

February 26, 1976

SENATOR CHAMBERS: Well, just give me a rough figure. Just for the purpose of an example.

SENATOR CLARK: I think that there are 200 to 300 thousand.

SENATOR CHAMBERS: OK, lets say 250,000 people. How much postage would it cost at 13¢ a first class letter, and I'm not asking for a answer to refund this money, and other administrative procedures and the printing up of vouchers or whatever method that they are going to use to pay the people. You total all of that up. Will the phone company come in later and use that additional expense as the basis for a rate increase?

SENATOR CLARK: No.

SENATOR CHAMBERS: OK

SENATOR CLARK: I'm sure that anything goes on a rate base. Anything that is an expense goes on a rate base. That is the way that all telephone, or trucking or anything else, they have to have a rate base and a return is set on the base Senator Chambers, you are right.

SENATOR CHAMBERS: So then if the phone company had over charged and was required to pay back, then they could ultimately, it is conceivable use that expense as a part of the expense of operating to justify a rate increase and recoup everything that they had been turned down on before?

SENATOR CLARK: I would assume that that could be true. This happened in all other states around us except Iowa and when Iowa goes in they file for a rate increase and they put that in immediately in Iowa. They don't even go through the Commission. Then they are bonded, and whatever the Commission comes up with they have to make a determination. This could be a horrible thing, I think, and I would never go for that in Nebraska. This is after the Commission has made the rate. Now the chances are that they would never reduce that rate. They would never reduce the rate in a court and they might increase the rate, but the only reason that they would file in the first place is the fact that the Commission had done it and in a matter in which that....

SENATOR CHAMBERS: You answered, thank you Senator Clark.

SENATOR CLARK: I would ask for the advancement of the bill.

PRESIDENT: Senator Duis.

SENATOR DUIS: I was merely going to try and help answer a couple of questions here and that is in regards to the additional postage. If I recall the gas company does this now because they are...do not have any regulation in this. If I recall it happened in our area and that is a notice that comes out of a change with your regular billing, so it doesn't require any additional postage as far as that particular time, the first option is to take it as a credit on your bill, and the second option is if you want it in cash