

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of the Application of S&T)
Telephone Coop Association, Inc. for approval) Docket No. 24-S&TT-745-TAR
of a Tariff Revision to Change a Service Rate)

ORDER APPROVING TARIFF REVISIONS

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

1. On May 17, 2024, S&T Telephone Coop Association, Inc., (S&T) filed a request to revise its General Exchange Tariff's trip charges for visits to customer premises for maintenance of service. S&T's revised trip charges will increase by \$20, from \$40 to \$60 per trip. The estimated annual revenue effect is an increase of approximately \$1,600. S&T has filed an updated tariff sheet, Section 3, 2nd Revised Sheet 9, with an effective date of June 17, 2024.

2. K.S.A. 66-1,190 requires that telecommunications public utilities doing business in Kansas shall:

... 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...and...the commission shall have 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.

The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which reads 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.

3. The Commission maintains authority to require telecommunications public utilities to maintain rates that are not unjust or unreasonably discriminatory.¹ Accordingly, the Commission conducts its investigation regarding the reasonableness of S&T's request to modify its tariff language to permit change in its trip charge rates.

4. The Commission Staff (Staff) issued a Report and Recommendation, dated May 24, 2024, advising the Commission to grant the tariff revisions proposed by S&T. The Staff noted the tariff revisions would not have a material impact on annual regulated revenue and were consistent with the Commission's decision in Docket No. 04-GIMT-1080-GIT regarding the threshold for not conducting a formal audit.

5. The Commission adopts Staff's analysis and recommendations of May 24, 2024, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that S&T's request should be granted. In conjunction with the request, the Commission finds that the effective date shall be June 17, 2024.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. S&T Telephone Coop Association, Inc.'s, request, filed in this matter on May 17, 2024, is hereby granted with the effective tariff date occurring on June 17, 2024.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).²

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order, or orders, as it may deem necessary.

¹ K.S.A. 66-1,189.

² K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 06/04/2024



Lynn M. Retz
Executive Director

BWB

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Hemant Bhagat, Senior Telecommunications Analyst
Steve Garrett, Deputy Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: May 24, 2024

RE: Docket No. 24-S&TT-745-TAR
In the Matter of the Application of S&T Telephone Coop Association, Inc. for approval of a Tariff Revision to Change a Service Rate.

EXECUTIVE SUMMARY

On May 17, 2024, S&T Telephone Cooperative Association (S&T) filed a request to revise its General Exchange Tariff to increase Trip Charges for visits by the Company to the customer premises for maintenance of service. The filing included revision to its General Exchange Tariff relating to the above rate increase affecting Section 3 - First Revised Sheet 9. Staff recommends the Kansas Corporation Commission (Commission) approve this Application with an effective date of June 17, 2024, as requested by S&T.

The Commission action date for this Docket is Thursday, June 13, 2024.

BACKGROUND

The 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 over which the Commission has control shall 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 Commission 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 Commission to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

Because telecommunications providers must constantly adapt to consumer needs, the Commission determined in Docket No. 04-GIMT-1080-GIT that rate changes made by telecommunications providers would not be audited for their justness and reasonableness unless the changes result in the provider receiving “materially greater revenue” than its rate-of-return would necessitate.¹

ANALYSIS

S&T filed a request to increase Trip Charges for visits by the Company to the customer premises for maintenance of service. The proposed Tariff revision increases the Trip charges by \$20, from \$40 to \$60 per trip. S&T stated that the proposed tariff revision results in an annual revenue increase of approximately \$1,600 to S&T.

RECOMMENDATION

Staff recommends the Commission approve this tariff filing with an effective date of June 17, 2024, as requested by S&T.

¹ Prior to 2004, if a rate of return carrier asked for an increase in revenue outside a rate case, the Commission policy was to adjust the amount received for an increased rate by a corresponding decrease in draw from the KUSF, pursuant to K.S.A. 66-2005(d). However, in *Rural Telephone Service Co. v. Kansas Corporation Commission*, 31 Kan. App. 2d 760, 72 P.3d 937 (2003), the Kansas Court of Appeals held that the Commission did not have statutory authority to reduce Rural's KUSF distribution in response to increased revenue from modifications to tariff filings (Docket No. 02-RRLT-875-TAR). The Court reversed the Order reducing Rural's KUSF support, but it remanded the matter to enable the Commission to determine the reasonableness of the proposed tariff changes in light of the Court's decision to disallow a contemporaneous reduction of KUSF support, 31 Kan. App. 2d at 770. On June 4, 2004, the Commission opened a generic docket to address Staff's proposal to address tariff increases between KUSF audits. In an Order dated September 28, 2004, in that Docket (04-GIMT-1080-GIT), the Commission stated, “Staff will continue to conduct an individual evaluation of any proposed tariff revision made by a rate-of-return regulated company affecting its revenues to determine the reasonableness of the proposed rates . . . if Staff evaluates information indicating that a rate-of-return regulated carriers is receiving materially greater revenue than its authorized cost recovery and rate of return would necessitate, the Commission will consider whether to conduct an audit.”

CERTIFICATE OF SERVICE

24-S&TT-745-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 06/04/2024.

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