

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                    Shari Feist Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the Matter of the Application of Columbus                    )  
Communications Services, LLC Filing Tariff                    )     Docket No. 15-COST-419-TAR  
Revisions to Replace Bundled Services.                    )

**ORDER APPROVING TARIFF REVISIONS**

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

1.        On March 13, 2015, Columbus Communications Services, LLC (Columbus) filed an Application requesting Commission approval of revisions to its General Exchange Tariff removing obsolete Section 4 Bundle Services in their entirety and replacing them with new Bundle Services. Supplementing its Application, Columbus included as attachments copies of both the existing bundle service plans and the company's proposed bundle service plans. Columbus' Application anticipates an effective date of April 15, 2015.

2.        The Commission's jurisdiction and standard of review in this matter derive from K.S.A. 66-117(d), K.S.A. 66-1,189, and K.S.A. 66-1,190, the pertinent provisions of which are presented in the Commission Staff's (Staff) Report and Recommendation attached to this Order, and the same are adopted herein by reference.

3.        On March 30, 2015, Staff filed its Report and Recommendation dated March 24, 2015, recommending the Commission grant Columbus' Application and approve the requested tariff revisions with the same to become effective April 15, 2015. According to Staff, Columbus offers discount bundle services that include the basic access line, custom calling features, long

distance service, cable television, and various levels of Internet service. Columbus' instant filing proposes replacement of current bundles in its tariff with new bundled offerings. The proposed bundles include the revised residential access rate of \$17.00, as determined in the Commission's January 15, 2015 Order issued in Docket No. 15-GIMT-073-GIT. The Commission's Order established the affordable monthly local service rate for Rural Local Exchange Carriers (RLECs) for Kansas Universal Service Fund (KUSF) Year 19 as \$17.00 for residential service and \$20.00 for single-line business service.<sup>1</sup>

4. Staff states that Columbus proposes replacement of the current bundles included in the company's General Exchange Tariff with the following bundles:

- Starter Bundle Plan at a rate of \$114.99 per month;
- Accelerate Bundle Plan at a rate of \$139.99 per month;
- Momentum Bundle Plan at a rate of \$159.99 per month; and
- Velocity Bundle Plan at a rate of \$199.99 per month.

Staff relates Columbus' statement that the new bundles represent significant increases in broadband Internet speeds, necessary changes in video service tiers resulting from increased content costs, and a realignment of toll usage bundles. Columbus estimates a possible annual revenue increase of \$13,800, which includes the \$0.25 increase authorized and approved in Docket No. 15-GIMT-073-GIT. Staff states that Columbus intends to offer its members a migration path to the new bundles through June 15, 2015. The plan to transition customers features the following steps:

- Notification mailed to all impacted subscribers on April 15, 2015, stating that due to increases in cable TV programming costs, the recent local rate increase, and

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<sup>1</sup> Report and Recommendation, page 2.

demand for faster broadband speeds, the company has modified its Triple Play bundled offerings.

- Because the changes to existing bundles are relatively minor (and in some cases more advantageous for subscribers), the company will provide a recommendation for a similarly-featured new bundle. The customer will have the option to choose any of the new bundles between April 15 and June 15—via mail, visit or call-in to the business office. If a subscriber does not choose a bundle, it will be clearly stated that they will be provisionally auto-enrolled in the suggested replacement in time for their July, 2015 billing. The change in monthly price will be clearly spelled out to the customer. If the provisionally chosen bundle is not to the subscriber's liking, a change will be made, and the subscriber will not be billed any additional charges associated with the company's provisional bundle choice.

Additional bundle changes will be possible through December 31, 2015, with no service charge; to be sure the subscriber has landed in the preferred bundle. The waiver of any service charges will be borne by the non-regulated broadband/cable services.

A copy of Columbus' notice will be made available to the Commission's Public Affairs and Consumer Protection Office, ensuring proper oversight of the transition. In addition, the company will run auxiliary notifications in the May and June 2015 billings further notifying existing bundle customers of the changes.<sup>2</sup>

5. Staff indicates that it has reviewed Columbus' Application and has no concerns regarding the company's requested tariff revisions. Staff determines that the rate increase associated with the regulated service in the proposed bundles is consistent with the rate approved by the Commission in Docket No. 15-GIMT-073-GIT and that the same is *just and reasonable*. Concluding its review and analysis, Staff recommends the

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<sup>2</sup> Report and Recommendation, pages 2 and 3.

Commission grant Columbus' Application and approve the requested tariff revisions to become effective April 15, 2015, as requested by the company.

6. The Commission adopts Staff's analysis and recommendation of March 24, 2015, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that Columbus' Application should be granted and that the requested tariff revisions should be approved.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. Columbus Communications Services, LLC's Application is hereby granted and the company's proposed tariff revisions are hereby approved and shall become effective April 15, 2015.

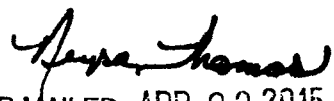
B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2014 Supp. 77-529.

C. The Commission retains jurisdiction over Columbus Communications Services, LLC and the subject matter of this docket for the purpose of entering such further order, or orders, as it deems necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: APR 02 2015

  
ORDER MAILED APR 03 2015  
Neysa Thomas  
Acting Secretary

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Utilities Division  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027



Phone: 785-271-3220  
Fax: 785-271-3357  
<http://kcc.ks.gov/>

Shari Feist Albrecht, Chair  
Jay Scott Emler, Commissioner  
Pat Apple, Commissioner

Sam Brownback, Governor

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

**TO:** Shari Feist Albrecht, Chair  
Jay Scott Emler, Commissioner  
Pat Apple, Commissioner

**FROM:** Kelly Mabon, Telecommunications Analyst  
Christine Aarnes, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** March 24, 2015

**RE:** Docket No. 15-COST-419-TAR  
In the Matter of the Application of Columbus Communications Services  
LLC Filing Tariff Revisions to Replace Bundled Services

### **EXECUTIVE SUMMARY:**

On March 13, 2015, Columbus Communications Services, LLC (Columbus) filed a request to make tariff revisions to replace all bundled service bundles in its General Exchange Tariff. Staff recommends Commission approval of this Application.

The Commission action date is **Sunday, April 12, 2015.**

### **BACKGROUND:**

The Kansas Corporation Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

(d) Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

In addition, K.S.A. 66-1,190 requires every public utility doing business in Kansas to publish and file with the Commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate. The Commission has the power to prescribe reasonable rules and regulations

regarding the form and filing of all schedules, tariffs and classifications of all rates, joint rates, tolls and charges and all rules and regulations of such telecommunications public utilities as the commission determines reasonable and appropriate.

The KCC must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189. Further, K.S.A. 66-1,189 requires the KCC to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

### **ANALYSIS:**

Columbus offers discount bundles that include the basic access line, custom calling features, long distance service, cable television, and various levels of Internet service. In this filing, Columbus proposes to replace current bundles in its tariff with new bundled offerings. These bundles include the revised residential access rate of \$17.00 as determined in Docket No. 15-GIMT-073-GIT. The Commission issued an Order on January 15, 2015, that the affordable monthly local service rate for the RLECs for KUSF Year 19 shall be \$17.00 for residential service and \$20.00 for single-line business service.

Columbus is replacing current bundles with the following bundles:

Starter Bundle Plan at a rate of \$114.99 per month; Accelerate Bundle Plan at a rate of \$139.99 per month; Momentum Bundle Plan at a rate of \$159.99 per month; and Velocity Bundle Plan at a rate of \$199.99 per month.

Columbus states the new bundles represent significant increases in broadband Internet speeds, necessary changes in video service tiers resulting from increased content costs, and a realignment of toll usage bundles. The Company estimates a possible annual revenue increase of \$13,800, which includes the \$.25 increase as approved in Docket No. 15-GIMT-073-GIT.

Columbus intends to offer its members a migration path to the new bundles through June 15, 2015. The plan to transition customers would feature these steps:

- Notification mailed to all impacted subscribers on April 15, 2015, will state that due to increases in cable TV programming costs, the recent local rate increase, and demand for faster broadband speeds, the Company has modified its Triple Play bundled offerings.
- Because the changes to existing bundles are relatively minor (and in some cases more advantageous for subscribers), the Company will provide a recommendation for a similarly-featured new bundle. The customer will have the option to choose any of the new bundles between April 15 and June 15—via mail, visit, or a call the business office. If a subscriber does not choose a bundle, it will be clearly stated that they will be provisionally auto-enrolled in the suggested replacement in time for their July 1, 2015, billing. The change in monthly price will be clearly

spelled out to the customer. If the provisionally chosen bundle is not to the subscriber's liking, a change will be made, and the subscriber will not be billed any additional charges associated with the Company's provisional bundle choice.

Additional bundle changes will be possible through December 31, 2015, with no service charge, to be sure the subscriber has landed in the preferred bundle. The waiver of any service charges will be borne by the non-regulated broadband/cable services.

- A copy of the Company's notice will be made available to the KCC's Consumer Protection Office, to ensure proper oversight of this transition.
- The Company will run auxiliary notifications in the May and June 2015 billings to further notify existing bundle customers of the changes.

Staff has reviewed this filing and does not have any concerns. The rate increase associated with the regulated service in the bundles is consistent with the rate approved by the Commission in Docket No. 15-GIMT-073-GIT and, therefore, is "just and reasonable."

**RECOMMENDATION:**

Staff recommends the Commission approve this Application to be effective on April 15, 2015, as requested by the Company.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET  
TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
ROBERT R ABRAMS, SR. TELECOMMUNICATIONS CONSULTANT COLUMBUS COMMUNICATIONS SERVICES, LLC % KIESLING ASSOCIATES LLP 8517 EXCELSIOR DRIVE STE 301 MADISON, WI 53717		
PATRICIA CARROLL, GENERAL MANAGER COLUMBUS TELEPHONE CO. INC. 224 S KANSAS AVE COLUMBUS, KS 66725		
OTTO NEWTON, LITIGATION COUNSEL 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		

ORDER MAILED **APR 03 2015**

The Docket Room hereby certified that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.