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BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

MAY 10 2012

In the Matter of Staff's Motion Requesting)
the Commission Order S&T Telephone)
Coop Association, Inc. to Submit to an) Docket No. 12-S&TT-234-KSF
Audit for Purposes of Determining its Cost-)
Based Kansas Universal Service Fund)
Support, Pursuant to K.S.A. 66-2008.)

by
State Corporation Commission
of Kansas

**OBJECTION OF STAFF TO S&TT MOTION
AND, IF NECESSARY, REQUEST FOR ALTERNATIVE RELIEF**

COMES NOW Staff ("Staff") of the State Corporation Commission of the State of Kansas ("Commission") and in response to the Motion of S&TT dated May 1, 2012, files its Objection to the Motion and, if necessary, requests alternative relief. In support hereof, Staff states as follows:

OBJECTION

1. S&TT misleads the Commission by labeling its mandated March 23, 2012 filing as an application and restating this misleading statement in its wherefore clause. Curiously, S&TT correctly recites that the Commission ordered S&TT to submit to an audit and review of its receipt of FUSF and KUSF support. Nothing in S&TT's required filing is titled as an Application nor do either of S&TT's witness claim the required filing to be an application nor do they request application relief in their testimony.

2. S&TT further misleads the Commission by arguing that K.S.A. 66-117(c) is controlling in this matter. S&TT is wrong. Nothing in the Commission's order requiring S&TT to submit to an audit states that K.S.A. 66-117(c) is controlling this matter. Indeed, while the December 6, 2011 Commission Order recites that Staff included mention of that statute in its

Motion to open the audit, nowhere in its ordering language does the Commission mention or adopt K.S.A. 66-117(c) as controlling of the time frames in this matter.

3. S&TT argument that this is a rate proceeding is equally misleading and incorrect. In *Columbus Telephone Co., Inc., et al v. Kansas Corporation Commission*, 31 Kan. App. 2d 828, 75 P. 3d 257 (2003) The Kansas Court of Appeals, in determining that appeals of audit cases, just like the matter before the Commission, were properly before the Court of Appeals and not the District Court, recited "Recently, this court concluded K.S.A. 66-118a(b) gave this court jurisdiction over cases that only indirectly impacted on consumer rates". (pg. 833) In making that decision the court also stated "We recognize that a KUSF audit does not fall within what is traditionally viewed as a rate case because it does not directly involve determining rates a regulated utility can charge to its customers". (pg. 833). This is an audit and not a rate proceeding.

4. S&TT argues that because Staff discussed a 240 day clock for this matter, which discussions for a procedural schedule were under way at the time of filing of S&TT's Motion, this must therefore be a rate case. S&TT's reasoning is misplaced. Because this is not a rate proceeding, no clock applies. In order to resolve these audits in a timely manner, Staff has applied a 240 day time frame so that the matter does not languish. It is curious that S&TT did not file its Motion on April 23, 2012 if it truly believed that a K.S.A. 66-117(c) time frame applied.

5. Staff objects to S&TT's motion for the reasons stated above and requests the Commission deny said Motion forthwith and order a procedural schedule to be set as soon as possible.

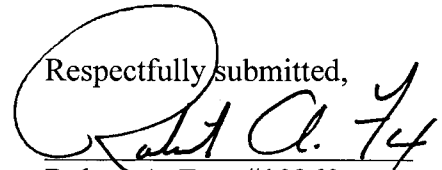
ALTERNATIVE RELIEF

6. In the event the Commission were to believe that the filing of S&TT was an Application for rate relief, Staff seeks Reconsideration pursuant to K.S.A. 66-118b, 77-529, and K.A.R. 82-1-235. Staff requests such relief because, as Staff recited in its motion seeking an order for Audit of S&TT, it has information from data provided in Docket Nos. 10-GIMT-797-GIT and 11-GIMT-837-GIT indicating that S&TT has failed to justify its FUSF support for 2005, 2006, 2007 2008, 2009, and 2010. Without a full audit, the Commission cannot meet its statutory obligation of setting just and reasonable rates. If applicable, Staff asks the Commission to grant this Petition for Reconsideration, set aside S&TT's "rate", and set this matter for further proceedings consistent with a 240 day schedule.

7. In the Event the Commission were to believe S&TT's ordered audit was really a rate application, and deny Staff's Petition for Reconsideration, Staff requests the Commission open a docket investigation whether S&TT's rates are just and reasonable as provided in K.S.A. 66-1,189 because the Commission has information indicating S&TT has failed to justify its FUSF support for the years 2005 through 2010. While not required to justify its KUSF support until 2009, the Commission has information that S&TT data indicates it has not justified its use of KUSF support for 2005, 2006, 2007, 2008, 2009, and 2010. The Commission cannot allow S&TT to continue to utilize KUSF and FUSF support without utilizing appropriate support. Without a full audit the Commission cannot support unreasonable and unjust rates. If applicable, Staff asks the Commission open an investigation into whether S&TT's receipt of FUSF and KUSF support is justified for the years 2005 through 2011.

WHEREFORE, Staff requests the Commission deny the Motion of S&TT or in the alternative grant the relief requested by Staff above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert A. Fox", is written over a horizontal line.

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CERTIFICATE OF SERVICE

12-S&TT-234-KSF

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Objection of Staff to S&TT Motion and, if Necessary, Request for Alternative Relief was placed in the United States mail, postage prepaid, or hand-delivered this 10th day of May, 2012, to the following:

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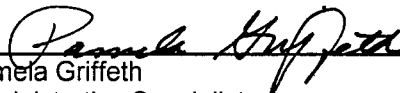
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