

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

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

In the Matter of an Investigation to Address)
CenturyLink's CAF II and KUSF Support.) Docket No. 16-GIMT-511-GIT

ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records, the Commission finds:

1. On March 8, 2016, in the 16-GIMT-067-GIT Docket, the Commission issued an Order authorizing United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) to receive \$10.9 million of Kansas Universal Service Fund (KUSF) support, effective March 1, 2016, subject to a Connect America Fund, Phase II (CAF II) support true-up.¹ The Commission also ordered the opening of a separate proceeding to address CenturyLink's CAF II support and the impact on the Company's KUSF support.²

2. Accordingly, on May 24, 2016, the Commission opened this Docket to review CenturyLink's CAF II support and its impact on the Company's annual KUSF support.³ In its Order Opening Docket to Address CenturyLink's CAF II and KUSF Support, the Commission

¹ Order Authorizing CenturyLink to Receive Certain KUSF Support and Opening of a Separate Docket to Address CenturyLink's CAF II and KUSF Support, 16-GIMT-067-GIT Docket, Mar. 8, 2016, Ordering Clause A.

² *Id.*, Ordering Clause B.

³ Order Opening Docket to Address CenturyLink's CAF II and KUSF Support, May 24, 2016, ¶ 5.

directed CenturyLink to file its proposed model, revised CAF II support offset calculations, 2015 enabled locations reported to the FCC, and its preliminary 2016 enabled data by July 1, 2016.⁴

3. On October 11, 2016, the Commission issued an Order Adopting Staff's Report and Recommendation, approving the CAF II support model filed by CenturyLink on August 16, 2016.⁵

4. As directed by the Commission, on May 1, 2017, CenturyLink filed an updated CAF II model, reflecting its 2016 enabled locations and preliminary 2017 enabled locations, and CAF II support offset.⁶

5. On December 6, 2017, Staff filed Notice of Filing of Staff's Report and Recommendation. In Staff's November 30, 2017 Report and Recommendation, Staff notes CenturyLink's CAF II support true-up recognizes the Company enabled broadband service to fewer household locations that receive both CAF II and KUSF support than it had estimated.⁷ Therefore, the estimated \$3,244,823 CAF II support offset used to calculate its Year 21 KUSF support should be reduced by \$38,313, for a total of \$3,217,510.⁸

6. Staff's review supports a \$76,132 increase to CenturyLink's KUSF Year 21 support, including the \$38,313 true-up for CAF II support and \$37,819 for Staff's corrections to CenturyLink's reported household locations.⁹ Staff recommends the additional \$76,132 to CenturyLink be dispersed in \$19,033 increases in the Company's monthly KUSF support for the four remaining months of Year 21 (November 2017 through February 2018).¹⁰

⁴ *Id.*, ¶ 6.

⁵ Order Approving Staff's Report and Recommendation, Oct. 11, 2016, ¶ 9.

⁶ Report and Recommendation, Nov. 30, 2017, p. 3.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*, p. 4.

¹⁰ *Id.*, p. 5.

7. The Commission will determine CenturyLink's Year 22 KUSF support in Docket No. 18-GIMT-084-GIT. A true-up to the Year 22 calculations is necessary to reflect the CAF II and KUSF support CenturyLink receives based on the household locations where it enabled broadband service during 2017.¹¹

THEREFORE, THE COMMISSION ORDERS:

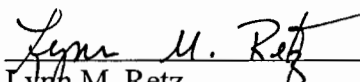
- A. Staff's November 30, 2017 Report and Recommendation is adopted.
- B. CenturyLink qualifies for \$10,014,813 of annual KUSF support or \$834,568 per month for Year 21. The recovery of the \$76,132 annual increase through a \$19,033 increase in the Company's monthly KUSF support for November 2017 through February 2018 will result in CenturyLink receiving \$853,601 of KUSF support in each of those four months;
- C. CenturyLink is directed to file its updated CAF II support and KUSF support calculations, and household location data within exchanges where it has enabled broadband services, for Year 22 by May 31, 2018.
- D. The parties have 15 days from the date of electronic service of this Order to petition for reconsideration.¹²
- E. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: DEC 12 2017

BGF


Lynn M. Retz
Secretary to the Commission

¹¹ *Id.*

¹² K.S.A. 66-118b; K.S.A. 77-529(a)(1).

EMAILED

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CERTIFICATE OF SERVICE

16-GIMT-511-GIT

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on DEC 12 2017.

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