle, Johnson, Landis, Schram and Vap voting AYE.

911-023.52 In the Matter of Nuckolls County, Public Safety Answering Point, Nelson, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Motion made by Commissioner Landis, seconded by Commissioner Schram, to enter an order approving a funding request for software upgrade. Motion passed with Commissioners Boyle, Johnson, Landis, Schram and Vap voting AYE.

911-023.54 In the Matter of the City of Wayne, Public Service Answering Point, Wayne, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 Implementation: Motion made by Commissioner Landis, seconded by Commissioner Schram, to enter an order approving a funding request for GIS mapping. Motion passed with Commissioners Boyle, Johnson, Landis, Schram and Vap voting AYE.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

911-028 In the Matter of Virgin Mobile USA, LLC, seeking a refund from the Wireless Enhanced 911 Fund: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order accepting a stipulation and approving a refund. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-1, PO #7 In the Matter of the Commission, on its own motion, seeking to establish guidelines for administration of the Nebraska Universal Service Fund: Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to approve a revision of revenues for IDT Corporation for August, 2006 through November, 2006 exceeding 10% of the original revenues reported, resulting in a credit due IDT Corporation of \$1,474.53. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-7.08 In the Matter of Hartington Telecommunications Company, Hartington, seeking a waiver for additional Nebraska Universal Service Funding: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order granting a motion to withdraw. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-32.06 In the Matter of the Commission, on its own motion, seeking to conduct an inquiry into the failure of various companies to comply with Commission orders and, at its own discretion, impose administrative fines against the named defendants: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to waive penalties for carriers that filed on or before February 1 2007, enter a Show Cause order for failure to timely file yearly audit reports and schedule a hearing for May 22, 2007 at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE. Commissioner Rod Johnson appointed Hearing Officer.

NUSF-37.113 In the Matter of Jeffrey L. Pursley, Director, Nebraska Telecommunications Infrastructure and Public Safety Department, Complainant, v. Andiamo Telecom, LLC, Respondent: Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter an order dismissing the complaint. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-51/C-2831/PI-67 In the Matter of the Commission, on its own motion, seeking to investigate telecommunications infrastructure development in Nebraska. Commissioner Vap presiding as Hearing Officer: Jeff Pursley discussed the broadband report.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

NUSF-60.01 In the Matter of the Commission, on its own motion, seeking C-3716/ to investigate Qwest Corporation's Access Rates: An order PI-124 to close this investigation was entered under the Communications' Department agenda.

NUSF-62 In the Matter of the Commission, on its own motion, seeking Qwest Corporation to show cause as to why its Nebraska eligible telecommunications carrier designation relating to the Nebraska Telehealth Program should not be revoked. Commissioner Boyle presiding as Hearing Officer: Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to enter an order approving the stipulation and canceling the hearing continued to a date later to be determined. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Jeff Pursley discussed the NUSF Late-Filed Carrier Remittances: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to levy late fees against Acceris Management and Acquisition, Amp'd Mobile, Inc., BullsEye Telecom, Inc. and that a complaint be opened against McLeod USA Telecommunications. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT

NG-0039 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM NG-0040 Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, Source Gas Holdings LLC, Stamford, Connecticut; and Source Gas LLC, Stamford, Connecticut; seeking approval of (1) the proposed transfer of Kinder Morgan, Inc.'s Nebraska Certificate of Convenience and utility assets to Source Gas Distribution LLC; and (2) the proposed change of control of Source Gas Distribution LLC from Kinder Morgan, Inc. to Source Gas LLC and Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, seeking approval of asset transfer of jurisdictional utility assets. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter orders approving stipulations and granting applications. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NG-0041 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking individual general rate increases for Aquila's Rate Area One, Rate Area Two, and Rate Area Three. Frank Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Tim Schram, to enter Assessment Order HS-004. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT (Cont.)

A workshop was scheduled for presentation of an acquisition proposal by representatives of Aquila and Black Hills Corporation for March 13, 2007, at 11:00 a.m. in the Commission Hearing Room, Lincoln.

P-0013.6 In the Matter of Metropolitan Utilities District of Omaha, Omaha, providing notice required by Neb. Rev. Stat. Section 66-1863, that it intends to extend or enlarge its service area or extend a gas main: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order closing the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

RULES AND REGULATIONS

Rule and Regulation #168 In the Matter of the Commission, on its own motion, seeking to amend Title 291, Chapter 13, Modular Housing Unit Construction Rules and Regulations, to amend Sections 002.05A, 002.05B, 005.01 related to placement of state seals and seal fees: Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to enter an order opening the docket and seeking public comment. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

LEGISLATIVE REPORT

Nichole Underhill reported on the status of legislation affecting the Commission.

TRANSPORTATION DEPARTMENT

B-1685 In the Matter of James E. & Rhonda Joneson, d/b/a Leisure Limousine & Sedan Service, Lincoln, seeking to acquire, through transfer, the authority granted to A & R Klassic Kars Limousine Service, LLC, in Certificate Number B-1599: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter an order granting the application and revoking Certificate B-1599. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

B-1690 In the Matter of SDG Transportation, Inc., d/b/a Classic Limousine Service, Omaha, seeking to acquire, through transfer, the authority granted to A & R Klassic Kars Limousine Service, LLC, in Certificate Number B-1599: Motion made by Commissioner Anne Boyle, seconded by Commissioner Jerry Vap, to enter an order denying the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

TRANSPORTATION DEPARTMENT (Cont.)

B-1693 In the Matter of Jason Studer, d/b/a Jason's Limo Service, Superior, seeking to acquire, through transfer, the authority granted to Kim Halbmaier, d/b/a Kim's Limo Service, Hastings, in Certificate B-1431: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order granting the application and revoking Certificate B-1431. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

M-14194 In the Matter of Davis Patterson, d/b/a Patt's Moving Center, Fremont, seeking authority as a common carrier in Nebraska intrastate commerce in the transportation of household goods within a 150 mile radius of Fremont: Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to enter an order granting the application as amended. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Rate Division

LR-272 In the Matter of DJW, Inc., d/b/a Luxury Limousine, Syracuse, seeking authority to adjust its rates and charges: Motion made by Commissioner Frank Landis, seconded by Commissioner Tim Schram, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was increased to 60 cents per mile.

HOUSING AND RECREATIONAL VECHICLE DEPARTMENT

Mark Luttich responded to Commissioners' questions about Rule and Regulation #168 which was opened during the Rules and Regulations Agenda.

GENERAL ADMINISTRATION

Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to approve the following Commission invoices. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

DAS - Communications	\$	3,035.21
DAS - Materiel - Office Supplies		721.42
Larry Fauss		960.00
Thomson West		591.14
Maurice Gene Hand		1,609.89



GENERAL ADMINISTRATION (Cont.)

Jeff Pursley	\$	1,402.26
Anne Boyle		865.02
Gerald Vap		683.88

The following payments were made between February 14 and February 26, 2007 and should be ratified:

TechnoCom Corporation	\$	3,922.52
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Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to grant authorization for Robert Bowman to travel to Clay Center, Kansas on February 15, 2007 to perform a modular housing unit factory inspection of Wardcraft Homes with all expenses, including time, to be reimbursed to the Commission by Wardcraft Homes. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Jeff Pursley reported on the proposed expansion of the Bureau of Business Research Contract.

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The meeting adjourned at 11:00 a.m. with Commissioners Boyle, Johnson, Landis, Schram and Vap present. The next regularly scheduled meeting will be held on March 6, 2007, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on March 5, 2007.

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Chairman

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Executive Director