

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

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

In the Matter of Consolidated Communications)
of Kansas Company Filing Revisions to its)
General Exchange Tariff, Residential Rate)
Increases.) Docket No. 24-SFLT-605-TAR

ORDER APPROVING TARIFF REVISIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (the “Commission”) for consideration and determination Consolidated Communications of Kansas Company (“Consolidated Communications”) requests for approval to revise its General Exchange Tariff to raise its residential access line rate, and to increase its Voice Advantage, Voice Advantage II, and Home Phone bundles. Having reviewed its files and records, and being otherwise duly advised in the premises, the Commission makes the following findings of fact and conclusions of law:

1. On March 1, 2024, Consolidated Communications filed a request to revise certain provisions of its General Exchange Tariff with a proposed effective date of August 1, 2024.

2. The first proposed tariff revision is to Section 3 – Sixth Revised Sheet 1 where Consolidated Communications wishes to increase its Residential Access Line rates by \$1.50 per month.

3. The second proposed tariff revision is to Section 6 – Fifth Revised Sheets 3, 5, 6, and 14 where Consolidated Communications wishes to increase its Voice Advantage, Voice Advantage II, and Home Phone Bundles rates by \$2.50 per month.

4. Consolidated Communications is a local exchange carrier, as defined at K.S.A. 66-1,187(h), providing long distance service in Kansas.

5. “The [C]ommission is given full power, authority and jurisdiction to supervise and control the local exchange carriers...doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.”¹

6. “Every telecommunications public utility...shall be required to...establish just and reasonable rates, joint rates, tolls, charges and exactions and to make just and reasonable rules, classifications and regulations.”²

7. Further, “[e]very telecommunications public utility doing business in Kansas...shall publish and file with the [C]ommission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate, and shall furnish the [C]ommission copies of all rules and regulations and contracts between such telecommunications public utilities pertaining to any and all jurisdictional services to be rendered by such telecommunications public utilities.”³

8. Generally, no telecommunications public utility may make effective any changed rate or joint rate except by filing the same with the Commission at least 30 days prior to the proposed effective date.⁴ And, except as provided in K.S.A. 66-117(c), no change shall be made in any rate, charge, or schedule of charges without the consent of the Commission.⁵

¹ K.S.A. 66-1,188.

² K.S.A. 66-1,189.

³ K.S.A. 66-1,190.

⁴ K.S.A. 66-117(a).

⁵ K.S.A. 66-117(d).

9. However, under K.S.A. 66-2007(a), “[a]ll local exchange carriers...providing long distance service in Kansas shall...be allowed to increase long distance rates to reflect the KUSF funding requirements set forth in K.S.A. 66-2008, and amendments thereto.”

10. Accordingly, Consolidated Communications’ request to increase its Residential Access Line rates is subject to K.S.A. 66-2007 and Consolidated Communications’ requests to increase its bundle rates are each subject to K.S.A. 66-117.

11. Commission technical staff (“Staff”) completed a Report and Recommendation (“Staff’s R&R”) dated June 10, 2024 —attached as Exhibit 1 and incorporated by reference— stating that after evaluating Consolidated Communications’ application, Staff recommends that the Commission approve the application.

12. The Commission adopts Staff’s R&R in its entirety.

13. The Commission agrees that Consolidated Communications’ request for an increase in its Residential Access Line rates complies with K.S.A. 66-2007.

14. The Commission agrees that Consolidated Communications’ request for an increase in its bundle rates is just and reasonable under K.S.A. 66-117.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The request filed by Consolidated Communications to revise its General Exchange Tariff by increasing its Residential Access Line rates by \$1.50 per month, increasing its Voice Advantage, Voice Advantage II, and Home Phone bundles rates by \$2.50 per month is approved.

B. The effective date of each tariff revision shall be August 1, 2024.

C. 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).⁶

⁶ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

D. The Commission retains jurisdiction over the parties and this matter for the purpose of entering further orders, as the Commission may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner.

Dated: 06/18/2024



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: June 10, 2024

RE: Docket No. 24-SFLT-605-TAR
In the Matter of Consolidated Communications of Kansas Company Filing
Revisions to its General Exchange Tariff, Residential Rate Increases

EXECUTIVE SUMMARY:

On March 1, 2024, Consolidated Communications of Kansas Company (Consolidated Kansas) filed an Application requesting permission to raise its residential access line rate by \$1.50 per month, to increase its Voice Advantage and Voice Advantage II bundles rate by \$2.50 per month, and to increase Home Phone bundles rate by \$2.50 per month. The filing included revision to its General Exchange Tariff relating to the above rate increase impacting Section 3 - Sixth Revised Sheet 1, and Section 6 - Fifth Revised Sheets 3, 5, 6, and 14. Because Section 3 - Sheet 1 lists both residential and business access line rates, Consolidated Kansas filed an Amended tariff sheet on April 2, 2024 reflecting the amended business access line monthly rates in Section 3 - Sheet 1, approved by Commission Order in Docket No. 24-SFLT-413-TAR on March 29, 2024.

Consolidated Kansas sent a notice to customers of these changes on their April 1, 2024 billing cycle.

Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended June 5, 2024. Consolidated Kansas filed revisions to its General Exchange Tariff relating to Residential Access Line rates, Voice Advantage and Voice Advantage II bundles rate, and Home Phone bundles of service, respectively impacting Section 3 – Sixth Revised Sheet 1, and Section 6 – Fifth Revised Sheets 3, 5, 6, and 14. Staff recommends approval of the Application.

Commission action on this matter is required no later than Monday, July 1, 2024, in order to comply with K.S.A. 66-2007(b). Consolidated Kansas’s proposed effective date is Thursday, August 1, 2024.

BACKGROUND:

The Company requests approval to increase the following access line and bundle rates:

- Residential access line rate will increase by \$1.50 per month for the Leoti, Tribune, Marienthal, Jetmore, Sharon Springs, Wallace and Weskan exchange, with the rate increasing from \$19.27 to \$20.77.
- Residential access line rate will increase by \$1.50 per month for the Americus, Cedar Point and Saffordville exchanges, resulting in the \$22.74 rate increasing to \$24.24.
- Voice Advantage and Voice Advantage II bundles will increase by \$2.50 per month, comprised of the residential access line rate increase of \$1.50 and intrastate long distance minute rate increase of \$1.00.
- Home Phone bundles will increase by \$2.50 per month.

K.S.A. 66-117(c), in part, states:

The commission shall not delay the effective date of the proposed change in rate, joint rate, toll, charge or classification or schedule of charges, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, more than 240 days beyond the date the public utility or common carrier filed its application requesting the proposed change. If the commission does not suspend the proposed schedule within 30 days of the date the same is filed by the public utility or common carrier, such proposed schedule shall be deemed approved by the commission and shall take effect on the proposed effective date.

K.S.A. 66-2007(b) states:

The commission shall approve, upon not more than 120 days' notice, any basic local exchange price increases that in the aggregate in any one year are \$1.50 or less per access line per month, that are proposed by any rural telephone company which is subject to traditional rate of return regulation and that comply with the requirements of this section. Any such proposed price increases shall be presumed reasonable and not subject to commission investigation and review if the rural telephone company has followed the notice requirements set forth below. However, the commission shall initiate an investigation if more than 15% of the subscribers subject to the rate increase request such an investigation within 60 days of the date of distribution of the notice of the proposed change.

Upon filing such an application for a rate increase, any rural telephone company seeking expedited approval of the proposed rate under this section shall send a notice to its subscribers by regular mail, which may be included with regular subscriber mailings. Such mailings shall include the name, mailing address and telephone number of the commission. The notice shall include a schedule of the proposed local exchange rates, the effective date of the rates and a description of the procedures by which the subscribers can petition the commission to determine the reasonableness of the proposed rates, including a provision specifically stating

that protest by 15% or more of subscribers subject to the proposed rate increase would require the commission to initiate an investigation concerning the reasonableness of the proposed rate increase.

Consolidated Kansas provided a copy of the Notice of Proposed Rates with the April billing to its customers.¹ The Customer Notice stated that a customer could petition the Commission regarding the reasonableness of the rate increase and that the Commission would be required to initiate an investigation if more than fifteen percent (15%) of the Company's subscribers protest the rate increase.² The Company also provided updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

I. Residential Access Line Rate Increase

Staff evaluated Consolidated Kansas's Customer Notice and finds it is appropriate and in compliance with K.S.A. 66-2007. Pursuant to K.S.A. 66-2007(b), the statutorily required comment period is 60 days from Customer Notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Wednesday, June 5, 2024. The Commission is required to approve aggregate increases of \$1.50 or less per line per year pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Kansas's subscribers comment or object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received three (3) comments or complaints regarding Consolidated Kansas's proposed rate increase. The number of comments is less than 15 percent of the Company's subscribers and it does not meet the Commission's requirement to initiate an investigation regarding the reasonableness of the rate increase.

An affordable rate for single line residential service at any time shall be the arithmetic mean of local service rates determined under K.S.A. 66-2005(e)(1), except that any increase in such mean exceeding \$2 may be satisfied by increase in the rural telephone company's residential monthly service rate not exceeding \$2 per year, effective March 1 of the year when such rate is determined, with the remainder applied at the rate of \$2 per year, but not to exceed the affordable rate. In Docket No. 23-GIMT-261-GIT, the Commission adopted a statewide target affordable rate of \$21.75 for single-line business service.

K.S.A. 66-2005(e)(1)(C) required the Commission to determine a target affordable residential local service rate, effective March 1, 2007, and every two-years thereafter for those entities that receive Kansas Universal Service Fund (KUSF) high-cost support. In Docket No. 23-GIMT-261-GIT, the Commission adopted a statewide target affordable rate of \$18.75 for residential service.³

Under K.S.A. 66-2005(e)(5), a rural local exchange carrier that increases one or more local service rates on application after February 20, 2002, pursuant to K.S.A. 66-2007(b), shall have an

¹ Application, Customer Notice, Pg. 1, March 1, 2024

² *Id.* At Pg. 3.

³ *Order Adopting KUSF Year 27 Assessment Rate and Affordable Rates; Adopting Methodology for KUSF High-Cost Support Cap Implementation*, Docket No. 23-GIMT-261-GIT, Jan. 17, 2023.

affordable rate that is increased by an amount equal to the amount of the rate increases in such rate. The Company has not received KUSF high-cost support since June 1, 2003.⁴

II. Increase of Residential Voice Advantage and Home Phone Bundle Rates

In the proposed tariff, Consolidated Kansas added the Voice Advantage, Voice Advantage II, and Home Phone bundle rate increase. The bundle rate includes a non-access line rate increase of \$1.00 for the intrastate long distance portion of the Voice Advantage bundle, Voice Advantage II bundle, and Home Phone bundle in addition to the access line rate increase of \$1.50 resulting in a total rate increase of \$2.50 per month.

If its application is approved, the Company states it anticipates recognizing approximately \$10,818, in additional residential access line revenue, which includes \$6,336 from stand-alone access lines and \$4,482 from access line increases in the voice bundles. The Company also anticipates additional annual revenue of \$2,988 in intrastate and interstate long distance revenue from bundles containing long distance service.

RECOMMENDATION:

The evaluation of Consolidated Kansas's Application and Customer Notice, Staff has determined that they are in compliance with K.S.A. 66-2007(b). Consolidated Kansas's customers received three written complaints with the Commission's Public Affairs and Consumer Protection Office. Therefore, Staff recommends that the Commission approve Consolidated Kansas's filing as stated in the Company's Application, increasing its residential access line rates up to \$1.50 per line per month.

Regarding Consolidated Kansas's proposed rate increase to its Voice Advantage, Voice Advantage II, and Home Phone Bundles and the intrastate long distance portion of the Bundles, after completing its evaluation. Staff finds that the respective proposed rate increases are just and reasonable and recommends the Commission approve Consolidated Kansas's application to increase its Voice Advantage, Voice Advantage II, Home Phone Bundles rates and intrastate long distance portion of the Bundles by \$2.50 per month.

Staff further recommends the Commission accept the revised tariff with an effective date of August 1, 2024, as requested by the company.

⁴ *Order Approving Stipulated Settlement Agreement*, Docket No. 01-SFLT-879-AUD and Docket No. 01-BSTT-878-AUD, May 2, 2003.

CERTIFICATE OF SERVICE

24-SFLT-605-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 06/18/2024.

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/S/ KCC Docket Room

KCC Docket Room