BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application for Columbus Communications Services, LLC for Additional Kansas Universal Service Fund Support Pursuant to K.S.A. 66-2008

Docket No. 22-COST-546-KSF

JOINT MOTION TO: 1) APPROVE STIPULATED SETTLEMENT AGREEMENT; 2) WAIVER OF PROCEDURAL SCHEDULE; AND 3) EXPEDITED TREATMENT

COMES NOW, the Staff of the Kansas Corporation Commission (Staff and Commission, respectively) and Columbus Communications Services, LLC (Columbus) (hereafter referred to together as "the parties"), and move the Commission to approve the attached Settlement Agreement¹ agreed to by the parties in resolution of all outstanding issues in this proceeding. In support thereof, the parties state the following:

1. On June 2, 2022, Columbus filed an Application pursuant to K.S.A. 66-2008(e) seeking to set its cost-based annual Kansas Universal Service Fund (KUSF) support at \$474,950. Currently, Columbus does not receive any such KUSF support. Columbus' Application included the required financial documentation to support its request as well as testimony from David Soper and Stacey Brigham.

2. The Commission suspended the deadline for determination in this matter until January 30, 2023, via order on June 9, 2022. The Commission also issued an order on June 23, 2022, setting forth a Procedural Schedule to govern this proceeding. The Procedural Schedule contemplated, among other things, Direct Testimony, Rebuttal Testimony, Settlement due dates, an Evidentiary Hearing, and Closing Briefs.

3. On October 6, 2022, pursuant to the Procedural Schedule, Staff submitted Direct

¹Attached hereto as Attachment A.

Testimony from three witnesses: Adam Gatewood; Katie Figgs; and Roxie McCullar. Staff ultimately recommended Columbus' cost-based KUSF support be set at \$371,764 annually. This figure included \$11,016 in audit expense amortized over five years.² Staff recommended that in five years, this amount be deducted from Columbus's annual KUSF support.

4. The parties have subsequently reached agreement with respect to all outstanding issues in this proceeding, without the need for any further litigation. To that end, the parties have drafted and attached a proposed Settlement Agreement. As the parties agree that Columbus is currently under-recovering its costs without an increase in KUSF support, the parties respectfully request expedited treatment in this matter. The parties also request that this matter be submitted for determination upon the paper record, and all outstanding Procedural Schedule due dates be waived, including any and all evidentiary hearings, further testimony (including testimony in support of the Settlement Agreement), and briefing requirements.

5. The Kansas Administrative Procedure Act (KAPA) allows parties to settle matters at any time.³ The Settlement Agreement proposed in this matter would be considered a "unanimous settlement agreement," as that term is described in K.A.R. 82-1-230a.

6. The Parties agree that all five elements the Commission traditionally considers when approving Settlement Agreements are met in the attached Settlement Agreement.⁴ No

²Note that the Settlement Agreement sets Columbus' annual cost-based KUSF support at \$374,344 and audit expense at \$13,593. Staff's figures were trued-up based upon revised audit expense data after the date of Staff's testimony filing to arrive at the settled figures.

³K.S.A. 77-505.

⁴See Order Approving Contested Settlement Agreement, p. 5, Docket No. 08-ATMG-280-RTS (May 12, 2008). The five elements are: 1) whether there was an opportunity for the opposing party to be heard on the reasons for opposition to the agreement; 2) whether the agreement is supported by substantial competent evidence; 3) whether the agreement conforms with applicable law; 4) whether the agreement results in just and reasonable rates; and 5) whether the results of the agreement are in the public interest, including the interest of customers represented by parties not consenting to the agreement. *See Id.*

parties oppose the agreement. The agreement is supported by substantial competent evidence which includes the Application and supporting Testimony with exhibits, as well as Staff's Direct Testimony with exhibits and Schedules. The Settlement Agreement reflects an adoption of Staff's recommended support level with an update for audit expense.⁵ The Settlement Agreement comports with K.S.A. 66-2008(e), which is the applicable statute governing KUSF support in this matter. Finally, this proceeding will have no impact on rates as this is a subsidy support determination matter. The parties posit that Commission adoption of the attached Settlement Agreement will resolve all outstanding issues in this matter, and is in the public interest.

WHEREFORE, the parties respectfully request that the Commission issue an order: 1) adopting the attached Settlement Agreement; 2) grant expedited treatment in this matter; and 3) determine this matter upon the paper record and waive all remaining Procedural Schedule requirements.

Respectfully submitted,

/s Michael Neeley

Michael Neeley, S. Ct. # 25027 Senior Litigation Counsel Kansas Corporation Commission 1500 SW Arrowhead RD Topeka, KS 66604-4027 <u>m.neeley@kcc.ks.gov</u> Phone: 785-271-3173 Fax: 785-271-3167

⁵Note that the Parties agree that adoption of Staff's support level does not bind either party to any future positions or adjustments in any future proceeding.

/s Mark Doty

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ATTACHMENT A

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of the Application for Columbus Communications Services, LLC for Additional Kansas Universal Service Fund Support Pursuant to K.S.A. 66-2008

Docket No. 22-COST-546-KSF

SETTLEMENT AGREEMENT

The Staff of the State Corporation Commission of the State of Kansas ("Staff"), and Columbus Communications Services, LLC ("Columbus" or "Company") (hereafter referred to together as "Parties"), pursuant to K.A.R. 82-1-230a, hereby submit the following terms of settlement to the State Corporation Commission of the State of Kansas ("Commission" or "KCC") to resolve all disputed matters in this proceeding.

TERMS OF AGREEMENT

1. The Parties agree that Columbus' annual cost-based KUSF support shall be set at \$374,344.

2. Five (5) years after Columbus' annual KUSF support increases as a result of approval of this Settlement Agreement, it shall be reduced by \$13,593 to reflect the complete recovery of amortized audit expense over 5 years.

GENERAL PROVISIONS

3. This Agreement represents a negotiated settlement that resolves the issues in this docket as between the Parties. The Parties represent that the terms of the Agreement constitute a fair and reasonable outcome and comport with the statutory requirements of K.S.A. 66-2008(e) for purposes of calculating Columbus' KUSF support. However, the Parties agree that neither shall be bound by any of the specific determinations, recommendations, or adjustments proposed via

Application or in testimony presented in this matter. Except as specified herein, the Parties shall not be prejudiced by, bound by, or in any way affected by the terms of this Agreement (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement in the instant proceeding. If the Commission accepts this Agreement in its entirety and incorporates the same into a final order without material modification, the Parties shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof, and will not appeal the Commission may approve, reject, or modify any Settlement Agreement. Should the Commission not approve the terms of this Settlement Agreement in full, the Parties agree that by entering into this Settlement Agreement, they are not waiving any arguments.

4. The Parties agree that by signing this Settlement Agreement, Columbus is not waiving any arguments or rights it might hold pertaining to its appeal of the KUSF cap under K.S.A. 66-2008(e)(3).

5. Nothing in this Agreement is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information.

6. The provisions contained in this Agreement have resulted from negotiations among the Parties and are interdependent. In the event the Commission does not approve and adopt the terms of this Agreement in total, it shall be voidable and none of the Parties shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof.

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PROCEDURAL MATTERS

7. In an effort to expedite a determination in this matter and prevent any further administrative costs, the Parties have agreed to waive any further testimony (including testimony in support of the Settlement Agreement), evidentiary hearings, and/or briefing requirements adopted pursuant to the Procedural Schedule in this matter. The Parties request that the Commission rule upon this matter based upon the paper record in this proceeding and posit that the Application and supporting Testimony with exhibits, as well as Staff's Direct Testimony with exhibits and Schedules, contain sufficient evidence to conclude that the Settlement Agreement in this matter complies with the statutory directives for KUSF support determinations and sets an appropriate level of annual cost-based KUSF support for Columbus.

Respectfully submitted,

/s Michael Neeley

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/s Mark Doty

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CERTIFICATE OF SERVICE

22-COST-546-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing Joint Motion was served via electronic service this 25th day of October, 2022, to the following:

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1s/ Ann Murphy

Ann Murphy