#### **BEFORE THE STATE CORPORATION COMMISSION**

#### OF THE STATE OF KANSAS

In the Matter of the Application of Totah Communications, Inc. for Additional Kansas Universal Service Fund Support Pursuant to K.S.A. 66-2008.

#### DIRECT TESTIMONY AND EXHIBITS

#### OF

#### ROXIE MCCULLAR

#### ON BEHALF OF

#### KANSAS CORPORATION COMMISSION STAFF

February 22, 2024

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1	<u>I.</u>	Introduction
2	Q.	Please state your name and business address.
3	A.	My name is Roxie McCullar. My business address is 8625 Farmington Cemetery Road,
4		Pleasant Plains, Illinois 62677.
5	Q.	What is your present occupation?
6	A.	Since 1997, I have been employed as a consultant with the firm of William Dunkel and
7		Associates and have regularly provided consulting services in regulatory proceedings
8		throughout the country.
9	Q.	Please describe your educational and professional background.
10	A.	I have over 25 years of experience consulting in regulatory rate cases in numerous
11		jurisdictions nationwide. I am a Certified Public Accountant licensed in the state of Illinois.
12		I am a Certified Depreciation Professional through the Society of Depreciation
13		Professionals. I received my Master of Arts degree in Accounting from the University of
14		Illinois in Springfield. I received my Bachelor of Science degree in Mathematics from
15		Illinois State University in Normal.
16	Q.	Have you prepared an exhibit that lists your previous experiences?
17	A.	Yes. My qualifications and previous experience are shown on the attached Exhibit RMM-1.

- 18 Q. On whose behalf are you testifying?
- 19 A. I am testifying on behalf of the Staff of the Kansas Corporation Commission ("Staff").

1

1 Q.

#### What is the purpose of your testimony?

A. The purpose of this testimony is to address my review of Totah Communications, Inc.'s
("Totah" or "Company") separations study used to allocate the Kansas adjusted revenue
requirement between the interstate and intrastate jurisdictions,<sup>1</sup> and Staff's adjustment to
Totah's allocated Federal Alternative Connect America Cost Model ("A-CAM") support
amount to the Kansas jurisdiction.

7 The Staff pro-forma adjustment I sponsor is listed in the table below:

		Total	
		Company	
Staff Adj.		Kansas –	
No.	Description	Regulated	Intrastate
IS-1	Staff adjustment Enhanced A-CAM	\$993,121	\$63,828
	support		

8

### 9 <u>II. Federal A-CAM Support</u>

### 10 Q. Are you proposing an adjustment to Totah's Federal A-CAM support allocated to

11 the Kansas jurisdiction?

12 A. Yes. Totah's filing includes an allocation of \$769,796 of the Federal A-CAM support to

13 the Kansas jurisdiction. I am proposing to update the amount allocated to Kansas to

14 \$833,624 which is based on the same 2022 costs included in Totah's filing.

<sup>&</sup>lt;sup>1</sup> The Supreme Court in *Smith v. Illinois Bell Tel. Co.*, 282 U.S. 133, 148 (1930) held: "The separation of intrastate and interstate property, revenues, and expenses of the company is important not simply as a theoretical allocation to two branches of the business; it is essential to the appropriate recognition of the competent governmental authority in each field of regulation." The FCC Jurisdictional Separations Procedures (47 C.F.R. § 36) establish the separations process that apportions regulated costs between the intrastate and interstate jurisdiction. These apportionments are based on relative use, a prescribed fixed allocator, or direct assignment. The Company's separation study is the result of these FCC Jurisdictional Separations Procedures.

1	Q.	Can you provide a brief overview of the Federal support that impacts the Kansas
2		jurisdictional costs?
3	A.	Yes. Starting in 2017 the FCC gave rate-of-return carriers the option to (1) accept model-
4		based support called Alternative Connect America Model (A-CAM) support or (2)
5		continue receiving legacy Federal high cost loop support (FHCL) support along with
6		Connect America Fund Broadband Loop Support (CAF-BLS).
7	Q.	How is the legacy FHCL support determined?
8	A.	The legacy Federal high cost loop support (FHCL) provides support to local exchange
9		carriers (LECs) that have loop costs above the national average.

10 The cost of the line or loop to the customer's premise is recovered in both the interstate 11 and intrastate jurisdictions.<sup>2</sup> Pursuant to FCC Part 36 Separations, 25% of the loop costs 12 are allocated to the interstate jurisdiction and recovered through rates for interstate services. 13 The remaining 75% of the loop costs are allocated to the intrastate jurisdiction.<sup>3</sup> However, 14 for an RLEC with loop costs above the national average loop cost, an additional percentage 15 of the loop costs are allocated to the interstate jurisdiction and recovered through the FHCL 16 support mechanisms.<sup>4</sup>

<sup>&</sup>lt;sup>2</sup> This section is referring to joint use loop costs defined as Exchange Line Cable and Wire Facilities Subcategory 1.3 in 47 C.F.R. § 36.154(a), and Exchange Line Circuit Equipment Excluding Wideband in 47 C.F.R. § 36.126(b)(1)(iii). The loop costs associated with private lines and WATS lines are directly assigned to either the interstate or intrastate jurisdiction based on the traffic those lines carry and those costs are not included in the joint use loop costs (47 C.F.R. § 36.154(a)).

<sup>&</sup>lt;sup>3</sup> The separation joint use loop allocator is 25% interstate and 75% intrastate, 47 C.F.R. § 36.154(c) and 47 C.F.R. § 36.126(c)(3). The 75% intrastate allocation is before the recognition of any high cost loop expense adjustments, 47 C.F.R. § 54.1301(a).

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. 54.1301(a). The legacy FHCL support amounts calculations include adjustments for FCC's budget control caps.

# Direct Testimony of Roxie McCullar

1	Q.	Why is it appropriate to include the legacy FHCL support amounts in the
2		calculation of the intrastate revenue requirement?
3	A.	Subpart M of the FCC Part 54 "Universal Service" discusses "High Cost Loop Support for
4		Rate-of-Return Carriers." Section 54.1301(a) states:
5 6 7 8		"The expense adjustment calculated pursuant to this subpart M shall be added to interstate expenses and deducted from state expenses after expenses and taxes have been apportioned pursuant to subpart D of part 36 of this chapter." <sup>5</sup>
9		Therefore, the legacy FHCL support amounts are equal to the expense that is deducted
10		from the intrastate jurisdiction and added to the interstate jurisdiction. Since the legacy
11		FHCL amounts represent costs that have been deducted from the intrastate jurisdiction and
12		are now being included in the interstate jurisdiction it is appropriate to recognize the
13		removal of those costs in the calculation of the intrastate revenue requirement.
14	Q.	Please discuss how the RLEC's acceptance of the Federal A-CAM support impacts
15		the Federal support of Kansas jurisdictional costs.
16	A.	The Federal Alternative Connect America Model (A-CAM) support replaces both the
17		legacy FHCL support and the Federal Connect America Fund Broadband Loop Support
18		(CAF-BLS). The Federal CAF-BLS supports interstate jurisdictional costs so does not
19		impact the Kansas jurisdictional costs. <sup>6</sup> However, the portion of the Federal A-CAM
20		support that supports Kansas jurisdictional costs should be included in the determination
21		of the Company's cost-based KUSF support.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. §54.1301(a).

<sup>&</sup>lt;sup>6</sup> Federal CAF-BLS is "essentially equivalent to ICLS" (interstate common line support) (¶66 *Report and Order* in WC Docket No. 10-90 (FCC 16-33) released March 30, 2016 ("2016 Rate-of-Return Reform Order").

#### Direct Testimony of Roxie McCullar

#### 1 **Q**. Why is the Federal support amount necessary to consider in the KUSF proceeding? 2 The support adjustment recognizes costs that are being included in the interstate A. 3 jurisdiction. To not recognize this Federal support in the KUSF proceeding would result in 4 Totah recovering these costs from the cost-based KUSF, which would provide the 5 Company with an intrastate recovery of costs that are in the interstate jurisdiction. 6 **Q**. Has Totah elected to receive Federal A-CAM support? 7 Yes. Totah accepted the Federal A-CAM support which started in 2017 and was to continue A. 8 to 2026. Later, Totah accepted revised Federal A-CAM support of \$1,904,925 annually that started in 2019 and was to continue to 2028.7 More recently, Totah has accepted 9 enhanced Federal A-CAM of \$2,898,046 annually<sup>8</sup> which started in 2024 and is expected 10 to continue to $2038.^9$ 11

# 12 Since the cost-based KUSF support resulting from this proceeding is expected to begin

### 13 during 2024 based on 2022 costs, it is appropriate to include the Federal Enhanced A-CAM

- 14 support which also began in 2024. Including the enhanced Federal A-CAM amount results
- 15 in an increase of \$993,121 in the total company amount.<sup>10</sup>

<sup>&</sup>lt;sup>7</sup> Wireline Competition Bureau Authorizes Totah Communications, Inc. to Receive Additional Alternative Connect America Cost Model Support to Expand Rural Broadband in WC Docket No. 10-90 (DA 19-474) released May 24, 2019. Attached as Exhibit RMM-2.

<sup>&</sup>lt;sup>8</sup> Totah response to Staff Data Request No. 86, attached as Exhibit RMM-8.

<sup>&</sup>lt;sup>9</sup> Wireline Competition Bureau Announces Carriers that Have Accepted Enhanced Alternative Connect America Cost Model Support to Expand Rural Broadband in WC Docket No. 10-90 (DA 23-920) released October 4, 2023. Attached as Exhibit RMM-3.

<sup>&</sup>lt;sup>10</sup> Exhibit RMM-4 shows the calculation of this adjustment.

1	Q.	Totah's filing allocates a portion of the Federal A-CAM support to the Kansas
2		jurisdiction based on the calculation of the legacy FHCL support. Do you agree with
3		this allocation method?
4	А.	Yes. Since Totah continues to "perform costs studies and HCLS data submissions based
5		on actual costs incurred for interstate ratemaking and reporting purposes,"11 I agree that it
6		is reasonable to use the calculated legacy FHCL support to allocate the Federal A-CAM
7		support amounts to the Kansas jurisdiction.
8	Q.	Totah witness Raya testified that:
9 10 11 12 13 14		There are three methodologies of which the Kansas Rural LECs are aware that other states have utilized, or have considered, to determine the allocation of A-CAM support between High Cost Loop Support (Intrastate) and Connect America Fund Broadband Loop Support (Interstate) for purposes of determining the rate design in an intrastate ratemaking proceeding. <sup>12</sup>
15		Did the Company provide a description of the three methodologies?
16	А.	Yes. During a conference call with Staff and in response to discovery Totah witness Raya
17		discussed the three methodologies and the information needed to calculate the allocation,
18		including the need for additional studies to implement some of the methods. Attached as
19		Exhibit RMM-5 is the discovery response in which Totah witness Raya provides a
20		summary of the three known allocation methodologies.
21		Since the allocation method used by Totah does not require Totah to perform additional
22		studies and is updated annually, I agree with the use of this allocation method for Totah.

<sup>&</sup>lt;sup>11</sup> Direct Testimony of Jeremiah Raya page 6, lines 12-14.
<sup>12</sup> Direct Testimony of Jeremiah Raya page 6, lines 3-7.

# Q. Are you recommending an adjustment to the allocation of the Federal A-CAM support amount to the Kansas jurisdiction?

- A. Yes. Using the cost information from the 2022 test year used in Totah's filing results in a
   \$833,624 allocation of the total \$2,898,046 Federal A-CAM support to the Kansas
   jurisdiction.<sup>13</sup> This results in \$63,828 more Federal A-CAM support allocated to the
   Kansas jurisdiction than the allocated amounts included in Totah's filing.
- In response to discovery, Totah provided the support for the \$769,796 allocation to the
   Kansas jurisdiction shown in Section 9 of the filing. The Totah \$769,796 Kansas allocated
   amount is based on 2020 cost information.<sup>14</sup>
- 10 Since the outcome of this proceeding will be to set Totah's cost-based KUSF support 11 amount using the 2022 test year cost information, updating the Federal A-CAM support 12 allocation to Kansas jurisdiction using the 2022 test year cost information is appropriate.<sup>15</sup>
- 13 **III.**

**Jurisdictional Allocation** 

#### 14 Q. Please briefly explain the FCC jurisdictional separation procedures.

A. The Federal Communications Commission's ("FCC") Part 36 Jurisdictional Separations
 Procedures allocates the costs of providing regulated service between the interstate and
 intrastate jurisdictions.<sup>16</sup> Basically, there are three major steps in the FCC separations

<sup>&</sup>lt;sup>13</sup> Totah response to Staff Data Request No. 87, attached as Exhibit RMM-9.

<sup>&</sup>lt;sup>14</sup> Totah response to Staff Data Request No. 73, attached as Exhibit RMM-6.

<sup>&</sup>lt;sup>15</sup> Page 2 of Exhibit RMM-4 calculates the Totah legacy FHCL amount using the 2022 cost information Totah provided to NECA. FCC Rules, 47 C.F.R. § 54.1305. National Exchange Carrier Association (NECA) was established in Part 69 of the Code of Federal Regulations "to prepare and file access charge tariffs on behalf of all telephone companies that do not file separate tariffs or concur in a joint access tariff of another telephone company for all access elements." (FCC Rules, 47 C.F.R. § 69.601(a)).

<sup>&</sup>lt;sup>16</sup> 47 C.F.R. § 36 ("FCC Jurisdictional Separations Procedures").

process. The first step is to separate the non-regulated costs from the regulated costs.<sup>17</sup> The
 second step places the remaining "regulated" investments into the proper separation
 "categories" or "subcategories".<sup>18</sup> The third step is to apply the appropriate separation
 factors to each category or subcategory.

#### 5 Q. Did you review the separations cost study provided by the Company in its filing?

- A. Yes. I reviewed Totah's 2022 Cost Study that was provided in Section 15. The 2022 Cost
   Study calculates the separation factors used to allocate its total test year costs to the
   intrastate jurisdiction for the calculation of its intrastate revenue requirement. The FCC
   separations procedures include specific requirements as to how investments, reserves, and
- 10 expenses (costs) must be allocated between the interstate and intrastate jurisdictions.
- In addition to the 2022 Cost Study, in response to various discovery requests the Company provided the workpapers supporting the development of the 2022 Cost Study and the cost study adjustment amounts made to the book account balances.

# 14 Q. Are you recommending any corrections to the allocation factors included in the 15 Company's filing?

- A. Yes. In discovery, Totah stated that the 0.732643 intrastate allocation factor Account 6623,
   Customer Services Expense<sup>19</sup> was an error, the correct intrastate allocation should be
- 18

<sup>19</sup> Section 9, line 27 of Totah's filing.

<sup>0.626409.&</sup>lt;sup>20</sup> Staff's Schedules used the corrected factor supported by the 2022 Cost Study.

<sup>&</sup>lt;sup>17</sup> 47 C.F.R. § 64.901.

<sup>&</sup>lt;sup>18</sup> The separations of the remaining "regulated" costs between the interstate and intrastate jurisdictions are controlled by the rules established by the Federal-State Joint Board and set forth in Part 36 of the FCC rules. The Federal-State Joint Board is a board that consists of both FCC and state commissioners.

<sup>&</sup>lt;sup>20</sup> Totah response to Staff Data Request No. 82, attached as Exhibit RMM-7.

# 1 IV. Conclusion

# 2 Q. Does this conclude your direct testimony?

3 A. Yes.

<u>Roxie McCullar, CPA, CDP</u> 8625 Farmington Cemetery Road Pleasant Plains, IL

Roxie McCullar is a regulatory consultant, licensed Certified Public Accountant in the state of Illinois, and a Certified Depreciation Professional through the Society of Depreciation Professionals. She is a member of the American Institute of Certified Public Accountants, the Illinois CPA Society, and the Society of Depreciation Professionals. Ms. McCullar has received her Master of Arts degree in Accounting from the University of Illinois-Springfield as well as her Bachelor of Science degree in Mathematics from Illinois State University. Ms. McCullar has 25 years of experience as a regulatory consultant for William Dunkel and Associates. In that time, she has filed testimony in over 50 state regulatory proceedings on depreciation issues and cost allocation for universal service and has assisted Mr. Dunkel in numerous other proceedings.

#### Education

Master of Arts in Accounting from the University of Illinois-Springfield, Springfield, Illinois

12 hours of Business and Management classes at Benedictine University-Springfield College in Illinois, Springfield, Illinois

27 hours of Graduate Studies in Mathematics at Illinois State University, Normal, Illinois

Completed Depreciation Fundamentals training course offered by the Society of Depreciation Professionals

Relevant Coursework:

- Calculus	- Discrete Mathematics
- Number Theory	- Mathematical Statistics
- Linear Programming	- Differential Equations
- Finite Sampling	- Statistics for Business and Economics
- Introduction to Micro Economics	- Introduction to Macro Economics
- Principles of MIS	- Introduction to Financial Accounting
- Introduction to Managerial Accounting	g - Intermediate Managerial Accounting
- Intermediate Financial Accounting I	- Intermediate Financial Accounting II
- Advanced Financial Accounting	- Auditing Concepts/Responsibilities
- Accounting Information Systems	- Federal Income Tax
- Fraud Forensic Accounting	- Accounting for Government & Non-Profit
- Commercial Law	- Advanced Utilities Regulation
- Advanced Auditing	- Advanced Corp & Partnership Taxation

#### Current Position: Consultant at William Dunkel and Associates

Participation in the proceedings below included some or all of the following:

Developing analyses, preparing data requests, analyzing issues, writing draft testimony, preparing data responses, preparing draft questions for cross examination, drafting briefs, and developing various quantitative models.

			Previous Experience	of Roxie McCullar		
Year	State	Commission	Docket	Company	Description	On Behalf of
2023	Kansas	Kansas Corporation Commission	24-SCNT-131-KSF	South Central Telephone Association	Non-Regulated Allocations, State Allocations, Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2023	Kansas	Kansas Corporation Commission	23-EKCE-775-RTS	Evergy Kansas Metro, Inc., Evergy Kansas South, Inc., and Evergy Kansas Central, Inc.	Electric Depreciation Issues	Kansas Corporation Commission Staff
2023	North Carolina	North Carolina Utilities Commission	E-7, SUB 1276	Duke Energy Carolinas, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2023	North Carolina	North Carolina Utilities Commission	E-2, SUB 1300	Duke Energy Progress, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2023	Kansas	Kansas Corporation Commission	23-ATMG-359-RTS	Atmos Energy	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff
2022	Alaska	Regulatory Commission of Alaska (RCA)	U-22-034	Chugach Electric Association, Inc.	Electric Depreciation Issues	Attorney General's Regulatory Affairs and Public Advocacy Section (RAPA)
2022	Kansas	Kansas Corporation Commission	22-COST-546-KSF	Columbus Communications Services, LLC	Non-Regulated Allocations, State Allocations, Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2022	Washington	Washington Utilities & Transportation Commission	UE-220066 & UG-220067	Puget Sound Energy	Electric & Natural Gas Depreciation Issues	Regulatory Staff - Washington Utilities & Transportation Commission Public
2022	North Carolina	North Carolina Utilities Commission	G-39, SUBS 46 and 47	Cardinal Pipeline Company, LLC	Natural Gas Depreciation Issues	Public Staff - North Carolina Utilities Commission
2022	Alaska	Regulatory Commission of Alaska (RCA)	U-21-070/U-21-071	Golden Heart Utilities and College Utilities Corporation	Water and Wastewater Depreciation Issues	Attorney General's Regulatory Affairs and Public Advocacy Section (RAPA)

				ce of Roxie McCullar		
Year	State	Commission	Docket	Company	Description	On Behalf of
2021	Kansas	Kansas Corporation Commission	22-CRKT-087-KSF	Craw-Kan Telephone Cooperative, Inc.	Non-Regulated Allocations, State Allocations, Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2021	North Carolina	North Carolina Utilities Commission	G-5, SUB 632	Public Service Company of North Carolina	Natural Gas Depreciation Issues	Public Staff - North Carolina Utilities Commission
2021	Kansas	Kansas Corporation Commission	21-BHCG-418-RTS	Black Hills Energy	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff
2021	Florida	Florida Public Service Commission	20210015-EI	Florida Power & Light Company	Electric Depreciation Issues	Office of Public Counsel
2020	DC	District of Columbia Public Service Commission	FC1137	Washington Gas & Light	Natural Gas Depreciation Issues	District of Columbia Public Service Commission
2020	DC	District of Columbia Public Service Commission	FC1156	Potomac Electric Power Company	Electric Depreciation Issues	District of Columbia Public Service Commission
2020	North Carolina	North Carolina Utilities Commission	E-2, SUB 1219	Duke Energy Progress, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2020	Kansas	Kansas Corporation Commission	20-BLVT-218-KSF	Blue Valley Tele- Communications, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2020	Utah	Public Service Commission of Utah	18-035-36	Rocket Mountain Power	Electric Depreciation Issues	Division of Public Utilities
2020	North Carolina	North Carolina Utilities Commission	E-7, SUB 1214	Duke Energy Carolinas, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2019	Kansas	Kansas Corporation Commission	20-UTAT-032-KSF	United Telephone Association	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2019	Kansas	Kansas Corporation Commission	19-ATMG-525-RTS	Atmos Energy	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff

Year	State	Commission	Docket	Company	Description	On Behalf of
2019	Kansas	Kansas Corporation Commission	19-GNBT-505-KSF	Golden Belt Telephone Association	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2019	Arizona	Arizona Corporation Commission	E-01933A-19-0028	Tucson Electric Power Company	Electric Depreciation Issues	The Utilities Division Staff Arizona Corporation Commission
2019	North Carolina	North Carolina Utilities Commission	E-22, SUB 562	Dominion Energy North Carolina	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2019	Utah	Public Service Commission of Utah	19-057-03	Dominion Energy Utah	Natural Gas Depreciation Issues	Division of Public Utilities
2019	Kansas	Kansas Corporation Commission	19-EPDE-223-RTS	Empire District Electric Company	Electric Depreciation Issues	Kansas Corporation Commission Staff
2019	Arizona	Arizona Corporation Commission	T-03214A-17-0305	Citizens Telecommunications Company	Arizona Universal Service Fund	The Utilities Division Staff Arizona Corporation Commission
2018	Kansas	Kansas Corporation Commission	18-KGSG-560-RTS	Kansas Gas Service	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff
2018	Kansas	Kansas Corporation Commission	18-KCPE-480-RTS	Kansas City Power & Light Company	Electric Depreciation Issues	Kansas Corporation Commission Staff
2018	Rhode Island	Rhode Island and Providence Plantations Public Utilities Commission	4800	SUEZ Water	Water Depreciation Issues	Division of Public Utilities and Carriers
2018	Rhode Island	Rhode Island and Providence Plantations Public Utilities Commission	4770	Narragansett Electric Company	Electric & Natural Gas Depreciation Issues	Division of Public Utilities and Carriers
2018	North Carolina	North Carolina Utilities Commission	E-7, SUB 1146	Duke Energy Carolinas, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2017	DC	District of Columbia Public Service Commission	FC1150	Potomac Electric Power Company	Electric Depreciation Issues	District of Columbia Public Service Commission

			Previous Experience			
Year	State	Commission	Docket	Company	Description	On Behalf of
2017	Kansas	Kansas Corporation Commission	17-RNBT-555-KSF	Rainbow Telecommunications Association, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2017	North Carolina	North Carolina Utilities Commission	E-2, SUB 1142	Duke Energy Progress, LLC	Electric Depreciation Issues	Public Staff - North Carolina Utilities Commission
2017	Washington	Washington Utilities & Transportation Commission	UE-170033 & UG-170034	Puget Sound Energy	Electric & Natural Gas Depreciation Issues	Washington State Office of the Attorney General, Public Counsel Unit
2017	Florida	Florida Public Service Commission	160186-EI & 160170-EI	Gulf Power Company	Electric Depreciation Issues	The Citizens of the State of Florida
2016	Kansas	Kansas Corporation Commission	16-KGSG-491-RTS	Kansas Gas Service	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff
2016	DC	District of Columbia Public Service Commission	FC1139	Potomac Electric Power Company	Depreciation Issues	District of Columbia Public Service Commission
2016	Arizona	Arizona Corporation Commission	E-01933A-15-0239 & E- 01933A-15-0322	Tucson Electric Power Company	Electric Depreciation Issues	The Utilities Division Staff Arizona Corporation Commission
2016	Georgia	Georgia Public Service Commission	40161	Georgia Power Company	Addressed Depreciation Issues	Georgia Public Service Commission Public Interest Advocacy Staff
2016	DC	District of Columbia Public Service Commission	FC1137	Washington Gas & Light	Depreciation Issues	District of Columbia Public Service Commission
2015	Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Energy	Natural Gas Depreciation Issues	Kansas Corporation Commission Staff
2015	Kansas	Kansas Corporation Commission	15-TWVT-213-AUD	Twin Valley Telephone, Inc.	Cost Study Issues, Allocation of FTTH Equipment, & Support Fund Adjustments	Kansas Corporation Commission Staff
2015	Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power & Light Company	Electric Depreciation Issues	Kansas Corporation Commission Staff

Year	State	Commission	Docket	ce of Roxie McCullar Company	Description	On Behalf of
2015	Kansas	Kansas Corporation Commission	15-MRGT-097-AUD	Moundridge Telephone Company, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2014	Kansas	Kansas Corporation Commission	14-S&TT-525-KSF	S&T Telephone Cooperative Association, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2014	Kansas	Kansas Corporation Commission	14-WTCT-142-KSF	Wamego Telecommunications Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2013	Kansas	Kansas Corporation Commission	13-PLTT-678-KSF	Peoples Telecommunications, LLC	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2013	New Jersey	State of New Jersey Board of Public Utilities	BPU ER12121071	Atlantic City Electric Company	Electric Depreciation Issues	New Jersey Rate Counsel
2013	Kansas	Kansas Corporation Commission	13-JBNT-437-KSF	J.B.N. Telephone Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2013	Kansas	Kansas Corporation Commission	13-ZENT-065-AUD	Zenda Telephone Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2013	DC	District of Columbia Public Service Commission	FC1103	Potomac Electric Power Company	Depreciation Issues	District of Columbia Public Service Commission
2012	Kansas	Kansas Corporation Commission	12-LHPT-875-AUD	LaHarpe Telephone Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2012	Kansas	Kansas Corporation Commission	12-GRHT-633-KSF	Gorham Telephone Company	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2012	Kansas	Kansas Corporation Commission	12-S&TT-234-KSF	S&T Telephone Cooperative Association, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2011	DC	District of Columbia Public Service Commission	FC1093	Washington Gas & Light	Depreciation Issues	District of Columbia Public Service Commission

				e of Roxie McCullar		
Year	State	Commission	Docket	Company	Description	On Behalf of
2011	Kansas	Kansas Corporation Commission	11-CNHT-659-KSF	Cunningham Telephone Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2011	Kansas	Kansas Corporation Commission	11-PNRT-315-KSF	Pioneer Telephone Association	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2010	Kansas	Kansas Corporation Commission	10-HVDT-288-KSF	Haviland Telephone Company, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2009	Kansas	Kansas Corporation Commission	09-BLVT-913-KSF	Blue Valley Tele- Communications, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2009	DC	District of Columbia Public Service Commission	FC1076	Potomac Electric Power Company	Depreciation Issues	District of Columbia Public Service Commission
2008	Kansas	Kansas Corporation Commission	09-MTLT-091-KSF	Mutual Telephone Company	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2007	Kansas	Kansas Corporation Commission	08-MRGT-221-KSF	Moundridge Telephone Company	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2007	Kansas	Kansas Corporation Commission	07-PLTT-1289-AUD	Peoples Telecommunications, LLC	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2007	Kansas	Kansas Corporation Commission	07-MDTT-195-AUD	Madison Telephone, LLC	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2007	Kansas	Kansas Corporation Commission	06-RNBT-1322-AUD	Rainbow Telecommunications Assn., Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2006	Kansas	Kansas Corporation Commission	06-WCTC-1020-AUD	Wamego Telecommunications Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff

Year	State	Commission	Docket	Company	Description	On Behalf of
2006	Kansas	Kansas Corporation Commission	06-H&BT-1007-AUD H&B Communic Inc.		Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2006	Kansas	Kansas Corporation Commission	06-ELKT-365-AUD	Elkhart Telephone Company, Inc.	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff
2005	Kansas	Kansas Corporation Commission	05-SCNT-1048-AUD	South Central Telephone Association, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2005	Utah	Public Service Commission of Utah	05-2302-01	Carbon/Emery Telecom, Inc.	Cost Study Issues & Depreciation Issues	Utah Committee of Consumer Services
2005	Kansas	Kansas Corporation Commission	05-TTHT-895-AUD	Totah Communications, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2005	Maine	Public Utilities Commission of the State of Maine	2005-155	Verizon	Depreciation Issues	Office of Public Advocate
2005	Kansas	Kansas Corporation Commission	05-TRCT-607-KSF	Tri-County Telephone Association	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2005	Kansas	Kansas Corporation Commission	05-CNHT-020-AUD	Cunningham Telephone Company, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2005	Kansas	Kansas Corporation Commission	05-KOKT-060-AUD	KanOkla Telephone Association, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2004	Kansas	Kansas Corporation Commission	04-UTAT-690-AUD	United Telephone Association, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2004	Kansas	Kansas Corporation Commission	04-CGTT-679-RTS	Council Grove Telephone Company	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2004	Kansas	Kansas Corporation Commission	04-GNBT-130-AUD	Golden Belt Telephone Association	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff

Year	State	Commission	Docket	Company	Description	On Behalf of
2004	Kansas	Kansas Corporation Commission	03-TWVT-1031-AUD	Twin Valley Telephone, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2003	Kansas	Kansas Corporation Commission	03-HVDT-664-RTS	Haviland Telephone Company	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2003	Kansas	Kansas Corporation Commission	03-WHST-503-AUD	Wheat State Telephone Company, Inc.	Cost Study Issues & Support Fund Adjustments	Kansas Corporation Commission Staff
2003	Kansas	Kansas Corporation Commission	03-S&AT-160-AUD	S&A Telephone Company	Cost Study Issues	Kansas Corporation Commission Staff
2002	Kansas	Kansas Corporation Commission	02-JBNT-846-AUD	JBN Telephone Company	Cost Study Issues	Kansas Corporation Commission Staff
2002	Kansas	Kansas Corporation Commission	02-S&TT-390-AUD	S&T Telephone Cooperative Association, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2002	Kansas	Kansas Corporation Commission	02-BLVT-377-AUD	Blue Valley Telephone Company, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2001	Kansas	Kansas Corporation Commission	01-PNRT-929-AUD	Pioneer Telephone Association, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2001	Kansas	Kansas Corporation Commission	01-BSST-878-AUD	Bluestem Telephone Company	Cost Study Issues	Kansas Corporation Commission Staff
2001	Kansas	Kansas Corporation Commission	01-SFLT-879-AUD	Sunflower Telephone Company, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2001	Kansas	Kansas Corporation Commission	01-CRKT-713-AUD	Craw-Kan Telephone Cooperative, Inc.	Cost Study Issues	Kansas Corporation Commission Staff
2001	Kansas	Kansas Corporation Commission	01-RNBT-608-KSF	Rainbow Telecommunications Association	Cost Study Issues, Support Fund Adjustments	Kansas Corporation Commission Staff

	Previous Experience of Roxie McCullar								
Year	State	Commission	Docket	Company	Description	On Behalf of			
2001	Kansas	Kansas Corporation Commission	01-SNKT-544-AUD	Southern Kansas Telephone Company, Inc.	Cost Study Issues	Kansas Corporation Commission Staff			
2001	Kansas	Kansas Corporation Commission	01-RRLT-518-KSF	Rural Telephone Service Company, Inc.	Cost Study Issues	Kansas Corporation Commission Staff			
2000	Illinois	Illinois Commerce Commission	98-0252	Ameritech	Cost Study Issues	Government and Consumer Intervenors			



**PUBLIC NOTICE** 

Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554

News Media Information 202 / 418-0500 Internet: <u>https://www.fcc.gov</u> TTY: 1-888-835-5322

> DA 19-474 Released: May 24, 2019

#### WIRELINE COMPETITION BUREAU AUTHORIZES TOTAH COMMUNICATIONS, INC. TO RECEIVE ADDITIONAL ALTERNATIVE CONNECT AMERICA COST MODEL SUPPORT TO EXPAND RURAL BROADBAND

#### WC Docket No. 10-90

On April 29, 2019, the Wireline Competition Bureau (Bureau) released a Public Notice authorizing 186 rate-of-return companies to receive an additional \$65.7 million annually in Alternative Connect America Cost Model (A-CAM) support.<sup>1</sup> Totah Communications, Inc. (Totah) was omitted from the April 29 authorization Public Notice. The Bureau now authorizes Totah to receive A-CAM support pursuant to the second revised offer. The appendix to this Public Notice shows the revised authorization amount and deployment obligations. In addition, we update the summary report last updated on April 29, showing the state-level amounts of model-based support and associated deployment obligations for all carriers that have been authorized to receive model-based support, to reflect Totah's revised authorization.<sup>2</sup>

We authorize and direct the Universal Service Administrative Company (USAC) to obligate and disburse the annual support amounts over a 10-year term to Totah as shown in the appendix. Totah will be subject to defined deployment obligations that must be met over the 10-year period, with annual reporting of its progress.<sup>3</sup>

The net increase in annualized support compared to Totah's previously-elected A-CAM amounts is \$250,695. We direct USAC to calculate the necessary true-up and to adjust the amount of cash it retains in the high-cost account to fund A-CAM recipients to reflect today's revised authorization.

<sup>&</sup>lt;sup>1</sup> Wireline Competition Bureau Authorizes 186 Rate-of-Return Companies to Receive an Additional \$65.7 Million Annually in Alternative Connect America Cost Model Support to Expand Rural Broadband, WC Docket No. 10-90, Public Notice, DA 19-349 (WCB Apr. 29, 2019).

<sup>&</sup>lt;sup>2</sup> The summary report for all carriers authorized to receive A-CAM support, including those subject to prior authorizations in December 2016, January 2017, July 2018, and April 29, 2019 is available at <a href="https://docs.fcc.gov/public/attachments/DOC-352788A1.xslx">https://docs.fcc.gov/public/attachments/DOC-352788A1.xslx</a>.

<sup>&</sup>lt;sup>3</sup> Totah must satisfy deployment obligations associated with the amount of support it accepted as set forth in the Public Notice announcing the revised offers of support. *Wireline Competition Bureau Announces Offers of Revised A-CAM Support Amounts and Deployment Obligations Authorized A-CAM Companies to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, DA 19-115 (WCB Feb. 25, 2019).

For additional information on this proceeding, contact Ted Burmeister, <u>Theodore.Burmeister@fcc.gov</u>, of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

# Appendix

# Federal Communications Commission CAF - A-CAM 2.3.2 - Authorization Report Version 5.1

# Authorized A-CAM Support & Obligations - To Date Offer Authorizations

	May 24, 2019									
Sta te	Holding Company	Support End Date	Annual A- CAM Support	Total Number of Rate-of- Return Locations in Census Blocks Receiving Model-Based Funding	Number of Locations in Eligible Census Blocks with Obligation to Offer 25/3 Mbps	Number of Locations in Eligible Census Blocks with Obligation to Offer 10/1 Mbps	Number of Locations in Eligible Census Blocks with Obligation to Offer 4/1 Mbps	Number of Locations Remaining on Reasonable Request Standard		
KS	Totah Communica tions, Inc.	December 31, 2028	1,904,925	1,530	611	612	76	231		

#### 3 Page 3 of 3



**PUBLIC NOTICE** 

Federal Communications Commission 45 L Street NE Washington, DC 20554

News Media Information 202 / 418-0500 Internet: <u>https://www.fcc.gov</u> TTY: 1-888-835-5322

DA 23-920 Released: October 4, 2023

#### WIRELINE COMPETITION BUREAU ANNOUNCES CARRIERS THAT HAVE ACCEPTED ENHANCED ALTERNATIVE CONNECT AMERICA COST MODEL SUPPORT TO EXPAND RURAL BROADBAND WC Docket No. 10-90

Today, the Wireline Competition Bureau (Bureau) announces carriers that have accepted offers of model-based Enhanced Alternative Connect America Cost Model (A-CAM) support.<sup>1</sup> A list of the names and study areas codes for these carriers can be found <u>here</u>.<sup>2</sup> Carriers were required to elect such support on a state-by-state basis by Friday, September 29, 2023 by submitting an election letter to the Bureau at <u>ConnectAmerica@fcc.gov</u>. If a carrier failed to submit a final election letter by the September 29, 2023 deadline, the carrier will be deemed to have declined the Enhanced A-CAM offer and will continue to receive support under its existing program and be subject to its existing A-CAM I, Revised A-CAM I, A-CAM II, or CAF BLS deployment obligations. Carriers that submitted election letters should have received an e-mail confirming that their letters have been received and reviewed for completeness. We note that based on the election letters received, the number of acceptances has exceeded the participation threshold set by the Commission in the *Enhanced A-CAM Order*.<sup>3</sup> *Any carrier that believes that it elected Enhanced A-CAM support but is not included in the list linked above should contact Ted Burmeister (Theodore.Burmeister@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400, no later than 12:00pm Eastern Daylight Time on October 10, 2023.* 

Confirmation of receipt of a carrier's election letter and inclusion on this list does not constitute authorization to receive Enhanced A-CAM support pursuant to the terms of the offer. Carriers electing Enhanced A-CAM support will not begin receiving such support until the Bureau issues a public notice authorizing the Universal Service Administrative Company (USAC) to disburse the appropriate amounts. The Commission is publishing this list of carriers that have accepted Enhanced A-CAM "to inform, among other processes, the BEAD Program challenges conducted by states or eligible entities and prevent any duplication of support to a location where it is determined that the Enhanced A-CAM service provider plans to deploy a technology that would satisfy the requirements for being deemed an enforceable commitment for the deployment of qualifying broadband to a location."<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> See Connect America Fund; ETC Annual Reports and Certifications; Telecommunications Carriers Eligible to Receive Universal Service Support; Connect America Fund – Alaska Plan; Expanding Broadband Service Through the ACAM Program, WC Docket Nos. 10-90, 14-58, 09-197, and 16-271; RM-1168, Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 23-60, at 42, para. 98 (July 24, 2023) (*Enhanced A-CAM Order*).

<sup>&</sup>lt;sup>2</sup> In a small number of cases, carriers submitted election letters that must be revised before the elections will be authorized. <u>https://www.fcc.gov/document/list-accepted-enhanced-cam-carriers</u>.

<sup>&</sup>lt;sup>3</sup> Enhanced A-CAM Order at 43, para. 101.

<sup>&</sup>lt;sup>4</sup> Id. at 43, para. 100.

For additional information on this proceeding, please contact Ted Burmeister, of the Wireline Competition Bureau, Telecommunications Access Policy Division, as indicated above.

- FCC -



TotelCS1

888-580-2208

September 22, 2023

#### Via E-mail to ConnectAmerica@fcc.gov

Wireline Competition Bureau Federal Communications Commission 45 L Street, NE Washington, DC 20554

#### Re: Enhanced A-CAM Election Letter Totah Communications, Inc. [131359]

To Whom It May Concern:

Totah Communications, Inc. Provider ID 131359, hereby submits this letter to indicate that it will elect the Enhanced Alternative Connect America Model (Enhanced A-CAM) support in Study Area Code 412030 in Kansas.

The Federal Communications Commission's Wireline Competition Bureau (Bureau) released a Public Notice instructing rate-of-return carriers electing EA-CAM to file a letter via email by September 29, 2023 confirming that it "elects the Enhanced A-CAM support amount as specified in Report 1.1 released on August 30, 2023, and commits to satisfy the specific service obligations associated with that amount of model support, including both the deployment of 100/20 Mbps or faster service to all required locations and the maintenance of 100/20 Mbps or faster service to currently served locations."<sup>1</sup> Subsequent to the release of the Enhanced A-CAM Election PN, the Bureau released revised versions of the offers in updated reports entitled "Enhanced A-CAM 2.6.0 – Report Version 2, Report/Tables 2.1 through 2.5."<sup>2</sup>

The Company hereby commits to satisfying the specific service obligations associated with that amount of model support that it is eligible to receive in Kansas, including both the

<sup>1</sup> Wireline Competition Bureau Announces Enhanced Alternative Connect America Cost Model Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband, WC Docket No. 10-90 (rel. Aug. 30, 2023), DA 23-779 (Enhanced A-CAM Election PN). The Enhanced A-CAM Election PN also requires electing carriers to identify in their election letters the technology or technologies they plan to use to meet their Enhanced A-CAM deployment obligations and those with "mixed support" should explicitly acknowledge that the election applies to both their A-CAM and CAF BLS study areas.

<sup>2</sup> Wireline Competition Bureau Announces Corrected Enhanced Alternative Connect America Cost Model Support Offers for 82 Companies, WC Docket 10-90 (rel. Sept. 21, 2023) DA 23-835. "Enhanced A-CAM – A-CAM 2.6.0 – Report Version 2, Report/Tables 2.1 through 2.5." The amount the Company intends to elect are identified in Report/Table 2.1 According to the Enhanced A-CAM Order, the Bureau will determine the exact set of locations that must be served "based on the Fabric, the Broadband Data Collection, and further deduplication of enforceable commitments" and "may make adjustments, by no later than the end of 2025."<sup>3</sup> Accordingly, the commitment made above encompasses the exact set of locations and any adjustment in support that will ultimately be determined by the Bureau pursuant to this "true-up" process.

The Company hereby notifies the Bureau that it intends to use the most cost effective and efficient technology of Fiber and as needed licensed and unlicensed wireless technology. If deemed necessary, the use of resold satellite technology may be used for the hardest to reach locations to meet its Enhanced A-CAM deployment obligations.

Please contact the undersigned with any questions on the Company's Enhanced A-CAM election described herein.

Mark M, Gailey President & CEO Totah Communications, Inc.

<sup>3</sup> Connect America Fund; ETC Annual Reports and Certifications; Telecommunications Carriers

Eligible to Receive Universal Service Support; Connect America fund – Alaska Plan; Expanding Broadband Service Through the ACAM Program, WC Docket Nos. 10-90, 14-58, 09-197, and 16-271; RM-1168, Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, FCC 23-60 at para. 34 (July 24, 2023) (Enhanced A-CAM Order).

#### IS-1 - Adjustment to Federal Support

Line	Descripton	Total Company	Total Kansas
1	Federal Enhanced A-CAM Support (2022 Cost Data)	2,898,046	833,624
2	Federal A-CAM Support Included in Filing	1,904,925	769,796
3	Adjustment IS-1	993,121	63,828

#### Totah Communications 2023-1 Data (2022 Amounts)

Line	Description	Amount	Source			
1	Study Area USF Cost per Loop	3,777.41	(a)			
2	National Average Cost per Loop (frozen)	647.87	( )			
3	115% of Line 2	745.05				
4	150% of Line 2	971.81				
5	Loop Cost in Excess Of 115% and Less Than 150%	226.75		Beginning	Pro Rata	Adjusted
6	Loop Cost in Excess of 150%	2,805.61		Support Factor	Factor	Support Factor
7	Line 5 times Adjusted Support Factor	102.38	(b)	0.65	0.694629	0.451509
8	Line 6 times Adjusted Support Factor	1,461.64	(b)	0.75	0.694629	0.520972
9	Expense Adjustment per Loop (Line 7 + Line 8)	1,564.02				
10	USF Loops	533.00	(a)			
11	High Cost Loop Legacy Support (Line 9 x Line 10)	833,624				

#### Sources:

- (a) NECA Study Results Excel file "USF2023LVMOD23" in folder "USF23r22" (https://www.fcc.gov/universal-service-fund-data-neca-study-results)
- (b) Pro Rata Adjustment Factor from page 5 of NECA 2023 Submission of 2022 Study Results (https://www.fcc.gov/necas-overview-universal-service-fund)

#### Kansas Corporation Commission

#### Discovery Request

Discovery Request No. KCC-72

Company Name: Totah Communications, Inc.

Docket Number: 24-TTHT-343-KSF

Request Date: December 14, 2023

Due Date: December 26, 2023

Regarding: Direct Testimony of Jeremiah Raya

Please Provide the Following:

Page 6 lines 3-7 of the Direct Testimony of Jeremiah Raya states:

"There are three methodologies of which the Kansas Rural LECs are aware that other states have utilized, or have considered, to determine the allocation of A-CAM support between High Cost Loop Support (Intrastate) and Connect America Fund Broadband Loop Support (Interstate) for purposes of determining the rate design in an intrastate ratemaking proceeding."

(a) Please provide a copy of the Commission Orders in other states that discuss and/or accept an allocation methodology.

#### **Response to (a):**

The three methodologies that other states have utilized, or have considered, to determine the allocation of A-CAM support between High Cost Loop Support (Intrastate) and Connect America Fund Broadband Loop Support (Interstate), for purposes of determining the rate design in an intrastate ratemaking proceeding are further described below:

- High Cost Loop Support ("HCLS") Calculation: This methodology, used by Totah and the State
  of Oklahoma, reflects that many A-CAM carriers continue to perform costs studies and HCLS
  data submissions based on actual costs incurred for interstate ratemaking and reporting purposes.
  This data submission allows for the determination of the amount of HCLS that the reporting
  company would have received had it not elected A-CAM support. The result is that the calculated
  HCLS is reported as intrastate revenue in the intrastate rate design, and the remainder of the ACAM support is reported as interstate revenue. This is the amount of federal USF support that
  would have been included in the intrastate rate design absent the A-CAM election and is
  consistent with the determination of federal USF support that is reported for Legacy Rate of
  Return carriers that continue to receive federal USF support based on actual costs. Support
  assigned to the intrastate rate design will change over time under this methodology as the
  utilization of the network and jurisdictional allocation of costs changes.
- 2. Historic Pro-Rata Based Distribution: Nevada elected to use a pro-rated percentage based on historical HCLS and Interstate Common Line Support (ICLS). Given A-CAM support is a replacement for both HCLS and ICLS (later CAF BLS), this method involves determining the ACAM support for the intrastate jurisdiction by multiplying the ACAM support by a pro-rata percentage of support based on the historic period (2016). The resulting amount of A-CAM

support is then allocated to the intrastate jurisdiction. This methodology does not reflect current network usage or jurisdictional allocation of costs changes. Georgia also uses a historical approach but incorporates the 2015/2016 HCLS and ICLS into its calculations.

3. HCLS and CAF BLS (formerly ICLS) Calculations: Another approach discussed that could theoretically be used, but JSI is not aware of any state using it, is the calculation of HCLS and CAF BLS support based on actual costs which then can be used to determine a pro-rata allocation factor. Many A-CAM carriers continue to perform costs studies and HCLS data submissions based on actual costs incurred for interstate ratemaking and reporting purposes. These data submissions allow for the determination of the amount of HCLS that the reporting company would have received had it not elected A-CAM support. In addition, this cost study data, along with information on billed revenues can also be used to determine the amount of CAF BLS that the company would have received had it not elected A-CAM support. The HCLS is reported as intrastate revenue in the intrastate rate design, and the remainder CAF BLS support is reported as interstate revenue. Support assigned to the intrastate rate design will change over time under this methodology as the utilization of the network and jurisdictional allocation of costs changes, so the pro-rata percentages of HCLS and CAF BLS will also change.

Below are documents in other states that reference the options outlined above in #1 and #2. No references to #3 are listed below, although it has been a discussion before various state commissions.

#### Oklahoma:

As discussed in the December 19, 2023, Teams meeting with Staff, the attached Agreement for the Oklahoma USF Allocation of Federal ACAM support, was previously provided informally to the Kansas Commission Staff and used by Totah in its Application. See attached:

1. OK HCLS ACAM Allocation.

#### Texas:

As discussed in the December 19, 2023, Teams meeting with Staff, Texas did not formally adopt one of the methodologies listed above, but informally acknowledged once an ACAM methodology was elected, it cannot change. Below are two attached Dockets where methodology #1 and #2 were used by TX companies in their Annual Report filings.

- 2. Docket No 52593, Staff's First Request for Information, Staff 1-7 on page PDF page 12 describes methodology outlined in #1 above.
- 3. Docket No 52599, Staff's First Request for Information, Staff 1-6 on PDF page 14 and Staff 1-7 on PDF page 15 describes methodology outlined in #2 above.

#### Nevada:

Docket No. 16-01021 adopted methodology outlined in #2 above. See attached documents:

- 1. NV Dockets 16-01021 Order 10-12-2017
- 2. NV Dockets 16-01021 Comment 4-5-2017
- 3. NV Code ACAM Allocation

#### **Georgia:**

While not officially adopted, Leon Bowles, Director of Telecommunications and Transportation of the GA PSC Staff, confirmed in a December 20, 2023, email to Totah's Consultant, Sandy Reams, that the GS PSC continues to operate based on the Memorandum of Understanding (MOU) provided. See attached MOU:

1. GA UAF Memorandum of Understanding 12 12 17

(b) Please provide a copy of the Company Filings in other states that discuss the referenced three methodologies.

#### **Response to b:**

Totah has not filed any filings in other states pertaining to the three ACAM methodologies referenced above.

Submitted By: Roxie McCullar

Submitted To:

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

#### Signed: Jeremiah Raya

Date: 12/22/23

#### Kansas Corporation Commission

#### Discovery Request

Discovery Request No. KCC-73

Company Name: Totah Communications, Inc.

Docket Number: 24-TTHT-343-KSF

Request Date: December 14, 2023

Due Date: December 26, 2023

Regarding: Section 9(i): Income Statement

Please Provide the Following:

Line 3 of Section 9(i): Income Statement shows the ACAM Model Support amount and allocation to intrastate jurisdiction.

(a) Please provide the support for the \$1,904,925 balance.

See attached #73a – High\_Cost\_Disbursements\_2023122. The source of this data is directly from the USAC website.

(b) Please provide the support for the 0.404108 intrastate allocation factor.

As discussed during the December 19, 2023, Teams meeting with Staff, the factor was derived by dividing the 2022 High-Cost Loop Support (HCLS) that Totah would have received for 2022, absent its ACAM support election, by the total ACAM support the Company received, as shown in Attachment 73B, labeled "Totah 2021-1 HCLF Support."

As stated in the Direct Testimony of Jeremiah Raya, "...the methodology used by Totah to calculate their HCLS portion of ACAM support is to impute the HCLF support amount based on current FCC rules, models, and data. The imputed results calculate a represented amount as if Totah had received their HCLF from USAC."

This methodology is further described below:

1. HCLS Calculation: Many A-CAM carriers, including Totah, continue to perform costs studies and HCLS data submissions based on actual costs incurred for interstate ratemaking and reporting purposes. This data submission allows for the determination of the amount of HCLS that the reporting company would have received had it not elected A-CAM support. The result is that the calculated HCLS is reported as intrastate revenue in the intrastate rate design, and the remainder of the A-CAM support is reported as interstate revenue. This is the amount of federal USF support that would have been included in the intrastate rate design absent the A-CAM election and is consistent with

the determination of federal USF support that is reported for Legacy Rate of Return carriers that continue to receive federal USF support based on actual costs. Support assigned to the intrastate rate design will change over time under this methodology as the utilization of the network and jurisdictional allocation of costs changes.

The supporting documentation for Totah's imputed HCLS amount and the ACAM Model Support allocated to the intrastate jurisdiction can be found in the attached documents:

#73b – Totah 2021-1 HCLF Support

#73b-412030\_Totah KS HCL 2021 Certification

#73b – NECA-GDP CPI Factor & Authorized RoR

#73b – Pro Rata Support Factor

The 2021-1 HCLF data was submitted and certified with the National Exchange Carrier Association on July 13, 2021. The data submission includes total regulated unseparated actual amounts (i.e., combined state and interstate) as of the end-of-period 2020 and are in accordance with FCC Part 32, Part 64 and Part 36 rules. Any investment, expenses, taxes, benefits, rents, etc. associated with non-regulated operations and costs associated with plant leased to other entities have been excluded from the data submission. Any disallowed expenses pursuant to section 54.7 (c) of the FCC rules have been excluded from the data submission. Additionally, an updated cost study was performed to develop FCC Part 36 categorization factors representative of the 2020 period.

Submitted By: Roxie McCullar

Submitted To:

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

#### Signed: Jeremiah Raya

Date: 12/22/23

#### Kansas Corporation Commission

#### Discovery Request

Discovery Request No. KCC-82

Company Name: Totah Communications, Inc.

Docket Number: 24-TTHT-343-KSF

Request Date: January 26, 2024

Due Date: February 5, 2024

Regarding: Section 9 of Filing

Please Provide the Following:

Section 9, line 27 shows a 0.732643 intrastate allocation factor for Account 6623, Customer Services Expense. Confidential Section 15, Form 10, line 174 includes a different intrastate allocation factor. Please provide the source of the 0.732643 intrastate allocation factor for Account 6623, Customer Services Expense.

It appears Section 9, line 27 inadvertently used the intrastate allocation factor from Confidential Section 15, Form 10, line 161. The correct intrastate allocation factor, as noted above, is Confidential Section 15, Form 10, line 174, which should be an intrastate allocation factor of 0.626409.

Submitted By: Roxie McCullar

Submitted To:

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

#### Signed: Jeremiah Raya

Date: 1/29/24

#### Kansas Corporation Commission

#### Discovery Request

Discovery Request No. KCC-86

Company Name: Totah Communications, Inc.

Docket Number: 24-TTHT-343-KSF

Request Date: February 7, 2024

Due Date: February 16, 2024

Regarding: Enhanced A-CAM

Please Provide the Following:

The September 22, 2023 letter accepting Enhanced A-CAM support references the file "Enhanced A-CAM-A-CAM 2.6.0 - Report Version 2, Report/Tables 2.1 through 2.5."

(a) Is it correct that the file "Enhanced A-CAM-A-CAM 2.6.0 - Report Version 2, Report/Tables 2.1 through 2.5" offers \$2,898,046 annual Enhanced A-CAM support for Totah Communication in Kansas? If this is not a correct statement, please provide the corrected statement.

#### **Response:** That is correct.

(b) Has the Company received any communications indicating that the annual Enhanced A-CAM support starting January 1, 2024 will be different than the \$2,898,046 amount? If so, please provide a copy of the annual Enhanced A-CAM support starting January 1, 2024 any supporting documents.

# **Response:** No, there has not been any communication indicating the annual EA-CAM support will be different than the \$2,898,046.

Submitted By: Roxie McCullar

Submitted To:

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

#### Signed: Jeremiah Raya

Date: 2/16/24

#### Kansas Corporation Commission

#### Discovery Request

Discovery Request No. KCC-87

Company Name: Totah Communications, Inc.

Docket Number: 24-TTHT-343-KSF

Request Date: February 7, 2024

Due Date: February 16, 2024

Regarding: Response to Staff Data Request No. 73

Please Provide the Following:

The response to Staff Data Request No. 73 included the workpaper supporting the \$769,796 ACAM support amount allocated to the Kansas jurisdiction using 2020 data submitted to NECA.

Does the company agree that the following table (also provided in Excel file "Updated DR 73 2022 Data) is similar to the workpaper provided in response to Staff Data Request No. 73 except uses 2023 data submitted to NECA? If not, please provide the corrected calculation and supporting workpapers.

	Totah Communications (SAC 412030)								
	2023-1 Data (2022 Amounts Used for 2024 Payr	nents)							
Line	Description	Amount	Source	-					
1	Study Area USF Cost per Loop	3,777.41	(a)						
2	National Average Cost per Loop (frozen)	647.87							
3	115% of Line 2	745.05							
4	150% of Line 2	971.81							
5	Loop Cost in Excess Of 115% and Less Than 150%	226.75		Beginning	Pro Rata	Adjusted			
6	Loop Cost in Excess of 150%	2,805.61		Support Factor	Factor	Support Factor			
7	Line 5 times Adjusted Support Factor	102.38	(b)	0.65	0.694629	0.451509			
8	Line 6 times Adjusted Support Factor	1,461.64	(b)	0.75	0.694629	0.520972			
9	Expense Adjustment per Loop (Line 7 + Line 8)	1,564.02							
10	USF Loops	533.00	(a)						
11	High Cost Loop Legacy Support (Line 9 x Line 10)	833,624							
Sources:									
(a)	<ul> <li>(a) NECA Study Results Excel file "USF2023LVMOD23" in folder "USF23r22" (https://www.fcc.gov/universal-service-fund-data-neca-study-results)</li> </ul>								
(b)	2024 Pro Rata Adjustment Factor from page 5 of NEC/ (https://www.fcc.gov/necas-overview-universal-ser		ion of 202	2 Study Results					

# **Response:** The company agrees the table above is similar to the workpaper provided in response to DR No. 73 and the above table uses 2023 data submitted to NECA (2022 financials).

Submitted By: Roxie McCullar

Submitted To:

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### **Verification of Response**

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which effects the accuracy or completeness of the answer(s) to this Data Request.

Signed: Jeremiah Raya

Date: 2/16/24

#### VERIFICATION

STATE OF ILLINOIS ) SS. COUNTY OF Sangamen

Roxie McCullar of William Dunkel & Associates, being duly sworn upon her oath deposes and states that she is a Consultant for the Kansas Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing Direct Testimony, and that the statements contained therein are true and correct to the best of her knowledge, information and belief.

ras Ma

Roxie McCullar Consultant for Staff Kansas Corporation Commission of the State of Kansas

SUBSCRIBED AND SWORN to before me this  $\_/\_5$  day of February, 2024.

- Jo Sen Notary Public

My Appointment Expires:



#### **CERTIFICATE OF SERVICE**

#### 24-TTHT-343-KSF

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

electronic service on February 22, 2024.

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/s/Abigail Emery Abigail Emery

\* Denotes those receiving the Confidential version