

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

In the Matter of the Investigation to Determine )  
the Assessment Rate for the Twenty-Second )  
Year of the Kansas Universal Service Fund, ) Docket No. 18-GIMT-084-GIT  
Effective March 1, 2018. )

DIRECT TESTIMONY

OF

SANDRA REAMS

ON

BEHALF OF THE

KANSAS CORPORATION COMMISSION STAFF

December 19, 2017

1 **Q. Please state your name and business address.**

2 A. My name is Sandra (Sandy) K. Reams. My business address is: Kansas Corporation  
3 Commission (Commission), 1500 S.W. Arrowhead Road, Topeka, Kansas 66604.

4 **Q. What is your position at the Commission?**

5 A. I am the Assistant Chief of Telecommunications for the technical staff (Staff) of the  
6 Commission. I was promoted to my current position in October 2011. I became employed  
7 by the Commission in December 1996 as a Utility Regulatory Auditor and, in June 1997,  
8 was promoted to Senior Utility Regulatory Auditor. In February 1998, I changed  
9 positions to a Telecommunications Auditor. In April 2002, I was promoted to Managing  
10 Auditor and, in October 2011, I was promoted to my current position.

11 **Q. What is your educational background?**

12 A. I received a Bachelor of Arts in Accounting from Buena Vista University, Storm Lake,  
13 Iowa, and Iowa Certified Public Accountant Certificate (No. 9487). During my  
14 employment with the Commission, I have attended various regulatory and  
15 telecommunications related courses. Since August 2010, I have served as the Chair for  
16 the National Association of Regulatory Utility Commissioners' (NARUC) Staff  
17 Subcommittee on State Universal Service Fund Administrators and have been a member  
18 of the Subcommittee since 2002. I also serve as an at-large Staff member on the Federal  
19 Communications Commission (FCC) Federal/State Joint Board on Separations and  
20 previously served as the Staff Chair for the State Commissioners of the Federal  
21 Communications Commission (FCC) - State Joint Conference on Accounting Issues. I  
22 was also a member of the FCC - State Joint Oversight Team for the audits of Southwestern

1 Bell Telephone Company's (SWBT) compliance with affiliate transaction and non-  
2 discriminatory provisions contained in Section 272 of the 1996 Federal  
3 Telecommunications Act.

4 **Q. Have you previously testified before the Commission?**

5 A. Yes. I have provided written and oral testimony on the annual Kansas Universal Service  
6 Fund (KUSF) assessment rate and other KUSF-related issues, intrastate access rates, inter-  
7 LATA dialing parity and related cost recovery mechanisms, intrastate revenue requirement  
8 cost of service components, and Eligible Telecommunications Carrier (ETC) issues. Prior  
9 to joining the telecommunications section, I testified on gas industry issues, including tax-  
10 related issues, shared service agreements, and acquisition premiums.

11 **I. Testimony Summary**

12 **Q. Please summarize your testimony and recommendations.**

13 A. On August 31, 2017, the Commission issued an Order opening this Docket (Opening  
14 Order) to determine the KUSF assessment rate for the twenty-second year of the KUSF,  
15 effective March 1, 2018, through February 28, 2019 (Year 22). The Commission directed  
16 Staff to file its direct testimony and calculations supporting its proposed KUSF  
17 assessment rate by December 20, 2017.

18 Based on the information contained in my testimony and supporting calculations, Staff  
19 recommends that the Commission adopt a 7.50% assessment rate for KUSF Year 22  
20 based on the following:

- 1           •       total KUSF funding obligations of \$41.0 million, comprised of: (1) \$38.3  
2                   million for high-cost support; (2) \$2.1 million for the Telecommunications  
3                   Relay Service (TRS), Telecommunications Access Program (TAP), and  
4                   the Kansas Lifeline Service Program (KLSP); and (3) \$553,000 for KUSF  
5                   administration and audit expenses;
- 6           •       an estimated KUSF balance, or Reserve, of \$2.6 million, as of February  
7                   28, 2018;
- 8           •       a \$2.9 million Contingency Fund Allowance; and
- 9           •       an intrastate net retail assessable revenue base of \$549.9 million from  
10                  which to collect the KUSF monies.

11 **Q.    What should a party do if it becomes aware of a computational error in Staff's**  
12 **calculations?**

13 A.    The Opening Order, paragraph 9, directs any party that becomes aware of a computational  
14       error to notify Staff as soon as possible. This will allow Staff time to determine if the error  
15       has a material effect and file revised calculations, if necessary.

16 **Q.    Please explain why the KUSF assessment rate will increase from 7.25% to 7.50%.**

17 A.    The KUSF assessment rate has two main components: (1) the monies to be paid from the  
18       KUSF, referred to as KUSF obligations; and (2) the assessable revenue base from which  
19       to collect those monies. For KUSF Year 22, the net KUSF obligations are estimated to  
20       decline \$5.2 million, however, Staff estimates the intrastate net retail revenue base  
21       subject to the KUSF assessment will decline \$89.7 million. Staff notes that the actual  
22       revenue reported by carriers may be impacted by Virgin Mobile's lawsuit<sup>1</sup> challenging  
23       the Commission's directive for the Company to report Lifeline subscriber revenue

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<sup>1</sup> Virgin Mobile USA, L.P. v. Pat Apple et al, Case No. 2:17-cv-02524-JAR-JPO (D. Kan).

1 recovered from the federal Lifeline program for KUSF purposes.<sup>2</sup>

2 **Q. Is it likely the actual KUSF Year 21 and projected KUSF Year 22 operating results**  
3 **will vary from Staff's projections?**

4 A. Yes. My testimony relies on the information available to Staff at this time; however,  
5 actual KUSF operational results will likely vary from Staff's projections. For example,  
6 KUSF Year 22 disbursements may vary as a result of: (1) a change to a Rural Local  
7 Exchange Carrier's (RLEC) KUSF support arising from a company-specific audit; (2)  
8 implementation of the \$30.0 million cap provided for in K.S.A. 66-2008; (3) a change in  
9 the KUSF support paid to United Telephone Companies of Kansas d/b/a CenturyLink  
10 (CenturyLink) as a result of its receipt of federal Connect America Fund, Phase II (CAF  
11 II) funding; (4) increased or decreased expenses for the TRS, TAP, or KLSP programs;  
12 and/or (5) increased or decreased administrative-related expenses. The projected  
13 assessable revenue base will likely vary from the actual KUSF revenue reported by  
14 companies.

15 **II. YEAR 22 ASSESSMENT RATE**

16 **Q. Please summarize Staff's calculation of the proposed 7.50% KUSF Year 22**  
17 **assessment rate.**

18 A. Exhibit SKR-1, page 1, line 15, shows total projected KUSF obligations of \$41.0 million,  
19 reduced by the projected \$2.6 million Reserve<sup>3</sup> and increased \$2.9 million for an allowance

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<sup>2</sup> Docket No. 17-VMBZ-023-KSF, July 11, 2017 Order Accepting and Adopting GVNW Consulting, Inc.'s Audit Report and Recommendation.

<sup>3</sup> See K.S.A. 66-2008(a) and Docket No. 00-GIMT-236-GIT (Docket 00-236), Jan. 19, 2000 Order No. 5 Establishing

1 for a Contingency Fund.<sup>4</sup> In total, Staff projects that for Year 22, the KUSF will need to  
2 collect \$41.2 million from an estimated \$549.9 million intrastate assessable revenue base.  
3 A comparison between the projected KUSF Year 22 and the current Year 21 data is  
4 summarized in Table 1:

5 Table 1

<b>KUSF Funding (Millions) Description</b>	<b>Year 22</b>	<b>Year 21</b>	<b>Impact on KUSF Obligations</b>
Gross KUSF Obligations	\$ 41.0	\$ 44.1	\$ (3.1)
Less: Reserve	2.6	0.9	1.7
Plus: Contingency Allowance	2.9	3.2	(0.3)
Adjusted Net KUSF Obligations	\$ 41.2	\$ 46.4	\$ (5.2)
Intrastate Retail Revenue Base	\$ 549.9	\$ 639.7	\$ (89.7)
Percentage Assessment Rate	7.50%	7.25%	0.25%

6 **Q. What supporting documentation is being filed to support Staff's calculations?**

7 A. Documentation supporting Staff's calculations and the proposed assessment rate are  
8 included in Exhibit SKR-1 and Attachment A through M. Specifically, Exhibit SKR-1  
9 contains the following information to support the assessment rate calculation:

- 10 • page 1 identifies each KUSF obligation, the Reserve, the Contingency Fund, and  
11 the resulting net KUSF obligation, or total KUSF monies to collect from carriers.  
12 Page 1 also identified references to the Attachment(s) containing additional  
13 supporting documentation;
- 14 • page 2 contains a summary of the projected KUSF Year 22 revenues by carrier or  
15 carrier category and references to any additional Attachment(s) containing  
16 additional supporting documentation; and
- 17 • page 3 contains the calculation of the proposed 7.50% assessment rate, derived by  
18 dividing the net KUSF obligation by the projected Year 22 assessable revenue base.

19 References to specific months referenced in my testimony and supporting documentation  
20 reflect that the KUSF operates one month in arrears, meaning the revenue, assessments,

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Carrier Assessment Rate For Year 2000 KUSF Contributions (Order No. 5), ¶26.

<sup>4</sup> Id., ¶28.

1 and disbursements for one calendar month are recognized for KUSF purposes in the  
2 following calendar month. For example, revenue earned in November 2017 was due to be  
3 reported to the KUSF on or before December 15, 2017. Payment of the related assessments  
4 were due at the same time and payment from the KUSF to companies and for the supported  
5 programs will be disbursed by January 1, 2018.

6 **Q. Is any confidential information contained in the supporting documentation?**

7 A. Yes. I am filing a complete, separate set of redacted and confidential work papers with  
8 my testimony. Exhibit SKR-1, page 2, and various pages within Attachments B and H  
9 through L are designated as confidential since they contain company-specific revenue  
10 and/or access line data. Staff's calculations, however, use aggregated and public data to  
11 the extent possible to allow parties an opportunity to review Staff's calculations and,  
12 therefore, Exhibit SKR-1, pages 1 and 3, Attachments A, C through G, and M contain  
13 only public data.

14 Confidential data is available only to the specific company that the data is for and the  
15 Citizens' Utility Ratepayer Board (CURB) for review.<sup>5</sup> To help ensure the accuracy of  
16 the data and calculations submitted to the Commission, Staff provided SWBT and  
17 CenturyLink a copy of their company-specific calculations and discussed company-  
18 specific data with other carriers, as requested.

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<sup>5</sup> Docket 94-478, December 11, 1998, Order: (1) Granting CMT Partners Petition for Reconsideration and/or Clarification to the Extent that the Protective Order Issued in This Docket is Amended; (2) Granting CURB's Petition for Reconsideration and/or Clarification to the Extent that the Commission Clarifies its Intent for CURB to Have Access to Same Information as Staff; and (3) Granting Staff's Motion for Clarification and Clarifies its Intent on the Auditing Procedures and the Future Calculation of the Assessment Rate, ¶¶12 - 17.

1 **Q. How do companies pay and recover their KUSF assessments?**

2 A. A company's KUSF assessment is based on its self-reported intrastate retail revenue  
3 multiplied by the Commission-approved KUSF percentage assessment rate.<sup>6</sup>  
4 Furthermore, K.S.A. 66-2008(a) authorizes, but does not require, companies to collect  
5 their assessments from customers, which the majority of companies do.

6 **III. KUSF OBLIGATIONS**

7 **Q. Exhibit SKR-1, page 1, shows the RLECs will receive approximately \$29.3 million of**  
8 **KUSF support in Year 22. Please explain how this amount was calculated.**

9 A. The details of the calculation of the \$29.3 million of KUSF support for the RLECs are  
10 contained in Attachment A. Staff's calculation began with the annual KUSF support  
11 received by an RLEC as of December 1, 2017. The RLECs will not implement local  
12 service rate adjustments to the statewide affordable rates or intrastate access rate and  
13 revenue adjustments pursuant to K.S.A. 66-2005 during KUSF Year 22, thus, the only  
14 adjustments to the RLECs' combined annual KUSF support are: (1) an anticipated increase  
15 to Rainbow Telecommunications Association, Inc.'s (Rainbow) annual KUSF support; and  
16 (2) a reduction in the annual KUSF support payable to J.B.N. Telephone Company, Inc.  
17 (JBN); LaHarpe Telephone Company, Inc. (LaHarpe); Peoples Telecommunications,  
18 LLC's (Peoples); and Zenda Telephone Company, Inc. (Zenda).

19 **Q. Please explain why Rainbow's annual KUSF support is expected to increase.**

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<sup>6</sup> Docket No. 15-GIMT-073-GIT (Docket 15-073), May 21, 2015 Order Eliminating KUSF Local Service Per Line Rates.



1 A. In July 2017, Rainbow filed an Application seeking a \$1.4 million increase in its annual  
2 KUSF support.<sup>7</sup> In October 2017, Staff filed its Direct Testimony, supporting a \$618,864  
3 increase in the Company's annual KUSF support.<sup>8</sup> On November 8, 2017, Staff filed an  
4 errata to its testimony, supporting a \$685,093 increase in Rainbow's annual KUSF  
5 support.<sup>9</sup> On November 9, 2017, Rainbow and Staff filed a Joint Motion To Approve  
6 Staff's Position Regarding Rainbow's Annual Cost-Based KUSF Support (Joint Motion),  
7 stating the Company's annual KUSF support should be increased by \$685,093, resulting  
8 in the Company receiving \$820,635 of annual KUSF support, effective the first of the  
9 month following a Commission Order. A Commission Order is due no later than February  
10 14, 2018,<sup>10</sup> meaning Rainbow's new KUSF support level will be effective no later than  
11 March 1, 2018. For Year 22 budgeting purposes, Staff recognizes \$820,635 of annual  
12 KUSF support for Rainbow.

13 **Q. Staff's calculations reflect a reduction in the annual KUSF support for JBN,**  
14 **LaHarpe, Peoples, and Zenda. Please explain why.**

15 A. These RLECs incurred rate case or audit expense as a result of individual company audits.  
16 The Commission has adopted a policy of allowing recovery of the audit expense over a  
17 five-year period. Each of these RLECs' five year recovery period will end during KUSF  
18 Year 22, as follows:

- 19 • JBN was authorized to recover \$99,105 of total audit expense or \$19,821 annually.<sup>11</sup>  
20 JBN's recovery period ends June 2018, therefore, Staff's calculations reflect the  
21 elimination of this recovery effective July 2018. This means that for the months of

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<sup>7</sup> Docket No. 17-RNBT-555-KSF (Docket 17-555), July 19, 2017 Direct Testimony of Daniel Meszler, p.3.

<sup>8</sup> Id., Oct. 26, 2017 Direct Testimony Prepared by Katie L. Figgs, p. 4.

<sup>9</sup> Id., Errata Testimony of Katie L. Figgs, p. 4.

<sup>10</sup> Id., July 11, 2017 Order Setting Procedural Schedule.

<sup>11</sup> Docket No. 13-JBNT-437-KSF, June 13 and June 26, 2013 Orders.

- 1 July 2018 through February 2019, JBN's Year 22 KUSF support is reduced \$13,214  
2 to recognize the completed recovery of its audit expense approved by the Commission  
3 in Docket No. 13-JBNT-437-KSF;
- 4 • LaHarpe was authorized to recover a total audit expense of \$172,060 over the five-  
5 year period, or \$34,412 annually, which will be fully recovered as of June 2018.<sup>12</sup>  
6 Effective July 2018, LaHarpe's \$17,760 of annual KUSF support will be eliminated  
7 since the audit expense recovery amount exceeds LaHarpe's total KUSF support. I  
8 note that page 1, Attachment A, column C, reflects the cumulative KUSF support  
9 amount LaHarpe will receive for the months of March through June 2017;
  - 10 • Peoples was authorized to recover \$59,660 of audit expense, or \$11,932 annually,  
11 over the five-year period.<sup>13</sup> Recovery of the audit expense will be complete as of  
12 November 2018. Thus, Staff's calculations reflect a \$2,983 total reduction in the  
13 Company's KUSF support for the months of December 2018 through February 2019;  
14 and
  - 15 • Zenda was authorized to recover total audit expense of \$49,545, or \$9,909 annually.<sup>14</sup>  
16 Effective July 2018, the Company will fully recover this expense and, therefore,  
17 Staff's calculations reflect a \$5,780 reduction in the Company's KUSF support,  
18 effective for the months of August 2018 through February 2019.

19 **Q. K.S.A. 66-2008(e)(3) limits the RLECs' total combined annual KUSF support to**  
20 **\$30.0 million. Has Staff performed an analysis regarding the RLECs' annual KUSF**  
21 **support distributions and the statutory cap?**

22 A. Yes. As shown on Attachment A, page 1, Staff estimates the RLECs will receive, in total,  
23 \$29.3 million in KUSF support during KUSF Year 22, or \$742,000 less than the \$30.0  
24 million cap.

25 **Q. Exhibit SKR-1, page 1, line 2, shows \$9.1 million of annual KUSF support for**  
26 **CenturyLink. Please explain how this amount was calculated.**

27 A. K.S.A. 66-2008(c)<sup>15</sup> governs the calculation of CenturyLink's KUSF support.

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<sup>12</sup> Docket No. 12-LHPT-875-AUD, June 26, 2013 Order.

<sup>13</sup> Docket No. 13-PPLT-678-KSF, Nov. 5, 2013 Order.

<sup>14</sup> Docket No. 13-ZENT-065-KSF, July 3, 2013 Order.

<sup>15</sup> K.S.A. 66-2008(c)(2) is moot as CenturyLink has not requested or been granted price deregulation in any exchange.

1 CenturyLink's annual KUSF support is capped at \$11.4 million<sup>16</sup> and must be calculated  
2 using the high-cost model adopted by the Commission.<sup>17</sup> Furthermore, CenturyLink's  
3 annual KUSF support is required to be reduced by the CAF II support it receives "for the  
4 same household, if feasible, or for the same census block" that also receives KUSF support.

5 Attachment B shows that the calculation of CenturyLink's KUSF support begins with  
6 inputting the Company's September 30, 2017 KUSF support eligible lines into the KUSF  
7 support high-cost model, separately for each of the 112 high-cost wire centers and the two  
8 KUSF zones.<sup>18</sup> Monthly KUSF support ranges from \$0.15 to \$243.23 per line depending  
9 on the location. In total, CenturyLink qualifies to receive \$11.3 million of gross cost-based  
10 KUSF support. Pursuant to K.S.A. 66-2008(c), this must be reduced by the \$3.2 million  
11 of annual CAF II support CenturyLink receives for each household location that receives  
12 KUSF support,<sup>19</sup> resulting in a net \$8.1 million of cost-based KUSF support.

13 The next step in calculating CenturyLink's KUSF support is to determine the amount of  
14 revenue-neutral KUSF support the Company qualifies to receive in order to recover the  
15 intrastate access revenue reduction arising from reducing its intrastate access rates to parity  
16 with interstate rates.<sup>20</sup> This access revenue recovery support is based on: (1) the calculated  
17 intrastate switched access revenue loss associated with the reduction in its intrastate rates,

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<sup>16</sup> CenturyLink received \$13.3 million in KUSF support for the Fiscal Year ended February 2013. The 90% limit results in \$11.95 million of annual KUSF support, therefore, CenturyLink's annual KUSF support is capped at \$11.4 million.

<sup>17</sup> Docket No. 99-GIMT-326-GIT, Sept. 30, 1999 Order No. 10 and Dec. 29, 1999 Order No. 16.

<sup>18</sup> Docket 00-236, Feb. 14, 2000 Order 6: Addressing Zone Targeting and Remaining Implementation Issues for Year 2000 KUSF Distributions, in which the Commission adopted the city limits as the IBRA/OBRA delineation points for CenturyLink's United of Eastern Kansas and United of South Central Kansas study areas.

<sup>19</sup> The calculated CAF II and KUSF support are subject to true-up. Docket 16-511, Oct. 11, 2016 Order, ¶ 11.

<sup>20</sup> Docket No. 08-GIMT-1023-GIT, March 10, 2010 Order Setting Embarq's Intrastate Access Rates to Parity and Providing for Rebalancing Through the KUSF and June 4, 2010 Order on Second Petition for Reconsideration.

1 based on volumes as of the current September 30<sup>th</sup>; and (2) a true-up to recognize the  
2 difference between the revenue-neutral access support the Company received for the  
3 months of October 2016 through September 2017 and the support CenturyLink should have  
4 received based on the actual intrastate access usage for the twelve months' ended  
5 September 2017.

6 As shown in Attachment B, based on its intrastate access usage for the 12 months' ended  
7 September 2017, CenturyLink was qualified to receive \$998,000 of access recovery  
8 support for the months of October 2016 through September 2017; in contrast, CenturyLink  
9 received \$1.041 million for these months. The amount paid to CenturyLink for the months  
10 of October through September must be determined prior to the actual usage being known  
11 and, therefore, the access support recovery paid was based on the usage for the twelve  
12 months ended September 2016. Now that the actual usage for the twelve months ended  
13 September 2017 is known, a true-up to recognize the actual recovery amount is necessary.  
14 In other words, the \$1.042 million of revenue-neutral access support recovery paid to  
15 CenturyLink for October 2016 through September 2017 was \$44,000 more than the  
16 \$998,000 CenturyLink should have been paid. To account for this over-payment, the KUSF  
17 Year 22 access recovery support of \$998,000 is reduced by the \$44,000 true-up, with  
18 CenturyLink being paid \$954,000 for the year.

19 **Q. Please explain the annual KUSF support calculated for the competitive ETCs.**

20 A. For KUSF Year 21, the competitive ETCs received a combined \$2.2 million of annual  
21 KUSF support, as shown on Attachment C. Pursuant to K.S.A. 66-2008(c)(4), all KUSF

1 support for competitive ETCs is eliminated effective March 1, 2018, thus, Staff's  
2 calculations reflect that no KUSF support will be paid to competitive ETCs.

3 **Q. How did Staff determine the annual funding for TRS and TAP?**

4 A. Staff's calculations, shown in Attachment D, include \$421,000 to fund TRS and \$228,000  
5 to fund TAP in Year 22, a total of \$649,000 for both programs. Staff's calculations reflect  
6 the higher of two calculated amounts, as follows:

- 7 1. Staff calculated the funding for each program based on the March through October  
8 2017 disbursements. Staff then calculated the monthly average disbursement for  
9 each program and annualized the expense. This approach results in \$418,000 of  
10 annual expense for TRS and \$181,000 for TAP; and
- 11 2. Staff calculated funding for each program based on the Commission's Contract  
12 with Assistive Technologies for Kansans (ATK) to administer the TRS and TAP.<sup>21</sup>  
13 The Contract provides an annual TRS administrative fee of \$17,190 plus the actual  
14 expense paid to Hamilton Relay to provide the underlying relay service. Hamilton  
15 Relay's average monthly expense for providing relay service is \$33,481 or  
16 \$401,771 annually. Adding this to the administrative expense and allowing for an  
17 annual true-up, this approach yields \$420,722 in annual TRS expense. For TAP,  
18 the Contract provides for an administrative expense of \$143,521.<sup>22</sup> Staff then added  
19 \$98,000 for TAP equipment, bringing the total TAP annual funding to \$228,000.

20 **Q. Please explain how Staff calculated the \$1.4 million of funding for the KLSP.**

21 A. The calculation of the \$1.4 million to fund the KLSP, shown in Attachment E, is based on  
22 the \$981,000 of KLSP credits disbursed for low-income subscribers for the months of  
23 March through October 2017. On average, the KLSP provided \$123,000 in KLSP credits  
24 to support approximately 16,000 lines each month. Annualizing the 8-month average  
25 results in an estimated \$1.5 million of annual funding for the KLSP.

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<sup>21</sup> The Commission's Contract with ATK may be viewed at:  
<http://da.ks.gov/purch/Contracts/Default.aspx/000000000000000000000039049>.

<sup>22</sup> Per the July 7, 2014 Amendment to the Contract, the annual administrative fee includes \$23,100 for Personal Digital Assistants (PDAs) or cellphones. ATK will only be reimbursed the amount incurred for PDAs and a 10% indirect cost allowance.

1 Trends in KLSP funding and subscribership for the KUSF Fiscal Years ended February  
2 2015 through 2017, in addition to the funding for KUSF Year 21, indicates periods of both  
3 growth and decline in subscribership, as shown on page 1 of Attachment E.<sup>23</sup> Page 2 of  
4 Attachment E shows that funding and subscribership are currently trending downward.  
5 Thus, to determine a reasonable level of KLSP funding, Staff also calculated the monthly  
6 average KLSP credits for: (1) the six-month period of May through October 2017  
7 (\$118,000); and (2) the three-month period of August through October 2017 (\$105,000).  
8 Annualizing each average results in total KLSP funding of \$1.4 and \$1.3 million,  
9 respectively. Although KLSP funding and subscribership are currently trending downward,  
10 to ensure sufficient funding within the KUSF, Staff recognized \$1.4 million of annual  
11 funding, based on annualizing the 6 months' average, and a nominal 2% subscribership  
12 increase.

13 **Q. Please explain how the \$553,000 of funding for KUSF administration and audit**  
14 **expense was derived.**

15 A. The calculation of the \$553,000 to fund the KUSF administration and audit expense, shown  
16 in Attachment F, is comprised of the following components:

17 1. KUSF daily administration: On June 10, 2016, the Commission and GVNW  
18 Consulting, Inc. (GVNW) entered into an Agreement to extend the KUSF  
19 administration Contract. Pursuant to the Contract, the fee for the day-to-day  
20 administration of the KUSF is \$189,948 annually. In addition, GVNW receives  
21 \$1,404.92 per month, or \$16,859 annually, for costs associated with implementing  
22 and maintaining additional internal control procedures and, therefore, Staff's

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<sup>23</sup> Decline may be attributed to SWBT self-funding KLSP credits to its subscribers for the period of September 2015 through May 31, 2017. Effective May 31, 2017, SWBT ceased participation in the KLSP (Docket No. 16-SWBT-192-CPL, July 25, 2017 Order), and TAG Mobile, LLC's ETC designation being revoked (Docket No. 16-TAGC-323-SHO, Oct. 19, 2017 Order).

1 calculations reflect \$207,000 to fund the day-to-day expenses associated with the  
2 administration of the KUSF;

3 2. KUSF carrier audit expense: Staff's calculations recognize \$301,000 for GVNW  
4 to conduct sixteen carrier audits during KUSF Year 22. Pursuant to the KUSF  
5 administration Contract, carrier audit expense is accrued for work performed in  
6 January through June and also for work performed in July through December.  
7 The expenses are generally paid in July and January. In a letter dated August 8,  
8 2017, GVNW was authorized to be reimbursed \$166,000 from the KUSF for carrier  
9 audit work performed between January 1 and June 30, 2017. As of December 4,  
10 2017, GVNW has accrued \$113,000 in expense for audit work conducted between  
11 July 1 and November 30, 2017. In order to estimate the total expense for a year,  
12 the monthly average of \$19,000 was used for the January 2018 expense. By adding  
13 this to the \$113,000 accrued amount, Staff projects GVNW will accrue \$135,000  
14 of audit expense for the months of July through December 2017.

15 3. Third-Party KUSF audits: Staff's calculations include \$45,280 for a financial audit  
16 and an Agreed Upon Procedure (AUP) review of the KUSF administrator's  
17 internal controls and contractual compliance,<sup>24</sup> comprised of: (1) \$21,880 to  
18 perform a KUSF financial audit; (2) \$20,600 to perform the AUP review; and (3)  
19 \$2,800 for costs related to travel to GVNW's offices. These costs are based on the  
20 Commission's Contract with Berberich, Trehan, & Company (BT&Co.) to perform  
21 a KUSF financial audit and AUP review.<sup>25</sup>

22 **IV. KUSF RESERVE**

23 **Q. Please explain how the projected KUSF Reserve was determined.**

24 A. Pursuant to K.S.A. 66-2008(a) and Commission Order,<sup>26</sup> any monies anticipated to be in  
25 the KUSF as of February 28, 2018, are to be used to reduce the next year's KUSF  
26 obligations. As shown in Attachment G, the February 2018 ending KUSF balance is

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<sup>24</sup> Docket 94-478, October 30, 1998, Order: (A) The Wireless Providers are Regulated by the Commission With Regard to the KUSF; (B) An Independent Third Party Will Be Selected and Bound by Protective Order to Review Staff's Calculations in Arriving at the KUSF Assessment; (C) CURB Shall Have Access to the Same Information Used by Staff; (D) Staff Shall File Supplemental Direct Testimony; (E) Procedural Schedule is Amended; (F) Commission Clarification of Para. 120 of the December 27 Order; (G) Commission Directs the KUSF Administrator to Start Conducting Audits in Compliance With K.S.A. 66-2010(b); and (H) An Annual Audit of the Financial Statements of the KUSF and a Separate Annual Review of the Internal Control Structure Employed by NECA Shall Be Required, ¶56.

<sup>25</sup> The KCC's Contract with BT&Co. may be viewed at:  
<http://da.ks.gov/purch/Contracts/Default.aspx/000000000000000000000000039249>.

<sup>26</sup> Docket 00-236, Order No. 5, ¶26.

1 estimated to be \$2.6 million. The Reserve balance is based on the actual March through  
2 October 2017 KUSF operational results and the projected KUSF revenues, receipts, and  
3 disbursements for the months of November 2017 through February 2018.

4 **Q. How were the projected revenues developed?**

5 A. The projected revenues are based on the revenue reported by each carrier for the months  
6 of March through October 2017, and are compiled by carrier category as follows: RLECs,  
7 SWBT, and CenturyLink (Attachment H); wireless providers (Attachment I);  
8 Interconnected Voice over Internet Protocol (VoIP) providers (Attachment J); and  
9 interexchange (IXC), and other providers (Attachment K). Attachments H through K are  
10 confidential. Revenue projections were only done for companies known to be operating,  
11 although some of these companies may be delinquent with their KUSF obligations.

12 The majority of companies report on a monthly basis and, therefore, Staff calculated the  
13 average monthly revenue reported for the months of March through October 2017. Then,  
14 Staff compared the monthly average revenue to the actual month's revenue reported for  
15 August, September, and October 2017. Staff's calculations include the monthly average  
16 revenue as the projected revenue for the months of November 2017 through February 2018,  
17 unless the actual revenue reported for two of the three months was lower than the monthly  
18 average. If two months' actual revenue was less than the monthly average, Staff's  
19 calculations include the lowest revenue reported in the three month period. For example,  
20 the monthly average revenue for a company that reported \$100,000 of total revenue for  
21 March through October 2017, is \$12,500 per month. If, however, the company reported  
22 \$12,000 for August, \$12,700 for September, and \$12,250 for October, Staff's calculations



1 reflect the lowest revenue (\$12,000 reported for August) for the monthly projected revenue  
2 for the months of November 2017 through February 2018. This approach recognizes when  
3 company has reported revenue declines, while also recognizing when a company has  
4 reported revenue that has remained steady or increased.

5 For a company that reports revenue and pays assessments on a quarterly basis, Staff's  
6 calculations assume the company will report the same amount of revenue for December  
7 2017 through February 2018 (the fourth quarter) as the company reported for the third  
8 quarter (September through November 2017). Companies that report revenue on an annual  
9 or semi-annual basis have already reported their estimated revenue for the year, therefore,  
10 no further revenue projections are necessary.

11 **Q. How did Staff calculate the KUSF receipts for the months of November 2017 through**  
12 **February 2018?**

13 A. The projected receipts were calculated as follows:

- 14 • KUSF assessments were calculated by multiplying each month's projected revenues by  
15 the current 7.25% KUSF assessment rate; and  
16 • Interest and other miscellaneous revenues, including penalties assessed to companies  
17 for KUSF payment or reporting delinquencies,<sup>27</sup> reflect the average monthly revenue  
18 for the months of March through October 2017.

19 Other KUSF receipts include prior period adjustments and interest and miscellaneous  
20 revenues. Prior period adjustments arise mainly from company-specific KUSF audits  
21 conducted pursuant to K.S.A. 66-2010, true-ups or adjustments submitted by a company  
22 to correct prior period reporting, or adjustments directed by the Commission. Revenue

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<sup>27</sup> Docket No. 94-GIMT-478-GIT, Feb. 19, 1997 Order; Docket No. 06-GIMT-332-GIT, Jan. 23, 2006 Order; and  
Docket No. 10-GIMT-188-GIT, Jan. 23, 2010 Order.

1 write-offs or retentions are also based on company-specific balances approved to be  
2 written-off the KUSF books and records. Thus, given the intermittent nature of both prior  
3 period adjustments and revenue write-offs and retentions, Staff did not include any  
4 projections for these two revenue categories.

5 **Q. Please explain how the monthly KUSF disbursements were calculated.**

6 A. The projected monthly disbursements generally reflect the average monthly disbursement  
7 based on the actual disbursements for the months of March through October 2017  
8 disbursements. The projected monthly disbursements include:

- 9 • high-cost support of \$3.4 million, adjusted to reflect that CenturyLink will receive an  
10 additional \$19,033 of KUSF support each month for the months of November 2017  
11 through February 2018.<sup>28</sup> Staff also included an adjustment to increase Rainbow's  
12 annual KUSF support by \$57,091 per month, effective for February 2018.<sup>29</sup> An Order  
13 addressing the Joint Motion is not listed on the Commission's December 21, 2017  
14 meeting calendar, there are no more Commission meetings scheduled for the remainder  
15 of 2017, and the Commission must issue an Order no later than February 2018.  
16 Therefore, to ensure sufficient monies in the KUSF for the increase in Rainbow's  
17 KUSF support, Staff assumed an order will be issued in January, with Rainbow  
18 receiving an additional \$57,091 of monthly KUSF support, effective February 1, 2018.
- 19 • TRS and TAP support of \$35,000 and \$14,000 monthly;
- 20 • KLSP support of \$118,000 based on the six-month average, as previously explained in  
21 my testimony;
- 22 • KUSF total administration expense comprised of: (1) \$15,829 for administration; (2)  
23 \$1,405 for internal control costs; and (3) \$185 for bank fees; and
- 24 • audit expense of \$135,000 to reimburse GVNW for audit expenses incurred in July  
25 through December 2017.

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<sup>28</sup> Docket No. 16-GIMT-511-GIT, Dec. 12, 2017 Order.

<sup>29</sup> Docket 17-555, Nov. 9, 2017 Joint Motion.

1 **V. CONTINGENCY FUND**

2 **Q. Please explain how the \$2.9 million Contingency Fund was determined.**

3 A. The Commission determined in a January 2000 Order in Docket No. 00-GIMT-236-GIT<sup>30</sup>  
4 to adopt an allowance for a contingency fund equal to 7.50% of the adjusted KUSF funding  
5 obligations. As shown on Exhibit SKR-1, page 1, the adjusted KUSF fund obligations are  
6 \$38.4 million, resulting in a \$2.9 million Contingency Fund Allowance.

7 **VI. ASSESSABLE REVENUE BASE**

8 **Q. Please explain how the \$549.9 million intrastate revenue base that will be subject to**  
9 **the KUSF assessment was determined.**

10 A. First, as previously discussed in my testimony, the November 2017 through February 2018  
11 revenue was projected for each carrier to determine the total revenue carriers are projected  
12 to reporting for KUSF Year 21. Please refer to confidential Attachments H through K, for  
13 company-specific revenue projections. The total KUSF Year 21 projected revenue base of  
14 \$617.8 million, shown on Attachment M, is comprised of: LECs - \$150.1 million; wireless  
15 - \$296.4 million; VoIP - \$19.6 million; and IXC/ Others - \$151.7 million. Once the  
16 projected KUSF Year 21 revenue was determined, the KUSF Year 22 projected assessable  
17 revenue base was calculated by applying a revenue growth or reduction factor to the  
18 projected KUSF Year 21 revenues for each specific carrier or carrier category. This  
19 methodology results in total projected Year 22 revenues of \$549.9 million, comprised of:

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<sup>30</sup> Docket 00-236, Order No. 5, ¶26.

1           LECs - \$139.3 million; wireless - \$253.4 million; VoIP - \$19.9 million; and IXC/ Others -  
2           \$137.3 million.

3           The revenue growth or reduction factor for each carrier or carrier category is based on an  
4           analysis of the revenue reported for the years ended February 2015 through February 2017  
5           and the KUSF Year 21 projected revenues to be reported through February 2018, as shown  
6           in confidential Attachment L. Staff's analysis relied on the annual and 2-year average  
7           revenue changes and the fact that the KUSF Year 21 revenue projections recognize  
8           revenue declines through the use of the "lower or average" methodology.

9           Attachment L shows the RLECs have reported annual revenue declines, with a projected  
10          \$59,000 decline for between the years ended February 2018 and February 2017, for a  
11          decline of .24%. The RLECs' average two-year revenue decline, based on the years  
12          ended February 2017 and 2018, is \$438,000, or an average of 1.7%. By using the "lower  
13          or average" methodology, the RLECs' projected monthly revenue, for the months of  
14          November 2017 through February 2018, is \$2.0 million instead of \$2.1 million if the total  
15          monthly average revenue were used in Staff's calculations. This means the "lower or  
16          average" methodology results in the recognition of an average monthly revenue decline  
17          of \$72,000 per month, for a total of \$287,000 within the projected KUSF Year 21  
18          revenues. By applying a minimal .25% revenue decline factor for the RLECs, Staff's  
19          calculations recognize an annual revenue decline of \$61,000. Thus, the projected revenue  
20          decline factor exceeds the current .24% annual decline (\$59,000) and results in a Staff's  
21          calculations incorporating a total revenue decline of \$348,000 (\$61,000 + \$287,000).

1           This same approach was applied for SWBT and CenturyLink, as shown in confidential  
2           Attachments H and L. SWBT's annual revenue declines have ranged between 6.8% and  
3           12.6%, with a recent two-year average decline of 10.5%. Applying the "lower or average"  
4           methodology results in SWBT's KUSF Year 21 revenues incorporating a \$1.8 million  
5           revenue decline, thus, applying an 8.5% revenue decline factor results in the projected  
6           KUSF Year 22 revenues approximating the actual revenue decline SWBT has reported.  
7           CenturyLink's annual revenue declines range from 4.5% up to 8.8%, with a recent two-  
8           year average decline of 8.6%. The use of the "lower or average" methodology results in  
9           CenturyLink's KUSF Year 21 revenues including a projected a \$394,000 revenue decline.  
10          By applying an 8.5% revenue decline factor results in the total projected KUSF Year 22  
11          revenues reflecting an annual revenue decline that is within a reasonable range of what  
12          the Company has reported.

13          The analysis and revenue projections for the wireless and VoIP providers are also shown  
14          in confidential Attachment L. The wireless industry continues to report substantial  
15          annual revenue declines, with an estimated decline of \$54.2 million, or 15.5%, this year.  
16          The wireless carriers' annual revenue declines, ranging between 12.0% and 15.5%, has  
17          resulted in a recent 2-year average decline of 13.7%, or \$51.0 million a year. Staff's  
18          KUSF Year 21 revenue projections incorporate a \$6.5 million annual revenue decline by  
19          using the "lower or average" monthly methodology. Applying a 14.5% revenue decline  
20          factor results in an annual decrease in wireless carrier revenue by \$43.0 million, or a total  
21          revenue decline of \$49.5 million.

22          **Q. Why have wireless revenues subject to the KUSF declined?**

1 A. Due to the continued reported decline in industry revenue, Staff and GVNW have  
2 discussed the issue, on a company-by-company basis, to gain an understanding of why  
3 wireless carriers have continued to report declining revenues. In general, wireless  
4 carriers state their subscribers continue to use a larger percentage of their wireless  
5 services for data-related services; not voice service. This means the carriers allocate more  
6 revenue to data services, which is not assessable for KUSF purposes, and allocate less  
7 revenue to the assessable voice services.

8 **Q. Did Staff include any revenue growth or decline factor for the VoIP and IXC/Other**  
9 **carriers?**

10 A. Yes. As shown in confidential Attachment L, the VoIP industry is expected to report a  
11 slight growth in revenue of \$100,000, or .5%, this year. VoIP providers have reported  
12 annual revenue growth ranging from the projected .5% for this year up to 5.5% last year,  
13 with a recent two-year average revenue growth of 3.0%. By using the lower or average  
14 monthly revenue methodology, a \$192,000 revenue decline is included in Staff's  
15 projections for the VoIP industry, however, VoIP providers have reported annual revenue  
16 growth ranging from the estimated \$100,000 for this year to \$640,000 last year. Thus,  
17 Staff applied a 1.5% revenue growth factor, resulting in a \$294,000 growth, or a net  
18 increase of \$102,000 (\$294,000 - \$192,000).

19 The IXC/Other carriers reported nominal revenue growth of .7% between the years ended  
20 February 2015 and 2016; however, since then, they have reported annual revenue  
21 declines of 9.7% and 10.0% and a recent 2-year average revenue decline of 9.9%. The  
22 total annual decline for this year is estimated to be \$15.3 million and the reported decline

1 for last year was \$18.0 million. The lower or average monthly revenue methodology  
2 results in a \$2.0 million revenue decline being recognized in the KUSF Year 21  
3 projections, therefore, by applying a 9.5% revenue decline factor results in a total revenue  
4 decline of \$16.4 million being recognized in the projected KUSF Year 22 revenue for the  
5 IXC/Other providers.

6 **Q. What impact does the application of a revenue growth or reduction factor have on**  
7 **the KUSF?**

8 A. Attachment M shows Staff's revenue projections for KUSF Years 20 and 21 and indicates  
9 Staff's projections have been fairly accurate over the years. KUSF Year 20, effective  
10 March 2016 through February 2017, is the most recent year for which complete revenue  
11 data is available. The 6.53% KUSF Year 20 assessment rate was based on a projected  
12 assessable revenue base of \$729.9 million. In comparison, actual KUSF Year 20 revenue  
13 reported was \$698.8 million, a difference of \$31.1 million. If the actual KUSF Year 20  
14 revenue of \$729.9 million could have been used to calculate the assessment, the KUSF  
15 Year 20 assessment rate would have been 6.82%, an overall difference of twenty-nine  
16 hundredths of a percent (.29%).

17 For KUSF Year 21, Staff projects carriers will report a total of \$617.8 million in assessable  
18 revenue. If no revenue growth or decline factors were recognized in Staff's projections,  
19 the proposed KUSF assessment rate for KUSF Year 22 would be 6.67%. However, as  
20 discussed, Staff's projected revenue calculations include revenue growth or decline  
21 factors, resulting in projected KUSF Year 22 revenue of \$549.9 million, or a decrease of

1           \$67.8 million. This means the proposed KUSF Year 22 assessment rate is increased eighty  
2           two one-hundreds of a percent (.82%), to 7.50%.

3           Attachment M also includes a comparison of the projected KUSF Year 21 revenue base  
4           used to calculate the current 7.25% assessment rate compared to the current revenues  
5           carriers are projected to report for the year. This analysis shows Staff now projects the  
6           KUSF Year 21 revenues will be \$617.8 million, or \$21.9 million less than the \$639.7  
7           million projected last year.

8   **Q.    Does this conclude your Direct Testimony?**

9   A.    Yes.



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

In the Matter of the Investigation to Determine )  
the Assessment Rate for the Twenty-Second )  
Year of the Kansas Universal Service Fund, ) Docket No. 18-GIMT-084-GIT  
Effective March 1, 2018. )

**REDACTED (PUBLIC)**

**Exhibit SKR-1**

**&**

**Attachments**

to the Direct Testimony of

SANDRA REAMS

ON

BEHALF OF THE

KANSAS CORPORATION COMMISSION STAFF

December 19, 2017

Line	Description	Explanation	Year 22
	<b><u>KUSF Obligations:</u></b>		<u>(3/1/2018)</u>
1	Rural LECs	Rural LECs' KUSF support (Attachment A).	\$ 29,257,627
2	United-Kansas d/b/a CenturyLink	CenturyLink's KUSF support (high-cost support, CAF II offset, and intrastate access reduction recovery). Subject to True-up (confidential Attachment B).	9,064,904
3	Nex-Tech, Inc.	Nex-Tech, Inc.'s KUSF support (Attachment C).	-
4	H&B Cable	H&B Cable's KUSF Support (Attachment C).	-
5	Nex-Tech Wireless	Nex-Tech Wireless' KUSF support (Attachment C).	-
6	United Wireless Communications (U)	United Wireless Communications' KUSF support (Attachment C).	-
7	Epic Touch Co. (Note 1)	Epic Touch's KUSF support (Attachment C).	-
8	Westlink Communications (U)	Westlink's KUSF support (Attachment C).	-
9	NE Colorado d/b/a Viaero Wireless	N.E. Colorado Cellular d/b/a Viacro's KUSF support (Attachment C).	-
10	Big River	Big River Telephone's KUSF support (Attachment C).	-
11	Telecommunications Relay Service (TRS)	TRS budget (Attachment D).	420,722
12	Telecommunications Access Program (TAP)	TAP budget (Attachment D).	227,813
13	Kansas Lifeline Service Program (KLSP)	KLSP budget (Attachment E)	1,438,951
14	Administration and Audits (GVNW, carrier audits, and third-party audits)	Day-to-day administration, carrier audit costs, and third-party KUSF financial & Agreed-Upon-Procedures audit costs (Attachment F)	552,859
<b>15</b>	<b>Gross KUSF Obligation</b>	The sum of lines 1 through 14	<b>\$ 40,962,876</b>
16	Less: Projected Year 21 Ending Reserve	Estimated Reserve (Attachment G).	2,616,480
<b>17</b>	<b>Adjusted KUSF Obligation</b>	Adjusted KUSF monies to collect prior to Contingency Fund. Sum of Lines 15 and 16	<b>\$ 38,346,395</b>
18	Plus: Contingency Allowance	Equal to 7.50% of Adjusted Funds (Docket No. 00-GIMT-236-GIT, Jan. 19, 2000, Order)	2,875,980
<b>19</b>	<b>Net KUSF Obligation</b>	Line 17 plus Line 18	<b><u>\$ 41,222,375</u></b>

Line	Description	Explanation	Year 22
<u>RETAIL REVENUES:</u>			<u>3/1/2018</u>
1	Rural LECs	Provided by GVNW. Based on revenue reported by Rural LECs and Staff projections. (Confidential Attachments H & L )	\$ 24,393,890
2	SWBT	Provided by GVNW. Based on revenues reported by SWBT and Staff projections. (Confidential Attachments H & L)	** [REDACTED] *
3	CenturyLink	Provided by GVNW. Based on revenues reported by CenturyLink and Staff projections. (Confidential Attachments B, H, & L)	** [REDACTED] *
4	Wireless Providers	Provided by GVNW. Based on revenues reported by wireless carriers and Staff projections. (Confidential Attachments I & L)	253,426,216
5	VoIP	Provided by GVNW. Based on revenues reported by VoIP providers and Staff projections. (Confidential Attachments J & L)	19,859,593
6	IXCs/●thers	Provided by GVNW. Based on revenues reported by IXC/●ther carriers and Staff projections. (Confidential Attachments K & L)	137,292,512
7	<b>Total Assessable Revenue Base</b>	<b>Sum of Lines 1-6.</b>	<u><u>\$ 549,917,497</u></u>

<u>Line</u>	<u>Description</u>	<u>Explanation</u>		
1	Net KUSF Obligations	From page 1, line 19	\$	41,222,375
2	Total Assessable Revenue Base	From page 2, line 7		549,917,497
3	<b>Proposed KUSF Assessment Rate</b>	<b>Line 1 divided by Line 2.</b>		<u><u>7.50%</u></u>

Line	Company	Annual KUSF Support (12/1/17)		Other	Year 22 Total Annual KUSF Support Payable
		(A)	(B)	Known/Estimated Adjustments	
1	Bluestem	[a] \$ -	\$ -	-	\$ -
2	Blue Valley	671,850	-	-	671,850
3	Columbus	-	-	-	-
4	Craw-Kan	2,375,861	-	-	2,375,861
5	Cunningham	883,099	-	-	883,099
6	Elkhart	15,392	-	-	15,392
7	FairPoint-M	[b] -	-	-	-
8	Golden Belt	609,983	-	-	609,983
9	Gorham	559,380	-	-	559,380
10	H & B	699,705	-	-	699,705
11	Haviland	[c] -	-	-	-
12	Home	580,718	-	-	580,718
13	JBN	[d] 691,082	(13,214)	-	677,868
14	KanOkla	714,138	-	-	714,138
15	LaHarpe	[e] 17,769	(22,941)	-	5,923
16	Madison	234,499	-	-	234,499
17	Mokan	[f] -	-	-	-
18	Moundridge	[g] -	-	-	-
19	Mutual	226,435	-	-	226,435
20	Peoples	[h] 521,336	(2,983)	-	518,353
21	Pioneer	3,708,259	-	-	3,708,259
22	Rainbow	[i] 135,542	685,093	-	820,635
23	Rural	2,741,950	-	-	2,741,950
24	S & A	356,666	-	-	356,666
25	S & T	1,237,933	-	-	1,237,933
26	South Central	250,311	-	-	250,311
27	Southern Kansas	1,231,598	-	-	1,231,598
28	Sunflower	[j] -	-	-	-
29	Total	245,170	-	-	245,170
31	Tri-County	1,369,146	-	-	1,369,146
30	Tri-County - Council Grove	998,173	-	-	998,173
32	Twin Valley	3,677,608	-	-	3,677,608
33	United Telephone Assoc.	311,653	-	-	311,653
34	Wamego	1,840,013	-	-	1,840,013
35	Wheat State	639,225	-	-	639,225
36	Wilson	751,002	-	-	751,002
37	Zenda	[k] 310,861	(5,780)	-	305,081
	<b>Total</b>	<b>\$ 28,606,357</b>	<b># \$ 640,174</b>	<b>\$ 29,257,627</b>	
	Statutory Cap	\$ 30,000,000			
	Est. KUSF Year 22 Support	29,257,627			
	Remaining Headroom	<u>\$ 742,373</u>			

Notes:

- [a] Bluestem does not receive KUSF support (May 2, 2003 Order, Docket No. 01-BSTT-878-AUD).
- [b] FairPoint does not receive KUSF support (Docket Nos. 05-GIMT-094-GIT / 06-FMCT-858-COC).
- [c] Haviland does not receive KUSF support (Sept. 9, 2010 Order Docket No. 10-HVDT-288-KSF).
- [d] JBN will fully recover its rate case expense, effective July 1, 2018, thereby reducing its annual KUSF support \$19,821 (June 13 Order and June 27, 2013 Amended Order, Docket No. 13-JBNT-437-KSF).
- [e] LaHarpe will fully recover its rate case expense, effective July 1, 2018, thereby reducing its annual KUSF support \$34,412. As the expense exceeds the Company's annual support, the KUSF support will be reduced to zero (June 26, 2013 Order, Docket No. 12-LHPT-875-AUD). The \$5,923 is the total amount the Company will receive for the months of March - June 2017.
- [f] Mokan does not receive KUSF support (Jan. 12, 2004 Order, Docket No. 04-MKNT-364-AUD).
- [g] Moundridge does not receive support (April 27, 2015 Order, Docket No. 15-MRGT-097-AUD).
- [h] Peoples will fully recover its rate case expense, effective Dec. 1, 2018; thereby reducing its annual KUSF support \$11,932 (Nov. 5, 2013 Order, Docket No. 13-PLTT-678-KSF).
- [i] Rainbow's annual KUSF support will increase effective Feb. 1, 2018 (Jan. 2018 Order, Docket No. 17-RNBT-555-KSF).
- [j] Sunflower does not receive KUSF support (May 2, 2003 Order, Docket No. 01-SFLT-879-AUD).
- [k] Zenda will fully recover its rate case expense, effective Aug. 1, 2018, thereby reducing its annual KUSF support \$9,909 (July 3, 2013 Order, Docket No. 13-ZENT-065-AUD).

Line	Company	Total Audit Expense Recovery (A)	Annual Audit Expense Recovery (B)	Recovery End Date (C)	Year 22 Impact (D = B/#Mo)	Docket No. (E)	Order Date (F)
1	Bluestem						
2	Blue Valley						
3	Columbus						
4	Craw-Kan						
5	Cunningham						
6	Elkhart						
7	FairPoint-MO						
8	Golden Belt						
9	Gorham						
10	H & B						
11	Haviland						
12	Ilome						
13	JBN	[a] \$ 99,105	\$ 19,821	July 1, 2018	\$ (13,214)	13-JBNT-437-KSF	June 13, 26, 2013
14	Kanokla						
15	LaHarpe	[b] \$ 172,060	\$ 34,412	July 1, 2018	(22,941)	12-LHPT-875-AUD	June 26, 2013
16	Madison						
17	Mokan						
18	Moundridge	\$ 152,965	\$ 30,593	May 1, 2020	-	15-MRGT-097-AUD	April 27, 2015
19	Mutual						
20	Peoples	[c] \$ 59,660	\$ 11,932	Dec. 1, 2018	(2,983)	13-PPLT-678-KSF	Nov. 5, 2013
21	Pioneer						
22	Rainbow [Est.]	\$ 85,393	\$ 17,079	March 1, 2023	-	17-RNBT-555-KSF	Jan. 2018
23	Rural						
24	S & A						
25	S & T	\$ 89,361	\$ 17,872	Dec. 1, 2019	-	14-S&TT-525-KSF	Nov. 20, 2014
26	South Central						
27	Southern Kansas						
28	Sunflower						
29	Total						
31	Tri-County						
30	Tri-County - Council Grove						
32	Twin Valley	\$ 212,480	\$ 42,496	May 1, 2020		15-TWVT-213-AUD	Oct. 27, Dec. 10, 2015
33	United Telephone Assoc.						
34	Wamego	\$ 169,014	\$ 33,803	March 1, 2019		14-WTCT-142-KSF	Feb. 25, 2014
35	Wheat State						
36	Wilson						
37	Zenda	[d] \$ 49,545	\$ 9,909	August 1, 2018	\$ (5,780)	13-ZENT-065-AUD	July 3, 2013

Notes:

[a] JBN will fully recover its rate case expense, effective July 1, 2018, thereby reducing its annual KUSF support \$19,821 (June 13 Order and June 27, 2013 Amended Order, Docket No. 13-JBNT-437-KSF).

[b] LaHarpe will fully recover its rate case expense, effective July 1, 2018, thereby reducing its annual KUSF support \$34,412. As the expense exceeds the Company's annual support, the KUSF support will be reduced to zero (June 26, 2013 Order, Docket No. 12-LHPT-875-AUD).

[c] Peoples will fully recover its rate case expense, effective Dec. 1, 2018; thereby reducing its annual KUSF support \$11,932 (Nov. 5, 2013 Order, Docket No. 13-PLTT-678-11111).

[d] Assumes the Commission will adopt the Nov. 2017 Joint Motion via an order issued in January 2018. Docket No. 17-RNBT-555-KSF.

[e] Zenda will fully recover its rate case expense, effective Aug. 1, 2018, thereby reducing its annual KUSF support \$9,909 (July 3, 2013 Order, Docket No. 13-ZENT-065-AUD).

Calculation of RLECs' KUSF  
Year 22 Support Cap  
(K.S.A. 66-2008)

Line	Company	Monthly KUSF Support (3/1/18)	Mar-18	Apr-18	May-18	Jun-18	July 2018 Adjusted Support (Audit Expense Recovery)	Aug. 2018 Adjusted Support (Audit Expense Recovery)	Sept-18	Oct-18	Nov-18	Dec. 2018 Adjusted Support (Audit Expense Recovery)	2019 (Cumulative Total)		
		(a)	(b = a)	(c = a + b)	(d = a + c)	(e = a + d)	(f)	(g = a + c or a + f)	(h)	(i = a + g, f + g, or h + g)	(j = a + i or h + i)	(k = a + j, f + j, or h + j)	(l = a + k, f + k, or h + k)	(m)	(n = a + l, f + l, h + l, or h + m)
1	Bluestem	[a]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
2	Blue Valley		55,988	55,988	111,975	167,963	223,950	279,938	335,925	391,913	447,900	503,888	559,875	615,863	671,850
3	Columbus		-	-	-	-	-	-	-	-	-	-	-	-	-
4	Craw-Kan		197,988	197,988	395,977	593,965	791,954	989,942	1,187,931	1,385,919	1,583,907	1,781,896	1,979,884	2,177,873	2,375,861
5	Cunningham		73,592	73,592	147,183	220,775	294,366	367,958	441,550	515,141	588,733	662,324	735,916	809,507	883,099
6	Elkhart		1,283	1,283	2,565	3,848	5,131	6,413	7,696	8,979	10,261	11,544	12,827	14,109	15,392
7	FairPoint-MO	[b]	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Golden Belt		50,832	50,832	101,664	152,496	203,328	254,160	304,992	355,823	406,655	457,487	508,319	559,151	609,983
9	Gorham		46,615	46,615	93,230	139,845	186,460	233,075	279,690	326,305	372,920	419,535	466,150	512,765	559,380
10	H & B		58,309	58,309	116,618	174,926	233,235	291,544	349,853	408,161	466,470	524,779	583,088	641,396	699,705
11	Haviland	[c]	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Home		48,393	48,393	96,786	145,180	193,573	241,966	290,359	338,752	387,145	435,539	483,932	532,325	580,718
13	JBN		57,590	57,590	115,180	172,771	230,361	287,952	345,543	394,134	442,725	491,316	539,907	588,498	637,089
14	KanOkla		59,512	59,512	119,023	178,535	238,046	297,558	357,069	416,581	476,092	535,604	595,115	654,627	714,138
15	Lalharpe		1,481	1,481	2,962	4,442	5,923	7,403	8,884	10,364	11,845	13,325	14,806	16,286	17,767
16	Madison		19,542	19,542	39,083	58,625	78,166	97,708	117,250	136,791	156,333	175,874	195,416	214,957	234,499
17	Mokan	[d]	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Moundridge	[e]	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Mutual		18,870	18,870	37,739	56,609	75,478	94,348	113,218	132,087	150,957	169,826	188,696	207,565	226,435
20	Peoples		43,445	43,445	86,889	130,334	173,779	217,223	260,668	304,113	347,557	391,002	434,445	477,889	521,334
21	Pioneer		309,022	309,022	618,043	927,065	1,236,086	1,545,108	1,854,130	2,163,151	2,472,173	2,781,194	3,090,216	3,399,237	3,708,259
22	Rainbow	[f]	68,386	68,386	136,773	205,159	273,545	341,931	410,318	478,704	547,090	615,476	683,863	752,249	820,635
23	Rural		228,496	228,496	456,992	685,488	913,983	1,142,479	1,370,975	1,599,471	1,827,967	2,056,463	2,284,958	2,513,454	2,741,950
24	S & A		29,722	29,722	59,444	89,167	118,889	148,611	178,333	208,055	237,777	267,500	297,222	326,944	356,666
25	S & T		103,161	103,161	206,322	309,483	412,644	515,805	618,967	722,128	825,289	928,450	1,031,611	1,134,772	1,237,933
26	South Central		20,859	20,859	41,719	62,578	83,437	104,296	125,156	146,015	166,874	187,733	208,593	229,452	250,311
27	Southern Kansas		102,633	102,633	205,266	307,900	410,533	513,166	615,799	718,432	821,065	923,699	1,026,332	1,128,965	1,231,598
28	Sunflower	[g]	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Total		20,431	20,431	-0,862	61,293	81,723	102,154	122,585	143,016	163,447	183,878	204,308	224,739	245,170
30	Tri-County		114,096	114,096	228,191	342,287	456,382	570,478	684,573	798,669	912,764	1,026,860	1,140,955	1,255,051	1,369,146
31	Tri-County - Council Grove		83,181	83,181	166,362	249,543	332,724	415,905	499,087	582,268	665,449	748,630	831,811	914,992	998,173
32	Twin Valley		306,467	306,467	612,935	919,402	1,225,869	1,532,337	1,838,804	2,145,271	2,451,739	2,758,206	3,064,673	3,371,141	3,677,608
33	United Telephone Assoc		25,971	25,971	51,942	77,913	103,884	129,855	155,827	181,798	207,769	233,740	259,711	285,682	311,653
34	Wamego	[h]	153,334	153,334	306,669	460,003	613,337	766,672	920,007	1,073,341	1,226,675	1,380,010	1,533,344	1,686,679	1,840,013
35	Wheat State		53,269	53,269	106,538	159,806	213,075	266,344	319,613	372,881	426,150	479,419	532,688	585,956	639,225
36	Wilson		62,584	62,584	125,167	187,751	250,334	312,918	375,501	438,085	500,668	563,252	625,835	688,419	751,002
37	Zenda		25,905	25,905	51,810	77,715	103,620	129,525	155,439	181,353	207,267	233,181	259,095	285,009	310,923
<b>Total</b>			<b>\$ 2,440,954</b>	<b>\$ 2,440,954</b>	<b>\$ 4,881,908</b>	<b>\$ 7,322,863</b>	<b>\$ 9,763,817</b>	<b>\$ 12,204,638</b>	<b>\$ 14,645,593</b>	<b>\$ 17,086,548</b>	<b>\$ 19,527,503</b>	<b>\$ 21,968,458</b>	<b>\$ 24,409,413</b>	<b>\$ 26,850,368</b>	<b>\$ 29,291,323</b>

Statutory Cap \$ 30,000,000  
 March 1, 2018 Support 29,257,627  
 Remaining Headroom \$ 742,373

Calculation of RLECs'  
KUSF Year 21 Support Cap  
(K.S.A. 66-2008)

Company	Monthly KUSF Support (3/1/17)		July 2017 Adjusted Subhort (Access Adjustment)				July 2017 Adjusted Subhort (Access Adjustment)					Feb 2018 Adjusted Support (KUSF Audit)			2/1/2018 (Cumulative Total)
	(a)	(b = a)	(c = a + b)	(d = a + c)	(e = a + d)	(f)	(g = e + f)	(h = f + g)	(i = f + h)	(j = f + i)	(k = f + j)	(l = f + k)	(m = f + l)	(n)	(o = f + m or m + n)
Bluestem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Blue Valley	56,250	56,250	112,500	168,750	225,000	55,988	280,988	336,975	392,963	448,950	504,938	560,925	616,913	672,900	
Columbus	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Craw-Kan	198,279	198,279	396,557	594,836	793,115	197,988	991,103	1,189,091	1,387,080	1,585,068	1,783,057	1,981,045	2,179,033	2,377,022	
Cunningham	73,606	73,606	147,213	220,819	294,425	73,592	368,017	441,608	515,200	588,792	662,383	735,975	809,566	883,158	
Elkhart	1,316	1,316	2,633	3,949	5,265	1,283	6,548	7,831	9,113	10,396	11,679	12,962	14,244	15,527	
FairPoint-MO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Golden Belt	51,007	51,007	102,014	153,021	204,028	50,832	254,860	305,692	356,524	407,356	458,187	509,019	559,851	610,683	
Gorham	46,635	46,635	93,270	139,904	186,539	46,615	233,154	279,769	326,384	372,999	419,614	466,229	512,844	559,459	
H & B	58,336	58,336	116,671	175,007	233,343	58,309	291,651	349,960	408,269	466,578	524,887	583,195	641,504	699,813	
Haviland	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Home	48,430	48,430	96,860	145,290	193,720	48,393	242,114	290,507	338,900	387,293	435,686	484,079	532,472	580,866	
JBN	57,644	57,644	115,288	172,931	230,575	57,590	288,165	345,755	403,346	460,936	518,526	576,116	633,706	691,296	
KanOka	59,591	59,591	119,182	178,774	238,365	59,512	297,876	357,388	416,900	476,412	535,923	595,435	654,947	714,458	
Lalorpe	[a] 1,481	1,481	2,962	4,442	5,923	1,481	7,404	8,885	10,365	11,846	13,327	14,808	16,288	17,769	
Madison	19,548	19,548	39,096	58,644	78,191	19,542	97,733	117,275	136,816	156,358	175,899	195,441	214,982	234,524	
Mokan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Moundridge	0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mutual	18,880	18,880	37,759	56,639	75,519	18,870	94,388	113,258	132,127	150,997	169,867	188,736	207,606	226,475	
Peoples	43,453	43,453	86,906	130,359	173,812	43,445	217,257	260,702	304,146	347,591	391,036	434,480	477,925	521,369	
Pioneer	309,022	309,022	618,043	927,065	1,236,086	309,022	1,545,108	1,854,130	2,163,151	2,472,173	2,781,194	3,090,216	3,399,237	3,708,259	
Rainbow	11,407	11,407	22,813	34,220	45,626	11,295	56,922	68,217	79,512	90,807	102,102	113,397	124,693	135,988	
Rural	261,298	261,298	522,596	783,894	1,045,191	228,496	1,273,687	1,502,183	1,730,679	1,959,175	2,187,670	2,416,166	2,644,662	2,873,158	
S & A	29,741	29,741	59,482	89,222	118,963	29,722	148,685	178,407	208,129	237,852	267,574	297,296	327,018	356,740	
S & T	103,184	103,184	206,369	309,553	412,737	103,161	515,898	619,059	722,221	825,382	928,543	1,031,704	1,134,865	1,238,026	
South Central	20,920	20,920	41,840	62,760	83,680	20,859	104,539	125,398	146,257	167,117	187,976	208,835	229,694	250,554	
Southern Kansas	102,675	102,675	205,350	308,024	410,699	102,633	513,332	615,965	718,598	821,232	923,865	1,026,498	1,129,131	1,231,764	
Sunflower	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	20,006	20,006	40,012	60,019	80,025	20,431	100,456	120,886	141,317	161,748	182,179	202,610	223,041	243,471	
Tri-County	114,216	114,216	228,431	342,647	456,862	114,096	570,958	685,053	799,149	913,244	1,027,340	1,141,435	1,255,531	1,369,626	
Tri-County - Council Grove	83,246	83,246	166,492	249,739	332,985	83,181	416,166	499,347	582,528	665,709	748,890	832,071	915,252	998,433	
Twin Valley	306,763	306,763	613,526	920,289	1,227,052	306,467	1,533,519	1,839,986	2,146,454	2,452,921	2,759,388	3,065,856	3,372,323	3,678,790	
United Telephone Assoc.	26,008	26,008	52,016	78,024	104,032	25,971	130,003	155,974	181,945	207,916	233,887	259,858	285,829	311,800	
Wamego	153,388	153,388	306,776	460,164	613,552	153,334	766,887	920,221	1,073,556	1,226,890	1,380,224	1,533,559	1,686,893	1,840,227	
Wheat State	53,364	53,364	106,728	160,093	213,457	53,269	266,725	319,994	373,263	426,532	479,800	533,069	586,338	639,606	
Wilson	62,595	62,595	125,189	187,784	250,379	62,584	312,962	375,546	438,129	500,713	563,296	625,880	688,463	751,047	
Zenda	25,908	25,908	51,815	77,723	103,630	25,905	129,535	155,440	181,345	207,251	233,156	259,061	284,966	310,871	
<b>Total</b>	<b>\$ 2,418,194</b>	<b>\$ 2,418,194</b>	<b>\$ 4,836,388</b>	<b>\$ 7,254,582</b>	<b>\$ 9,672,776</b>	<b>\$ 2,383,863</b>	<b>\$ 12,056,639</b>	<b>\$ 14,440,502</b>	<b>\$ 16,824,365</b>	<b>\$ 19,208,229</b>	<b>\$ 21,592,092</b>	<b>\$ 23,975,955</b>	<b>\$ 26,359,818</b>	<b>\$ 28,800,772</b>	

Statutory Cap \$ 30,000,000  
July 1, 2017 Support 28,800,772  
Remaining Headroom \$ 1,199,228

Notes:  
[a] Docket No. 17-RNBT-555-KSF, A Commission Order addressing the the Joint Motion is not listed on the Commission's December 21, 2017 meeting calendar and no further meetings will be held until January 2018. The Commission must, however, issue an Order no later than February 2018. Therefore, to ensure the KUSF has sufficient monies to meet the increase in Rainbow's KUSF support, Staff assumed an order will be issued in January, with Rainbow receiving an additional \$57,091 of monthly KUSF support, effective February 1, 2018.



Company	Docket No.	Fiscal Year		Calendar Year		
		YR 21	YR 22	2017	2018	Total
Rainbow (2nd Audit)	17-RNBT-025-KSF	\$ 685,093			\$ 685,093	\$ 685,093
Twin Valley Telephone (3rd Audit)	15-TWVT-213-AUD					14,688
Moundridge Telephone, Inc (3rd Audit)	15-MRGT-097-AUD					(244,028)
S&T Telephone (3rd Audit)	14-S&TT-525-KSF					835,923
Wamego (2nd Audit)	14-WTCT-142-KSF					1,869,326
People's (2nd Audit)	13-PLTT-678-KSF					374,945
Craw-Kan (2nd Audit)	13-CRKT-268-KSF					1,714,075
Zenda	13-ZENT-065-AUD					220,000
JBN (2nd Audit)	13-JBNT-437-KSF					559,332
LaHarpe	12-LHPT-875-AUD					(126,725)
Gorham	12-GRHT-633-KSF					390,000
S&T Telephone (2nd Audit)	12-S&TT-234-KSF					(364,404)
Cunningham (2nd Audit)	11-CNHT-659-KSF					481,406
Rainbow (2nd Audit)	11-RNBT-608-KSF					-
Pioneer (2nd Audit)	11-PNRT-315-KSF					1,751,449
United Tel Assn (2nd Audit)	10-UTAT-525-KSF					331,355
Golden Belt (2nd Audit)	10-GNVT-526-KSF					948,000
Haviland (2nd Audit)	10-HVDT-288-KSF					(1,038,595)
Blue Valley (2nd Audit)	09-BLVT-913-KSF					438,000
Twin Valley (2nd Audit)	09-TWVT-069-KSF					1,200,000
Mutual	09-MTL-091-KSF					173,000
Columbus	08-CBST-400-KSF					75,000
Moundridge (2nd Audit)	08-MRGT-221-KSF					600,000
People's	07-PPLT-1289-AUD					(40,000)
Madison	07-MDTT-195-AUD					(84,930)
Rainbow	06-RNBT-1322-AUD					30,000
Wamego	06-WTCT-1020-AUD					150,000
H&B	06-H&BT-1007-AUD					188,215
Elkhart	06-ELKT-365-AUD					(385,326)
Cass County	05-GIMT-094-GIT					(56,908)
South Central	05-SCNT-1048-AUD					(454,255)
Total	05-TTHT-895-AUD					(166,435)
Tri-County	05-TRCT-607-KSF					1,229,725
Cunningham	05-CNHT-020-AUD					(179,097)
Kanokla	05-KOKT-060-AUD					(9,686)
United Telephone Assn.	04-UTAT-690-AUD					(731,611)
Council Grove	04-CGTT-679-RTS					1,059,846
Golden Belt	04-GBNT-130-AUD					(1,600,187)
Twin Valley	03-TWVT-1031-AUD					405,134
Mo-Kan	04-MKNT-364-AUD					(1,189,640)
Haviland	03-HVDT-664-RTS					201,679
Wheat State	03-WHST-503-AUD					(172,614)
Moundridge	03-MRGT-1117-AUD					(1,126,112)
S&A	03-S&AT-160-AUD					(235,000)
JBN	02-JBNT-846-AUD					(690,000)
Blue Valley	02-BLVT-377-AUD					(564,945)
S&T	02-S&TT-390-AUD					(817,124)
Home	02-HOMT-209-AUD					(33,410)
Wilson	02-WLST-210-AUD					(137,351)
Sunflower	01-SFLT-879-AUD					(1,629,482)
Bluestem	01-BSTT-878-AUD					(342,087)
Pioneer	01-PNRT-929-AUD					1,065,000
Craw-Kan	01-CRKT-713-AUD					(500,000)
Southern Kansas	01-SNKT-544-AUD					(2,761,763)
Rural Telephone	01-RRLT-083-AUD					(723,614)
<b>TOTALS</b>		<b>\$ 685,093</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 685,093</b>	<b>\$ 585,862</b>

**United Telephone Companies of Kansas d/b/a CenturyLink KS00001411  
 KUSF Support Calculation Worksheet  
 Effective As Of 3/1/2018 Data Month  
 Fiscal Year 2018/2019**

<u>Description</u>		<u>Annual</u>	<u>Monthly</u>	
<b>Issue No. 37</b>				
<u>United of Eastern/South Central SAC 411317</u>				
Estimated Gross KUSF	\$ 8,600,779			(1)
Less: Estimated CAF II Offset	(2,265,536)			(2)
Net KUSF: United of Eastern/South Central SAC		\$ 6,335,243	\$ 527,937	
<u>United of Kansas SAC 411842</u>				
Estimated Gross KUSF	\$ 2,532,159			(1)
Less: Estimated CAF II Offset	(885,911)			(2)
Net KUSF: United of Kansas SAC		1,646,248	137,187	
<u>Embargo MO SAC 411957</u>				
Estimated Gross KUSF	\$ 152,821			(1)
Less: Estimated CAF II Offset	(23,656)			(2)
Net KUSF: United of MO SAC		129,165	10,764	
Net Cost-Based KUSF Support Payable to Company		<u>\$ 8,110,656</u>	<u>\$ 675,888</u>	(3)
Plus: Access revenue Recovery-Docket No. 08-1023		954,248	79,521	(4)
Total Adjusted KUSF Support Payable to Company		<u>\$ 9,064,904</u>	<u>\$ 755,409</u>	(5)
Assessment Rate	7.50%			(6)
Lifeline	\$ 7.77			

Per HB 2201, KUSF Support Capped at: KUSF Support, as of 2/28/2013	Support
	\$ 13,279,541
	90%
	\$ 11,951,587
Or, Lesser of, or Cap	\$ 11,400,000

**Notes:**

- 1) Gross KUSF support for each study area is based on 9/30/2017 lines and Docket No. 99-GIMT-326-GIT high-cost model, Order Nos. 10 and 16
- 2) High Cost Model reflects the total company unseparated cost-based support. CAF II support received for the same household is an offset to the gross KUSF support. (K.S.A. 66-2008(c) and Docket No. 16-GIMT-511-GIT). Subject to CAF II support true-up for enabled eligible household locations as of December 2017
- 3) Net cost-based KUSF support payable to Company for all study areas.
- 4) Revenue-Neutral KUSF Support for Intrastate access reductions, Docket No. 08-GIMT-1023-GIT
- 5) Total adjusted KUSF Support Payable to Company
- 6) Docket No. 18-GIMT-084-GIT, Jan. 2018 Order

Company: CenturyLink of Kansas

		As of September 30, 2017					KUSF / CAF2 Overlap									
		ZONE 1			ZONE 2		Zone 1			Zone 2						
Wire Center	Study Area	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Adjusted CAF2 Funded Locations	Assigned CAF2 Funding	Total KUSF Needed in WC after CAF2 Overlap	Adjusted CAF2 Funded Locations	Assigned CAF2 Funding	Total KUSF Needed in WC after CAF2 Overlap	KUSF Support Reduction (Annual)	KUSF Support Reduction (Annual)	Total KUSF Support Reduction (Annual)
Alta Vista	Eastern		\$ 18.19			\$ 100.01										
Altoona	Eastern		\$ 21.80			\$ 91.96										
Belle Plaine	Eastern		\$ -			\$ 31.13										
Benedict	Eastern		\$ -			\$ 117.03										
Blue Mound	Eastern		\$ 40.47			\$ 114.80										
Bucyrus	Eastern		\$ -			\$ 39.07										
Buffalo	Eastern		\$ -			\$ 70.97										
Centropolis	Eastern		\$ -			\$ 69.73										
Circleville	Eastern		\$ 34.46			\$ 90.67										
Conway	Eastern		\$ -			\$ 98.49										
Cayville	Eastern		\$ -			\$ 88.71										
Delia	Eastern		\$ -			\$ 84.53										
Davison	Eastern		\$ 29.99			\$ 84.00										
Dunham	Eastern		\$ -			\$ 103.19										
Easton	Eastern		\$ 7.74			\$ 43.71										
Edgerton	Eastern		\$ -			\$ 21.98										
Effingham	Eastern		\$ 4.01			\$ 59.56										
Emmott	Eastern		\$ 39.17			\$ 93.49										
Fall River	Eastern		\$ -			\$ 68.10										
Fontana	Eastern		\$ -			\$ 47.58										
Gardner	Eastern		\$ -			\$ 3.08										
Greeley	Eastern		\$ 8.04			\$ 66.26										
Gridley	Eastern		\$ 14.80			\$ 109.86										
Harveysville	Eastern		\$ 24.75			\$ 82.47										
Hesston	Eastern		\$ -			\$ 17.30										
Hoyt	Eastern		\$ 5.81			\$ 45.96										
Inman	Eastern		\$ -			\$ 42.76										
LaFontaine	Eastern		\$ -			\$ 125.45										
Lancaster	Eastern		\$ 4.09			\$ 51.05										
Lane	Eastern		\$ -			\$ 32.96										
Lebo	Eastern		\$ 2.99			\$ 77.37										
Lehigh	Eastern		\$ 41.68			\$ 117.10										
Le Roy	Eastern		\$ 17.48			\$ 111.73										
Linwood	Eastern		\$ 8.12			\$ 29.30										
Mapleton	Eastern		\$ -			\$ 93.54										
Mayetta	Eastern		\$ 16.87			\$ 51.20										
Mc Louth	Eastern		\$ 3.77			\$ 50.21										
Meriden	Eastern		\$ 1.17			\$ 28.18										
Michigan Valley	Eastern		\$ -			\$ 86.39										
Mound City	Eastern		\$ 1.71			\$ 53.47										
Neosho Falls	Eastern		\$ -			\$ 93.55										
Nortonville	Eastern		\$ 5.83			\$ 57.07										
Osage City	Eastern		\$ -			\$ 37.89										
Overbrook	Eastern		\$ 1.30			\$ 54.24										
Oxford	Eastern		\$ -			\$ 49.26										
Ozawkie	Eastern		\$ 7.56			\$ 38.45										
Parker	Eastern		\$ 12.16			\$ 67.36										
Perry	Eastern		\$ 0.15			\$ 36.68										
Piqua	Eastern		\$ -			\$ 117.23										
Princeton	Eastern		\$ 8.28			\$ 67.05										
Quincy	Eastern		\$ -			\$ 243.23										
Richmond	Eastern		\$ 9.84			\$ 69.69										
Rossville	Eastern		\$ -			\$ 45.52										
Silver Lake	Eastern		\$ -			\$ 27.20										
Spring Hill	Eastern		\$ 0.41			\$ 21.46										
St. Marys	Eastern		\$ -			\$ 15.95										
Thayer	Eastern		\$ 11.90			\$ 75.96										
Toronto	Eastern		\$ 14.09			\$ 80.33										
Walton	Eastern		\$ 12.47			\$ 70.57										
Wellsville	Eastern		\$ -			\$ 41.21										

Company: CenturyLink of Kansas

		As of September 30, 2017						KUSF / CAF2 Overlap								
		ZONE 1			ZONE 2			Zone 1		Zone 2		Zone 1	Zone 2			
Wire Center	Study Area	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Adjusted CAF2 Funded Locations	Assigned CAF2 Funding	Total KUSF Needed in WC after CAF2 Overlap	Adjusted CAF2 Funded Locations	Assigned CAF2 Funding	Total KUSF Needed in WC after CAF2 Overlap	KUSF Support Reduction (Annual)	KUSF Support Reduction (Annual)	Total KUSF Support Reduction (Annual)
Winchester	Eastern		\$ 1.11			\$ 60.84										
Windsor	Eastern		\$ -			\$ 60.58										
Abbyville	S. Central		\$ -			\$ 59.22										
Alden	S. Central		\$ 27.44			\$ 45.06										
Arlington	S. Central		\$ 10.55			\$ 71.51										
Belpre	S. Central		\$ -			\$ 72.04										
Clifton	S. Central		\$ 6.34			\$ 75.04										
Cunningham	S. Central		\$ 15.68			\$ 109.55										
Horsington	S. Central		\$ -			\$ 49.76										
Hudson	S. Central		\$ -			\$ 57.73										
Langdon	S. Central		\$ -			\$ 67.61										
Maelsville	S. Central		\$ -			\$ 43.76										
Murdock	S. Central		\$ -			\$ 92.68										
Partridge	S. Central		\$ 13.29			\$ 64.25										
Preston	S. Central		\$ -			\$ 87.12										
Pretty Prairie	S. Central		\$ 9.13			\$ 70.83										
Saint John	S. Central		\$ 0.42			\$ 73.11										
Sterling	S. Central		\$ -			\$ 33.26										
Sylvia	S. Central		\$ -			\$ 48.80										
Subtotal				\$ 504,931		\$ 8,095,848										
Hiverton	South East		\$ 5.38			\$ 36.70										
Scammon	South East		\$ 2.06			\$ 28.18										
Subtotal				\$ 10,995		\$ 141,826										
Alma	United		\$ -			\$ 63.41										
Altamont	United		\$ 0.82			\$ 57.60										
Baldwin	United		\$ -			\$ 20.81										
Bubler	United		\$ -			\$ 26.31										
Burlingame	United		\$ -			\$ 27.66										
Burlington	United		\$ -			\$ 32.11										
Burton	United		\$ 9.41			\$ 82.62										
Ellinwood	United		\$ -			\$ 37.54										
Eskridge	United		\$ -			\$ 95.25										
Frederica	United		\$ -			\$ 4.78										
Garnett	United		\$ -			\$ 21.33										
Haven	United		\$ -			\$ 9.16										
Higland	United		\$ -			\$ 21.49										
Hillsboro	United		\$ -			\$ 13.26										
Kincaid	United		\$ -			\$ 54.52										
Lynden	United		\$ -			\$ 28.81										
Melvem	United		\$ -			\$ 60.74										
Moran	United		\$ 7.46			\$ 72.61										
Morrill	United		\$ -			\$ 36.76										
Mound Valley	United		\$ 15.01			\$ 78.78										
Oskaloosa	United		\$ -			\$ 26.07										
Oswego	United		\$ -			\$ 24.81										
Pomona	United		\$ -			\$ 28.28										
Powhattan	United		\$ -			\$ 51.81										
Quenemo	United		\$ -			\$ 111.32										
Troy	United		\$ -			\$ 45.65										
Valley Falls	United		\$ -			\$ 26.42										
Wathena	United		\$ 2.68			\$ 45.16										
Waverly	United		\$ 1.12			\$ 84.23										
Westphalia	United		\$ -			\$ 75.84										
White Cloud	United		\$ 14.45			\$ 69.22										
SubTotal				\$ 50,210		\$ 2,481,949										
Subtotal - All Study Areas				\$ 566,136		\$ 10,719,623								27,558	3,147,545	3,175,103
Total Company						\$ 11,285,759								\$ 27,558	\$ 3,147,545	\$ 3,175,103

KUSF Year 19 (Eff. 3/1/2015)				
Year 18 Access True-Up				
12-Month Volumes 9/30/2014				\$ 1,434,317
Monthly Support				119,526
KUSF Per 9/30/2015 Volumes				\$ 1,314,835
Monthly Support				\$ 109,570
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-14	\$ 112,533	\$ 109,570	\$ (2,963)	
Nov-14	112,533	109,570	(2,963)	
Dec-14	112,533	109,570	(2,963)	
Jan-15	112,533	109,570	(2,963)	
Feb-15	112,533	109,570	(2,963)	
Mar-15	118,780	109,570	(9,211)	
Apr-15	118,780	109,570	(9,211)	
May-15	118,780	109,570	(9,211)	
Jun-15	118,780	109,570	(9,211)	
Jul-15	118,780	109,570	(9,211)	
Aug-15	118,780	109,570	(9,211)	
Sep-15	118,780	109,570	(9,211)	
<b>Annual Total</b>	<b>\$ 1,394,126</b>	<b>\$ 1,314,835</b>	<b>\$ (79,290)</b>	
Mar 15 Estimate		\$ 1,434,317		
True-Up		(8,952)		
Adjusted (Paid)		<u>\$ 1,425,365</u>		
Monthly		<u>\$ 118,780</u>		

KUSF Year 20 (Eff. 3/1/2016)				
Year 19 - 20 Access True-Up				
12-Month Volumes 9/30/2015				\$ 1,314,835
Monthly Support				109,570
KUSF Per 9/30/2016 Volumes				\$ 1,108,691
Monthly Support				\$ 92,391
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-15	\$ 118,780	\$ 92,391	\$ (26,390)	
Nov-15	118,780	92,391	(26,390)	
Dec-15	118,780	92,391	(26,390)	
Jan-16	118,780	92,391	(26,390)	
Feb-16	118,780	92,391	(26,390)	
Mar-16	102,962	92,391	(10,571)	
Apr-16	102,962	92,391	(10,571)	
May-16	102,962	92,391	(10,571)	
Jun-16	102,962	92,391	(10,571)	
Jul-16	102,962	92,391	(10,571)	
Aug-16	102,962	92,391	(10,571)	
Sep-16	102,962	92,391	(10,571)	
<b>Annual Total</b>	<b>\$ 1,314,637</b>	<b>\$ 1,108,691</b>	<b>\$ (205,946)</b>	
March 16 Estimate		\$ 1,314,835		
Year 19 True-Up		(79,290)		
Adjusted (True-Up)		<u>\$ 1,235,545</u>		
Monthly		<u>\$ 102,962</u>		

KUSF Year 21 (Eff. 3/1/2017)				
Year 20 - 21 Access True-Up				
12-Month Volumes 9/30/2016				\$ 1,108,691
Monthly Support				92,391
KUSF Per 9/30/2017 Volumes				\$ 997,830
Monthly Support				\$ 83,152
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-16	\$ 102,962	\$ 83,152	\$ (19,810)	
Nov-16	102,962	83,152	(19,810)	
Dec-16	102,962	83,152	(19,810)	
Jan-17	102,962	83,152	(19,810)	
Feb-17	102,962	83,152	(19,810)	
Mar-17	75,229	83,152	7,924	
Apr-17	75,229	83,152	7,924	
May-17	75,229	83,152	7,924	
Jun-17	75,229	83,152	7,924	
Jul-17	75,229	83,152	7,924	
Aug-17	75,229	83,152	7,924	
Sep-17	75,229	83,152	7,924	
<b>Annual Total</b>	<b>\$ 1,041,412</b>	<b>\$ 997,830</b>	<b>\$ (43,582)</b>	
Mar 17 Estimate		\$ 1,108,691		
Year 20 True-Up		(205,946)		
Adjusted Payable		<u>\$ 902,745</u>		
Monthly		<u>\$ 75,229</u>		

KUSF Year 22 (Eff. 3/1/2018)				
Year 21 - 22 Access True-Up				
12-Month Volumes 9/30/2017				\$ 997,830
Monthly Support				83,152
KUSF Per 9/30/2018 Volumes				\$ -
Monthly Support				\$ -
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-17	\$ 75,229	\$ -	\$ -	
Nov-17	75,229	-	-	
Dec-17	75,229	-	-	
Jan-18	75,229	-	-	
Feb-18	75,229	-	-	
Mar-18	79,521	-	-	
Apr-18	79,521	-	-	
May-18	79,521	-	-	
Jun-18	79,521	-	-	
Jul-18	79,521	-	-	
Aug-18	79,521	-	-	
Sep-18	79,521	-	-	
<b>Annual Total</b>	<b>\$ 932,788</b>	<b>\$ -</b>	<b>\$ -</b>	
March 18 Estimate		\$ 997,830		
Year 21 True-Up		(43,582)		
Adjusted Payable		<u>\$ 954,248</u>		
Monthly		<u>\$ 79,521</u>		

<b>Line</b>	<b>Description</b>	<b>KUSF Support (3/1/2013)</b>	<b>100% Reduction</b>	<b>KUSF Support (3/1/2018)</b>
	Annual Percentage Reduction	20%		
	Year of KUSF support phase-out	<u>5</u>		
	Total Reduction	100%		
1	Nex-Tech, Inc.	\$ 66,876	\$ (66,876)	\$ -
2	Sage Telecom, Inc. (1)	-	-	-
3	H&B Cable	150,152	(150,152)	-
4	Nex-Tech Wireless	7,725,163	(7,725,163)	-
5	United Wireless Communications (2)	1,483,831	(1,483,831)	-
6	Epic Touch Co. (2)	89,128	(89,128)	-
7	Westlink Communications (2)	1,278,443	(1,278,443)	-
8	NE Colorado d/b/a Viaero Wireless	229,452	(229,452)	-
9	Big River	116,823	(116,823)	-
10	Total	<u>\$ 11,139,868</u>	<u>\$ (11,139,868)</u>	<u>\$ -</u>

Notes:

- 1 Sage Telecom, Inc. relinquished its wireline ETC designation to receive KUSF support (Oct. 18, 2016 Order, Docket No. 17-SAGT-100-ETC).
- 2 United Wireless Communications purchased Epic Touch (Docket No. 15-UWCC-355-ETC) and Westlink Communications (Docket No. 15-UWCC-029-ETC); thus, the related KUSF support is paid to United Wireless Communications.

**Telecommunications Relay Service:**

	By Activity Month									Total	Monthly Average
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17			
<b>Expense Paid by KUSF</b>											
Telecommunications Relay Service - Admin. [a]	\$ -	\$ -	\$ -	\$ 3,496	\$ -	\$ 4,285	\$ -	\$ -	\$ -	\$ 7,781	\$ 1,297
Hamilton Relay Services	34,321	28,137	33,757	34,486	43,054	33,229	30,073	30,792		267,847	33,481
KUSF Year 20 True-Up (Nov. 16, 2016, Amendment 3)	878									878	
<b>Total (Attachment G, p. 4)</b>	<b>\$ 35,199</b>	<b>\$ 28,137</b>	<b>\$ 33,757</b>	<b>\$ 37,982</b>	<b>\$ 43,054</b>	<b>\$ 37,514</b>	<b>\$ 30,073</b>	<b>\$ 30,792</b>		<b>\$ 276,507</b>	<b>\$ 34,778</b>
<b>ATK Contractual Costs / Estimated Relay</b>											
Administration Costs (FY 3/17-2/18)	\$ 18,072								Monthly Average	\$ 34,778	
Hamilton Relay Service - Annualized Monthly Average	401,771								Annualized	\$ 417,332	
True-Up Allowance	878								True-Up	878	
<b>Total</b>	<b>\$ 420,722</b>								<b>Total</b>	<b>\$ 418,211</b>	

**Telecommunications Access Program:**

	By Activity Month									Total	Monthly Average
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17			
Assistive Technologies of Kansas - Admin. [a]	\$ -	\$ -	\$ -	\$ 15,877	\$ -	\$ 20,982	\$ -	\$ -	\$ -	\$ 36,859	\$ 6,143
TAP Equipment	13,007	7,765	7,030	5,606	7,593	8,156	9,855	6,279.26		65,291	8,161
KUSF Year 20 True-Up	9,456									9,456	
<b>Total (Attachment G, p. 4)</b>	<b>\$ 22,463</b>	<b>\$ 7,765</b>	<b>\$ 7,030</b>	<b>\$ 21,483</b>	<b>\$ 7,593</b>	<b>\$ 29,138</b>	<b>\$ 9,855</b>	<b>\$ 6,279</b>		<b>\$ 111,606</b>	<b>\$ 14,305</b>
<b>Contractual Costs/Estimated TAP Equipment</b>											
Administration (FY 3/17 - 2/18)	\$ 120,421								Monthly Average	\$ 14,305	
PDA's	23,100								Annualized	171,654	
TAP Equipment - Annualized Monthly Average	97,936								True-Up	9,456	
True-Up Allowance	9,456								<b>Total</b>	<b>\$ 181,110</b>	
<b>Total</b>	<b>\$ 227,813</b>										

A copy of the contract may be viewed at:

<https://da.ks.gov/purch/Contracts/Default.aspx/0000000000000000000039049>

Estimated TRS Administration	\$ 18,072
Estimated TAP Administration	120,421
PDA Allowance	23,100
<b>Estimated Total TRS &amp; TAP Administration</b>	<b>\$ 161,593</b>
<b>Not to Exceed Cost per Contract, Amendment 3</b>	<b>\$ 167,671</b>

Notes:

[a] ATK's administrative costs are billed each quarter, therefore, the calculation of the monthly average is based on the expense for the 6 month period of March -August 2017.

Line	Description	
1	6-Month Average Lines per Month -Year 21 (From line 20)	15,130
2	Projected Line Growth (Decline)	<u>2.0%</u>
3	Estimated Line Growth	<u>303</u>
4	Projected Monthly Lifeline Eligible Lines-Year 22 ( line 1 + 3)	15,433
5	Monthly Credit/Discount Per Line	\$ 7.77
6	Monthly Lifeline Credits	\$ 119,913
7	<b>Year 22 KLSP Funding</b>	<b>\$ 1,438,951</b>

				Change in	Percent	Funding Change	2 Year	Percent
				No. Lines	Line Change		Average	Change
8	KLSP credits as of Feb. 2017 (Year 20)	[a] \$ 1,386,168						
9	Average KLSP credits per month	<u>115,514</u>						
10	Equivalent No. of Lines supported (\$7.77/line)	<u>14,867</u>	Year 18 - 20	(5,243)	-44.04%	\$ (488,848)	(1,140)	-14.66%
11	KLSP credits as of Feb. 2016 (Year 19)	[b] \$ 1,109,991						
12	Average KLSP credits per month	<u>92,499</u>						
13	Equivalent No. of Lines supported (\$7.77/line)	<u>11,905</u>	Year 19 - 20	2,962	14.73%	\$ 276,177	(2,621)	-13.04%
14	KLSP credits as of Feb. 2015 (Year 18)	[c] \$ 1,875,016						
15	Average KLSP credits per month	<u>156,251</u>						
16	Equivalent No. of Lines supported (\$7.77/line)	<u>20,110</u>	Year 18 - 19	(8,205)	-40.80%	\$ (765,025)		
17	KLSP Credits - March - Oct. 2017 Total	[d] \$ 980,574						
18	KLSP Credits - 8 Months' Average	<u>\$ 122,572</u>	Projected Yr. 21-					
19	Equivalent No. of Lines supported (\$7.77/line)/Month	<u>15,775</u>	Yr. 20	908	6.11%	\$ 84,693		
	Annualized KLSP Credits	<u>\$ 1,470,861</u>	(Line 18 - line 9)					
20	KLSP Credits - May - Oct. 2017 Total	\$ 705,368						
21	KLSP Credits - 6 Months' Average	<u>117,561</u>	Projected Yr. 21-					
22	Equivalent No. of Lines supported (\$7.77/line)	<u>15,130</u>	Yr. 20	263	1.77%	\$ 24,569		
	Annualized KLSP Credits	<u>\$ 1,410,737</u>	(Line 21 - line 9)					
23	KLSP Credits - Aug. - Oct. 2017 Total	\$ 315,042						
24	KLSP Credits - 3 Months' Average	<u>\$ 105,014</u>	Projected Yr. 21-					
25	Equivalent No. of Lines supported (\$7.77/line)	<u>13,515</u>	Yr. 20	(1,351)	-9.09%	\$ (125,998)		
	Annualized KLSP Credits	<u>\$ 1,260,170</u>	(Line 24 - line 9)					

Notes:

- [a] KUSF operational results for March 2016 - February 2017 Fiscal Year (Docket No. 16-GIMT-067-GIT).
- [a] KUSF Operational Results for the March 2015 - February 2016 Fiscal Year (Docket No. 15-GIMT-073-GIT).
- [b] KUSF Operational Results for the March 2014 - February 2015 Fiscal Year (Docket No. 14-GIMT-105-GIT).
- [d] Operating results for the period of March - October 2017.



Company Name	Activity Month Data Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Total										
		Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17											
Bluestem Telephone Company	\$	54	\$	54	\$	54	\$	47	\$	47	\$	47	\$	47	\$	47	\$	47	\$	396
Blue Valley Telecommunications		311		287		287		256		241		241		225		233		233		2,082
One Point Technologies		179		186		179		171		163		163		148		148		148		1,336
Columbus Communications Services, Inc.		186		210		194		194		171		186		148		148		148		1,430
Tri-County Telephone-Council Grove Study Area		365		365		350		342		342		342		311		311		311		2,727
Craw-Kan Telephone Co-op Inc		1,919		1,950		2,005		1,981		2,005		2,012		1,958		1,911		1,911		15,742
Cunmmgham Telephone Company Inc		218		225		218		210		218		218		225		225		225		1,756
Elkhart Telephone Company		117		109		109		109		101		109		109		109		109		870
Golden Bell Telephone Association Inc		769		777		785		785		785		769		761		824		824		6,255
Gorham Telephone Company		62		62		62		62		62		62		70		62		62		505
H & B Communications Inc		93		93		85		85		78		78		78		78		78		668
Haviland Telephone Company		995		987		971		979		940		901		894		894		894		7,560
JBN Telephone Company Inc		256		256		225		225		225		218		194		202		202		1,803
Kanokla Telephone Association		490		490		490		474		490		474		451		443		443		3,800
LaHarpe Telephone Co		280		303		303		303		311		295		303		295		295		2,393
Madison Telephone LLC		163		163		163		163		155		155		148		148		148		1,259
Mokan Dial Inc		559		567		567		559		-		1,018		458		466		466		4,196
Moundridge Telephone Company		303		280		303		303		303		303		311		287		287		2,393
Mutual Telephone Company		23		23		23		23		23		23		23		25		25		186
Peoples Telecommunications, LLC		412		404		420		427		435		420		412		412		412		3,341
Pioneer Telephone Association Inc		1,197		1,228		1,212		1,228		1,228		1,197		1,181		1,150		1,150		9,619
Rainbow Telecommunications Association Inc		148		155		155		155		155		155		163		163		163		1,251
Rural Telephone Service Co Inc dba Nex-Tech		1,150		1,134		1,127		1,088		1,072		1,018		839		824		824		8,252
S & A Telephone Company Inc		435		435		435		420		412		412		412		396		396		3,357
S & T Telephone Coop Assn		357		357		350		342		381		365		381		350		350		2,883
S & T Communications		637		645		645		645		645		668		637		653		653		5,175
South Central Telephone Assn Inc		78		85		78		78		85		85		70		70		70		629
Southern Kansas Telephone Company Inc		381		365		373		365		365		350		342		357		357		2,898
Sunflower Telephone Company		85		70		54		54		54		47		39		47		47		451
Totah Communications Inc		78		78		78		78		78		78		78		78		78		614
Tri-County Telephone Assn. Inc		202		202		210		210		210		225		225		225		225		1,709
Twin Valley Telephone		443		443		443		435		412		435		427		420		420		3,458
United Telephone Association		132		132		148		140		140		140		148		155		155		1,134
United Telephone of Kansas dba CenturyLmk		3,636		3,629		3,582		3,528		3,357		3,310		3,201		3,054		3,054		27,296
Wamego Telecommunications Co Inc		241		249		241		233		218		202		194		186		186		1,764
Wheat State Telephone Inc		420		412		420		404		381		357		342		342		342		3,077
Wilson Telephone Company Inc		404		396		396		381		365		326		350		350		350		2,968
Zenda Telephone Company		16		16		16		16		16		16		16		16		16		124
Nex-Tech LLC		1,810		1,787		1,803		1,740		1,694		1,709		1,593		1,523		1,523		13,660
Giant Communications Inc		93		93		93		93		93		85		85		78		78		715
Your Tel America		112,152		108,392		107,397		106,604		95,781		85,913		78,213		73,240		73,240		767,692
WTC Communications Inc		47		47		47		47		47		47		47		39		39		365
Cox Kansas Telecom LLC		5,486		5,649		5,719		5,859		5,602		5,633		5,532		5,509		5,509		44,988
Rainbow Communications, LLC		249		249		256		264		264		249		249		249		249		2,028
Cunmmgham Communications Inc		544		552		505		505		513		482		490		474		474		4,064
Nex-Tech Wireless LLC		738		567		575		598		622		629		645		660		660		5,035
IdeaTek Telecom, LLC		225		132		132		218		233		218		218		233		233		1,608
United Wireless Communications Inc		163		155		171		179		179		171		171		186		186		1,375
Twin Valley Communications		23		23		16		16		16		16		16		16		16		140
Viaero Wireless		194		218		225		132		171		186		171		171		171		1,469
Midcontinent Communications		-		-		-		-		-		-		78		-		-		78
<b>Total (a)</b>		<b>\$ 139,518</b>		<b>\$ 135,688</b>		<b>\$ 134,693</b>		<b>\$ 133,753</b>		<b>\$ 121,880</b>		<b>\$ 112,758</b>		<b>\$ 103,823</b>		<b>\$ 98,461</b>		<b>\$ 98,461</b>		<b>\$ 980,574</b>
Supported Eligible Lines		17,956		17,463		17,335		17,214		15,686		14,512		13,362		12,672		12,672		10,517
Percent Monthly Change				-2.75%		-0.73%		-0.70%		-8.88%		-7.48%		-7.92%		-5.16%		-5.16%		

Notes

(a) Lifeline credits requested by TAG Mobile, LLC were accrued, but not paid, effective December 2015 through October 2017. The Company has been directed to repay all Lifeline credits (\$942,299) to the KUSF on or before January 18, 2017 (Docket No. 16-TAGC-323-SHO, Oct. 19, 2017 Order Revoking Tag Mobile's State and Federal ETC Designation).

Line	Description	Reference		
1	Annual Administrative Costs	[1] KCC/GVNW Contract, June 14, 2016	\$ 189,948	
2	Administrative Costs - SOC 1 Controls	Id.	16,859	
3	Total Annual Admin. Costs			\$ 206,807
4	Carrier Audit Expense, Jan. - June 2017	Aug. 8, 2017 Payment Approval Letter		\$ 165,703
	<u>July - Dec. 17 Invoices:</u>	<u>work period</u>		
5	Aug. 2, 2017	July 2017	\$ 17,231	
6	Sept. 5, 2017	Aug. 2017	23,098	
7	Oct. 3, 2017	Sept. 2017	23,416	
8	Nov. 2, 2017	Oct. 2017	22,954	
9	Dec. 4, 2017	Nov. 2017	25,859	
10		Total	\$ 112,558	
	Plus:			
11	Estimated Jan. 2017 Invoice	Dec. 2017 Expense (Est) (Average lines 5-9)	22,512	
12	Total Estimated Expense (July - Dec. 2017, Line 10 + 11)			135,069
13	Total Annual Carrier Audit Expense (Line 4 + 12)			\$ 300,772
	<u>Berberich, Trehan, &amp; Co.</u>			
14	Financial Audit	Jan. 14, 2016 Amendment to Contract [2]	\$ 21,880	
15	Internal Control Audit	(KUSF FY ended 3/2018)	20,600	
16	Additional Costs (travel, etc.)		2,800	
17	Total KUSF Audit Costs			\$ 45,280
	<b>Total Estimated Annual KUSF Administration and Audit Costs</b> (Line 3 + 13 +17) (To SKR-1, page 1, line 14)			<b>\$ 552,859</b>

Notes:

- [1] A copy of the contract may be viewed at: <http://www.gvnw.com/USF/KansasUSF.aspx>.
- [2] A copy of the contract may be viewed at:  
<http://da.ks.gov/purch/Contracts/Default.aspx/000000000000000000000000039249>



CONSULTING

KUSF Audits  
Kansas Corporation Commission  
EMAIL: [s.reams@kcc.ks.gov](mailto:s.reams@kcc.ks.gov)  
EMAIL: [k.mabon@kcc.ks.gov](mailto:k.mabon@kcc.ks.gov)  
EMAIL: [jushio@gvnw.com](mailto:jushio@gvnw.com) - CC  
c/o GVNW Consulting, Inc.  
3220 Pleasant Run  
Springfield, IL 62711

**Invoice No:** 34128

**Invoice Date:** December 4, 2017

For Professional Services Rendered through 11/30/2017

Fees:

State USF Audit	\$25,081.89	\$25,081.89
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Travel & Other Expenses:

Ground Transportation	212.51	
Lodging	393.59	
Meals	170.95	
		\$777.05

Office Expenses:		0.00
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Total Amount Due:		\$25,858.94
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Description

Lodging	11/6 (10:30 A.M.) - 11/9 1:30 P.M.) DW
Meals	11/6 - 11/9 DW
Ground Transportation	11/6 - 11/9 DW

<b>Total amount of this bill</b>	<b>\$25,858.94</b>
----------------------------------	--------------------

**Account Summary**

Current Invoice Total:	\$25,858.94
Previous Balance:	\$86,698.75
Payments Received:	\$0.00
<b>TOTAL AMOUNT NOW DUE:</b>	<b>\$112,557.69</b>



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

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

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

Sam Brownback, Governor

August 8, 2017

Mr. Scott Smith, State Funds Manager  
GVNW Consulting, Inc.  
2270 La Montana Way  
Colorado Springs, CO 80918

RE: KUSF Audit Invoices for work performed January 1 through June 30, 2017

Dear Scott,

This letter authorizes GVNW Consulting, Inc. (GVNW) to withdraw \$165,702.53 from the Kansas Universal Service Fund (KUSF) for carrier audit services performed between January 1 and June 30, 2017, consistent with Section IV.F.3 of the KUSF Administration contract between Kansas Corporation Commission and GVNW.

Staff's review of the invoices shows the expenses claimed by GVNW are appropriate and comply with the contract reimbursement policy.

Please contact Ms. Sandy Reams at (785) 271-3130 or myself at (785) 271-3221 if you have any questions concerning this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff McClanahan", with a long horizontal flourish extending to the right.

Jeff McClanahan  
Director of Utilities

cc: Christine Aames, Chief of Telecommunications  
Sandy Reams, Assistant Chief of Telecommunications  
Kelly Mabon, Telecommunications Analyst

Calculation of Ending Fund Balance (Reserve)

Activity Month	Apr-17	May-17	Jun-17	Jul-17
Data Month	Mar-17	Apr-17	May-17	Jun-17
Beginning Balance	\$ 1,068,205	\$ 1,436,212	\$ 1,621,712	\$ 1,855,830
Surplus/(Deficit), from page 2	368,007	185,500	234,117	410,492
Ending Balance	<u>1,436,212</u>	<u>1,621,712</u>	<u>1,855,830</u>	<u>2,266,321</u>

Activity Month	Aug-17	Sep-17	Oct-17	Nov-17
Data Month	Jul-17	Aug-17	Sep-17	Oct-17
Beginning Balance	\$ 2,266,321	\$ 2,693,195	\$ 2,702,782	\$ 2,684,882
Surplus/(Deficit), from page 2	426,873	9,586	(17,899)	106,231
Ending Balance	<u>\$ 2,693,195</u>	<u>\$ 2,702,782</u>	<u>\$ 2,684,882</u>	<u>\$ 2,791,113</u>

**\*\*\*Projected\*\***

Activity Month	Dec-17	Jan-18	Feb-18	Mar-18
Data Month	Nov-17	Dec-17	Jan-18	Feb-18
Beginning Balance	\$ 2,791,113	\$ 2,794,526	\$ 2,806,298	\$ 2,672,400
Surplus/(Deficit), - from page 2	3,414	11,772	(133,898)	(55,920)
Ending Balance	<u>\$ 2,794,526</u>	<u>\$ 2,806,298</u>	<u>\$ 2,672,400</u>	<u>\$ 2,616,480</u>

To Exhibit SKR-1, In. 17

Calculation of Projected KUSF Receipts and Disbursements

Activity Month Data Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Annual		
	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Total		
<b>***Projected***</b>															
<b>Revenues/ Receipts:</b>									<b>Average</b>						
LECs/Electing Carriers										\$ 12,089,164	\$ 12,089,164	\$ 12,089,164	\$ 12,089,164	\$ 150,078,291	
Wireless										23,625,835	23,629,130	23,619,073	23,609,073	296,404,930	
Interconnected VoIP										1,612,011	1,632,297	1,587,811	1,587,811	19,566,101	
IXC/Others										12,291,499	12,383,203	12,291,499	12,291,499	151,704,433	
<b>Total</b>	\$ 55,428,298	\$ 53,025,933	\$ 53,152,241	\$ 55,821,272	\$ 52,133,792	\$ 50,246,678	\$ 48,822,159	\$ 50,369,371	\$ 418,999,745	\$ 52,374,968	\$ 49,618,512	\$ 49,733,794	\$ 49,587,577	\$ 617,753,756	
<b>Assessment Rate</b>										7.25%	7.25%	7.25%	7.25%		
Fund Assessments	\$ 4,018,552	\$ 3,844,380	\$ 3,853,537	\$ 4,047,042	\$ 3,779,700	\$ 3,642,884	\$ 3,539,606	\$ 3,651,779	\$ 30,377,481	\$ 3,797,185	\$ 3,597,342	\$ 3,605,700	\$ 3,595,099	\$ 44,770,722	
Prior Year Adjustments	(6,755)	(65,212)	3,412	1,481	394,477	(2)	(3,866)	(56)	323,500	-40,457	-	-	-	\$ 323,500	
Interest, Misc. Rev.	2,878	27,420	2,153	4,700	5,817	3,508	5,253	3,626	55,365	6,921	6,921	6,921	6,921	83,048	
Revenue Retention/ (Write-Offs)	-	-	(0)	1	280	-	31	-	311	39	-	-	-	311	
<b>KUSF Receipts</b>	\$ 4,014,675	\$ 3,806,588	\$ 3,859,102	\$ 4,053,234	\$ 4,180,274	\$ 3,646,390	\$ 3,541,025	\$ 3,655,369	\$ 30,756,658	\$ 3,844,582	\$ 3,604,263	\$ 3,612,621	\$ 3,602,020	\$ 45,177,582	
<b>Disbursements:</b>															
High Cost Support	3,432,085	3,432,085	3,432,085	3,432,085	3,397,753	3,397,753	3,397,753	3,397,753	27,319,352	3,414,919	3,397,753	3,397,753	3,397,753	\$ 40,910,364	
Additional Support- CenturyLink									-	19,033	19,033	19,033	19,033	76,152	
Additional Support- Rainbow									-	-	-	-	-	57,091	
TRS	35,199	28,137	33,757	37,982	43,054	37,514	30,073	30,792	276,507	34,563	34,778	34,778	34,778	415,617	
TAP	22,463	7,765	7,030	21,483	7,593	29,138	9,855	6,279	111,606	13,951	14,305	14,305	14,305	168,824	
KLSP	139,518	135,688	134,693	133,753	121,880	112,758	103,823	98,461	980,574	122,572	117,561	117,561	117,561	1,450,820	
Administration (Net of Penalties)	17,234	17,234	17,234	17,234	17,234	17,234	17,234	15,651	136,288	17,036	17,234	17,234	17,234	205,224	
Audit Fees (1)	-	-	-	-	165,703	42,237	-	-	207,940	25,992	-	135,069	-	343,009	
Bank Fees	168	180	186	205	184	170	187	201	1,483	185	185	185	185	2,224	
Certified Mail, Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Disbursements	\$ 3,646,668	\$ 3,621,088	\$ 3,624,985	\$ 3,642,742	\$ 3,753,401	\$ 3,636,804	\$ 3,558,924	\$ 3,549,138	\$ 29,033,749	\$ 3,629,219	\$ 3,600,849	\$ 3,600,849	\$ 3,735,918	\$ 43,629,305	
<b>Operating Surplus/(Deficit)</b>	\$ 368,007	\$ 185,500	\$ 234,117	\$ 410,492	\$ 426,873	\$ 958,644	\$ (17,899)	\$ 106,231	\$ 1,722,909	\$ 215,364	\$ 3,414	\$ 11,772	\$ (133,898)	\$ (55,920)	\$ 1,548,277

Notes:  
1. Recognizes the estimated KUSF carrier audit fee expenses for work performed by GVNW for July through December 2015.

**Kansas Universal Service Fund**  
 Statement of Fund Performance - April 2017  
 Prepared for the Kansas Corporation Commission

	Activity for Apr-17	Year to Date Results for FY 2017-2018
<b>ASSESSMENT BASIS</b>		
Intrastate Revenue	\$ 55,428,297.77	\$ 55,428,297.77
<b>FUND REVENUES</b>		
Fund Assessments	\$ 4,018,551.51	\$ 4,018,551.51
Out of Period Adjustments	(6,755.01)	(6,755.01)
Late Payment Charges	1,049.08	1,049.08
Late Worksheet Penalties	900.00	900.00
Outstanding Balance Penalty	207.21	207.21
Account Write Offs	-	-
Interest Income - Investment Account	722.13	722.13
Total Revenue	<u>\$ 4,014,674.92</u>	<u>\$ 4,014,674.92</u>
<b>FUND DISBURSEMENTS</b>		
KRSI	\$ 35,199.16	\$ 35,199.16
TAP	22,463.11	22,463.11
Lifeline	139,518.12	139,518.12
High Cost Support	3,432,085.00	3,432,085.00
Audit Fees	-	-
Certified Mail Fees	-	-
Program Administration	17,233.92	17,233.92
Bank Fees	168.45	168.45
Total Disbursements	<u>\$ 3,646,667.76</u>	<u>\$ 3,646,667.76</u>
<b>MISCELLANEOUS INC (EXP)</b>		
Administrator Penalty	-	-
Total Miscellaneous	<u>-</u>	<u>-</u>
Operating Surplus / (Deficit)	<u>\$ 368,007</u>	<u>\$ 368,007</u>

**Fund Balances for April 2017**

Beginning Fund Balance	\$ 1,068,205
Operating Surplus (Deficit)	368,007
Ending Fund Balance	<u>\$ 1,436,212</u>
TAG Mobile Accrual Liability	(242,478)
Ending Fund Balance w/Liability	<u>\$ 1,193,733</u>

5/18/2017

Prepared by GVNW Consulting, Inc.  
 Reviewed by Scott Smith

**Kansas Universal Service Fund**  
 Statement of Fund Performance - November 2017  
 Prepared for the Kansas Corporation Commission

	<b>Activity for Nov-17</b>	<b>Year to Date Results for FY 2017-2018</b>
<b>ASSESSMENT BASIS</b>		
Intrastate Revenue	\$ 50,369,371.43	\$ 418,999,744.71
<b>FUND REVENUES</b>		
Fund Assessments	\$ 3,651,779.48	\$ 30,377,481.49
Out of Period Adjustments	(36.42)	323,499.69
Late Payment Charges	218.22	17,643.81
Late Worksheet Penalties	1,300.00	23,862.20
Outstanding Balance Penalty	94.02	1,701.68
Account Write Offs	-	311.27
Interest Income - Investment Account	2,013.50	12,157.80
<b>Total Revenue</b>	<b>\$ 3,655,368.80</b>	<b>\$ 30,756,657.94</b>
<b>FUND DISBURSEMENTS</b>		
Relay Services	\$ 30,791.54	\$ 276,506.52
TAP	6,279.26	111,605.63
Lifeline	98,461.44	980,574.00
High Cost Support	3,397,753.00	27,319,352.00
Audit Fees	-	207,939.53
Certified Mail Fees	-	-
Program Administration	17,233.92	137,871.36
Bank Fees	201.36	1,482.92
<b>Total Disbursements</b>	<b>\$ 3,550,720.52</b>	<b>\$ 29,035,331.96</b>
<b>MISCELLANEOUS INC (EXP)</b>		
Administrator Penalty	\$ 1,582.90	\$ 1,582.90
<b>Total Miscellaneous</b>	<b>\$ 1,582.90</b>	<b>\$ 1,582.90</b>
<b>Operating Surplus / (Deficit)</b>	<b>\$ 106,231.18</b>	<b>\$ 1,722,908.88</b>

**Fund Balances for November 2017**

Beginning Fund Balance	\$ 2,684,882.27
Operating Surplus (Deficit)	106,231.18
<b>Ending Fund Balance</b>	<b>\$ 2,791,113.45</b>

Prepared by GVNW Consulting, Inc.



Company	Activity Month Data Month	As Reported									Projected				TOTAL	Method		
		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18					
Bluestem Telephone Company	Mar-17															Lowest		
Blue Valley Telecommunications	Mar-17															Lowest		
Fairpoint Communications Missouri, Inc.	Mar-17															Lowest		
Columbus Communications Services, Inc.	Mar-17															Lowest		
Tri-County Telephone-Council Grove Study Area	Mar-17															Average		
Craw-Kan Telephone Co-op Inc	Mar-17															Lowest		
Cunningham Telephone Company Inc	Mar-17															Lowest		
Elkhart Telephone Company	Mar-17															Lowest		
Golden Belt Telephone Association Inc	Mar-17															Lowest		
Gorham Telephone Company	Mar-17															Lowest		
H & B Communications Inc	Mar-17															Lowest		
Haviland Telephone Company	Mar-17															Lowest		
Home Telephone Co Inc	Mar-17															Average		
JBN Telephone Company Inc	Mar-17															Lowest		
Kanokla Telephone Association	Mar-17															Lowest		
LaHarpe Telephone Co	Mar-17															Average		
Madison Telephone LLC	Mar-17															Average		
Mokan Dial Inc	Mar-17															Lowest		
Moundridge Telephone Company	Mar-17															Lowest		
Mutual Telephone Company	Mar-17															Average		
Peoples Telecommunications, LLC	Mar-17															Average		
Pioneer Telephone Association Inc	Mar-17															Lowest		
Rainbow Telecommunications Association Inc	Mar-17															Lowest		
Rural Telephone Service Co Inc dba Nex-Tech	Mar-17															Lowest		
S & A Telephone Company Inc	Mar-17															Lowest		
S & T Telephone Coop Assn	Mar-17															Lowest		
South Central Telephone Assn Inc	Mar-17															Lowest		
Southern Kansas Telephone Company Inc	Mar-17															Average		
Sunflower Telephone Company	Mar-17															Lowest		
Totah Communications Inc	Mar-17															Lowest		
Tri-County Telephone Assn Inc	Mar-17															Lowest		
Twin Valley Telephone	Mar-17															Lowest		
United Telephone Association	Mar-17															Average		
Wamego Telecommunications Co Inc	Mar-17															Lowest		
Wheat State Telephone Inc	Mar-17															Lowest		
Wilson Telephone Company Inc	Mar-17															Average		
Zenda Telephone Company	Mar-17															Lowest		
<b>Total RLECs</b>		\$ 2,099,343	\$ 2,112,687	\$ 2,086,651	\$ 2,072,923	\$ 2,066,384	\$ 2,032,324	\$ 2,001,493	\$ 2,022,822	\$ 16,494,627	\$ 2,061,828	\$ 1,990,100	\$ 1,990,100	\$ 1,990,100	\$ 1,990,100	\$ 24,455,028		
Difference - Lower or Average Methodology: (Monthly projection less monthly average)												\$ (71,728)	\$ (71,728)	\$ (71,728)	\$ (71,728)	\$ (286,912)		
Southwestern Bell Telephone Company																	Lowest	
Difference - Lower or Average Methodology: (Monthly projection less monthly average)																		
CenturyLink																	Lowest	
Difference - Lower or Average Methodology: (Monthly projection less monthly average)																		
<b>Total - All LECs/Electing Carriers</b>												<b>\$ 101,721,637</b>	<b>\$ 12,715,204</b>	\$ 10,099,063	\$ 10,099,063	\$ 10,099,063	\$ 10,099,063	<b>Grand Total \$ 150,078,291</b>

Company	Activity Month	As Reported									Projected					TOTAL	Method
		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18				
	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Total	Average	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	
Peoples Service, LLC (Ceased)																	Closed
Sprint Spectrum LP (Sprint PCS)																	Lowest
Topeka Cellular Telephone Company																	Average
Kansas # 15 Limited Partnership																	Average
Tempo Telecom, LLC																	Average (Del)
Vodafone US, Inc.																	Semi-Annual
Your Tel America																	Lowest
Verizon Wireless (VAW) LLC																	Lowest
Alltel Communications LLC																	Lowest
New Cingular Wireless PCS LLC d/b/a																	Lowest
Spok, Inc																	Lowest
Onstar LLC																	Lowest
Virgin Mobile USA L.P.																	Lowest
Mobilpage Inc																	Annual
Hot Shot Systems Inc																	Annual
Ztar Mobile, Inc.																	Annual
USCOC of Nebraska/Kansas LLC																	Average
Nex-Tech Wireless LLC																	Lowest
T-Mobile Central LLC																	Average
Cellular Network Partnership																	Lowest
United Wireless Communications Inc																	Lowest
American Messaging Services																	Average
i-Wireless LLC																	Lowest
Consumer Cellular Inc																	Lowest
GreatCall Inc																	Average
Viaero Wireless																	Average
Kajeet, Inc.																	Semi-Annual
Boomerang Wireless, LLC																	Lowest
Ready Wireless, LLC																	Lowest
TracFone Wireless, Inc.																	Lowest
Easy Telephone Services Company d/b/a																	Semi-Annual
TAG Mobile, LLC																	Lowest (Del)
Q Link Wireless, LLC																	Annual
PureTalk Holdings, LLC																	Lowest
Flash Wireless, LLC																	Lowest
Ting, Inc.																	Average
UVNV, Inc.																	Average
MetroPCS Michigan LLC																	Lowest
MVITAE, Inc																	Lowest
Stream Communications, LLC																	Annual
SelecTel, Inc.																	Annual (Del)
The People's Operator USA, LLC																	Average
Patriot Mobile, LLC																	Average
Excellus Communications, LLC																	Annual
Tello, LLC																	Semi-Annual
Comcast OTR I, LLC																	Average
Blue Casa Mobile, LLC																	Average
AltaWorx, LLC																	Lowest
Google North America Inc, dba Project																	Average
Plintron Technologies USA LLC																	Average
Republic Wireless, Inc.																	Lowest
<b>Total</b>																	
	\$ 27,429,840	\$ 25,975,441	\$ 27,376,200	\$ 24,670,218	\$ 24,067,782	\$ 24,383,361	\$ 23,829,561	\$ 24,181,247	\$ 403,827,300	\$ 25,242,239	\$ 23,623,835	\$ 23,629,130	\$ 23,619,073	\$ 23,619,073	\$ 23,619,073	\$ 296,404,930	
Difference - Lower or Average Methodology (Monthly projection less monthly Average)											\$ (1,616,104)	\$ (1,613,109)	\$ (1,623,166)	\$ (1,623,166)	\$ (6,475,846)		

Company	Activity Month Data Month	As Reported									Projected					TOTAL	Method
		Apr-17 Mar-17	May-17 Apr-17	Jun-17 May-17	Jul-17 Jun-17	Aug-17 Jul-17	Sep-17 Aug-17	Oct-17 Sep-17	Nov-17 Oct-17	Total	Average	Dec-17 Nov-17	Jan-18 Dec-17	Feb-18 Jan-18	Mar-18 Feb-18		
Network Billing Systems, LLC																	Lowest
Comtech 21 LLC																	Lowest
ANPI Husincss, LLC																	Annual
Accessline Communications Corporation																	Average
Earthlink Inc																	Lowest
Alteva LLC																	Lowest
Apptix, Inc.																	Annual
Cable One Inc																	Average
IP Networked Services Inc																	Average
Light Edge Solutions, Inc.																	Average
MCC Telephony of the Midwest LLC																	Lowest
Vonage-America Inc.																	Quarterly
deluthree, LLC																	Lowest
mundSIIFT Technologies, Inc																	Annual
nesVortex, Inc																	Lowest
8 X 8 Inc																	Average
Ring Central Inc																	Average
Skype Communications US Corporation																	Lowest
ViaTalk LLC																	Annual
Vonage Business Solutions, Inc																	Average
BCT Telephone of Kansas, LLC d/b/a Vyo																	Lowest (Del)
Koamarz Technologies LLC																	Annual
Interface Security Systems LLC																	Average
OOMA, Inc.																	Average
VoIP Street, Inc.																	Lowest
XCast Labs																	Annual
Crevento Business Solutions, Inc.																	Annual
Atwood Cable Systems, Inc.																	Lowest (Del)
Thinq, Inc.																	Semi-annual
Dow Management Company, Inc d/b/a AV																	Annual
Go Solo Technologies of Florida One, Inc																	Lowest
Skysbeam, LLC																	Annual
Bright House Networks, LLC																	Annual
LBISat LLC																	Annual
Nextiva Inc.																	Average
Shoutpoint Inc.																	Semi-annual
West IP Communications, Inc.																	Average
Onvoy, LLC																	Semi-annual
eVolve Business Solutions, LLC																	Annual
Star2Star Communications, LLC																	Lowest
TWC Digital Phone LLC																	Average
Fuze Ika Thinking Phone Networks, LLC																	Average
Jive Communications, Inc.																	Average
Summer Cable TV Inc																	Average
CallTower, Inc.																	Quarterly
Wheatland Electric Cooperative d/b/a Wh																	Semi-annual
Interme ia Voice Services, Inc																	Annual
Voyze Communications d/b/a Unovva																	Semi-annual
Call Catchers, Inc.																	Quarterly
City Tele Coin, Inc.																	Lowest
Fonality Inc.																	Semi-annual
EvolveIP, LLC																	Lowest (Del)
Voice Carrier LLC																	Annual
Zito Missouri-Kansas LLC																	Lowest
ViaSat, Inc.																	Semi-annual (Del)
Toshiba America Information Systems, Inc.																	closed
Cytracom, LLC																	Lowest
Jabo Communications, LLC																	Annual
SIP US LLC																	Quarterly
Small Office Systems, Inc.																	Average
TampaBay DSL, Inc. d/b/a PBX-Change																	Annual
XMission, LLC																	Annual
GlobalPhone Corp.																	Annual
Network Services Solutions, LLC																	Average
Greenly Networks, Inc.																	Semi-annual
Hughes Network Systems, LLC																	Average
NetFortris Acquisition Co., Inc.																	Semi-annual
Digium Cloud Services, LLC																	Average
ISG Technology LLC																	Annual
S-NET Communications, Inc.																	Lowest
Pulsar360, Inc.																	Lowest
North American Telecommunications Corp																	closed
Corviva Cloud, LLC																	Lowest

Company	Activity Month Data Month	As Reported										Projected					TOTAL	Method
		Apr-17 Mar-17	May-17 Apr-17	Jun-17 May-17	Jul-17 Jun-17	Aug-17 Jul-17	Sep-17 Aug-17	Oct-17 Sep-17	Nov-17 Oct-17	Total	Average	Dec-17 Nov-17	Jan-18 Dec-17	Feb-18 Jan-18	Mar-18 Feb-18			
Artisan Infrastructure, Inc.																		Annual
Magna5, LLC																		Semi-annual
Iloka, Inc. dba NewCloud Networks																		Annual
Zulivs, Inc.																		Annual
CommCore, Inc.																		Average
TDS Metrocon, LLC																		Annual
MegaPath Cloud Company, LLC																		Quarterly
Select Communications, LLC																		Annual
Broadband, Inc. (dba Switch Communications)																		Average
Broadwidth.com, Inc.																		Average
Broad Communication Solutions dba Key																		Annual
Chasato Business VoIP, Inc.																		Lowest
TextNow, Inc.																		Annual
Phony Communications, LLC																		Annual
M5 networks, LLC dba ShoreTel Sky																		Average
VanillaSoft Corp.																		Annual
Covada Communications, Inc.																		Average
MASSComm, Inc.																		Average
Zen Communications, LLC																		Average
Access Tandem, Inc.																		Annual
New Voice Media US, Inc.																		Lowest
ESCOTechnologies, LLC																		Annual
Kansas Communication Services Inc.																		Average
CloudCall, Inc. / KASynets, Inc.																		Average
eCommerce Services, Inc. dba Symphon																		Average
Distributed Computing, Inc. dba Ten-10																		Average
Google Fiber North America dba Fiber F																		Average
SimpleVoIP, LLC																		Average
Affiliated Technology Solutions, Inc.																		Average
2 Talk, LLC																		Annual
Townet Communications LLC																		Semi-annual
Single Digits Inc																		Annual
Voyant Communications, LLC																		Semi-annual
Sangoma U.S., Inc.																		Average
MegaJack SMB, Inc.																		Annual
RG Fiber LLC																		Annual
upNetworks, Inc.																		Average
VirtuPhone																		Annual
Framework Communications, LLC																		Lowest
BroadSmart Global, Inc.																		Annual
EM3 Networks, LLC																		Average
JMZ Corporation dba Kwikun Commun																		Average
W.W.T. Inc. dba VoIP Networks																		Quarterly
Verge Network Solutions, Inc.																		Lowest
ITC Global Networks, LLC																		Quarterly
AcuityVOIP, LLC																		Lowest
Parterra Networks, Inc.																		Lowest
<b>Total</b>		\$ 1,792,967	\$ 1,600,642	\$ 1,618,111	\$ 1,606,231	\$ 1,512,574	\$ 1,674,651	\$ 1,726,318	\$ 1,614,614	\$ 13,146,108	\$ 1,652,868	\$ 1,612,014	\$ 1,632,297	\$ 1,587,841	\$ 1,587,841	\$ 19,566,101		
DiffERENCE - Lower or Average Methodology (Monthly projection less monthly average)											\$ (10,534)	\$ (20,571)	\$ (65,027)	\$ (65,027)	\$ (191,479)			

Company	Activity Month Data Month	As Reported								Total	Average	Projected				TOTAL	Method
		Apr-17 Mar-17	May-17 Apr-17	Jun-17 May-17	Jul-17 Jun-17	Aug-17 Jul-17	Sep-17 Aug-17	Oct-17 Sep-17	Nov-17 Oct-17			Dec-17 Nov-17	Jan-18 Dec-17	Feb-18 Jan-18	Mar-18 Feb-18		
One Point Technologies																	Average
Blue Valley Tele-Communications Inc																	Lowest
Columbus Communications Services, LLC																	Lowest
Fiber Communications of Columbus, LLC d/ba Optic																	Average
TCWireless, Inc.																	Semi-Annual
Tri-County Telephone-Council Grove Study Area																	Average
Haviland Telephone Company Co																	Lowest
Lallape Telephone Co Inc																	Average
MT Networks, LLC																	Average
Madison Telephone LLC dba MadTel Long Distance																	Combined w/LEC
Mokan Communications Inc																	Lowest
Moundridge Telecom Inc																	Average
Mutual Telephone Co																	Annual
S & A Communications																	Lowest
S & T Communications																	Lowest
South Central Wireless Inc																	Average
SNKT-Metro																	Lowest
Southern KS Telephon Co Worldlink - COMBINED																	Combined w/LEC
Tri-County Telephone Assn Inc																	Lowest
Wheat State Telephone																	Lowest
Wilson Communication Co Inc																	Lowest
ARinity Networks Inc																	Average
Global Crossing Telecommunications Inc																	Average
American Telecommunications System Inc																	Annual
Securus Technologies, Inc.																	Lowest
Amerivision Communications Inc																	Lowest
Business Telecom, LLC																	Annual
Dallascom LLC dba EarthLink Business																	Lowest
Easton Telecom Services, LLC																	Annual
Imex Communications, Inc.																	Lowest
Verizon Select Services																	Annual
High Plains Telecommunications, Inc. dba Pioneer L																	Lowest
IDT America Corp																	Semi-Annual
Intelligent Operator Services Inc																	Lowest
MitelCloud Services Inc																	Lowest
Kanokla Communications-Kanokla I.D																	Average
Matrix Telecom, LLC																	Average
MCI Communication Services Inc																	Lowest
MCI Metro Access Transmis Sys-																	Lowest
Networks Network Services, LLC																	Lowest
Nos Communications Inc																	Average
Nostalimited Partnership																	Lowest
PNG Telecommunications Inc																	Lowest
ComerLink Communications, LLC																	Average
Sprint Communications Company LP																	Lowest
Transworld Network Corp																	Lowest
TTINational Inc																	Lowest
United Communications Association Inc																	Average
Westel, Inc.																	Quarterly - Delinquent
Working Assets Funding Service Inc																	Lowest
Birch Telecom of Kansas, Inc																	Lowest
International Telecom, Ltd																	Annual
ST Long Distance Co																	Lowest
Md. Led USA Telecommunications Services LLC																	Average
inContact, Inc																	Average
New-Tech LLC																	Lowest
Reliant Communications, Inc																	Lowest
Global Crossing Local Services, Inc.																	Average
QuantumShift Communications Inc dba Vcom Solu																	Average
Teleport Communications America, LLC																	Lowest
Access Point Inc																	Average
Cincinnati Bell Any Distance																	Semi-Annual
Electric Lightwave, LLC																	Annual
United Communication Systems Inc dba Call One																	Annual
WilTel Communications LLC																	Average
Windstream NuVox Kansas, LLC																	Lowest
US Telecom Long Distance Inc																	Annual
Enhanced Communications Network, Inc.																	Annual
Gray-Kan Telephone Corp Inc																	Lowest
Level 3 Communications																	Lowest
Televe Operations, LLC																	Lowest
Opex Communications Inc																	Lowest
Value Added Communications																	Semi-Annual
Twin Valley Telephone																	Lowest
Giant Communications Inc																	Lowest
XO Communication Services, LLC																	Lowest
Network Communications Intl Corp aka 1800CallL																	Average
Verizon Long Distance LLC																	Annual
EarthLink Business, LLC																	Average
Legacy Long Distance International																	Annual
Frihats, d Communications Group LLC																	Lowest
AT&T Corp																	Lowest
PacTel Communications, LLC																	Lowest
AccessOne Inc																	Annual
UNADigital Communications, Inc.																	Semi-Annual
WTCC Communications Inc																	Average
Peoples Telecommunications LLC dba Peoples Long																	Lowest

Company	Activity Month Data Month	As Reported								Total	Average	Projected				TOTAL	Method
		Apr-17 Mar-17	May-17 Apr-17	Jun-17 May-17	Jul-17 Jun-17	Aug-17 Jul-17	Sep-17 Aug-17	Oct-17 Sep-17	Nov-17 Oct-17			Dec-17 Nov-17	Jan-18 Dec-17	Feb-18 Jan-18	Mar-18 Feb-18		
Network IP LLC																	Annual
Cox Kansas Telecom LLC																	Lowest
ACM Communication Services LLC																	Quarterly
Nabaska Technology & Telecom																	Annual
Windstream Norlight, LLC																	Lowest
LCR Telecommunications LLC																	Annual
Long Distance Consolidated Billing Co.																	Quarterly
TotalCustomer Services Inc																	Average
KDDI America, Inc																	Semi-Annual
SBC Long Distance LLC																	Average
Metropolitan Telecommunications of Kansas, Inc (Me																	Average
Custom Teleconnect Inc																	Lowest
Reduced Rate Long Distance																	Lowest
Sage Telecom Communications, LLC																	Average
West Telecom Services, LLC																	Annual
X2Comm Inc dba Direct Connect-																	Semi-Annual
BEN Telecom Inc																	Quarterly
Wholesale Carrier Services Inc																	Average
Level 3 Telecom of Kansas City LLC																	Average
Budget Prepays d b a Budget Phone- CLOS																	Closed
Bulleye Telecom																	Lowest
Global Tel*Link, Corporation																	Average
Legend Comm, LLC																	Quarterly
Unite Private Networks, LLC																	Lowest
Logic Communications																	Quarterly
National Access Long Distance Inc																	Semi-Annual
BusinessNetwork Long Distance Inc																	Annual
BW Telecom Long Distance																	Average
Consolidated Communications Enterprise Services, In																	Average
Empire District Industries, Inc-																	Annual
Broadwing Communications LLC																	Average
Telnet Corporation																	Lowest
Broadband Dynamics LLC																	Average
Comergia Inc																	Annual
Granite Telecommunications, LLC																	Lowest
H & B Cable Services Inc																	Lowest
Advantage Telecommunications Corp																	Lowest
DCT Telecom Group Inc																	Annual
Tandstone Communications																	Average
BCM One, Inc																	Average
Communications Network Billing, Inc																	Semi-Annual
Inmate Calling Solutions LLC																	Lowest
Quasar Communications Corp																	Annual
Telecom Mgmt Inc dba Pioneer Telephone																	Lowest
Global Connections Inc of America dba Stand Up WI																	Lowest
TelAtlantic Communications, Inc-																	Annual
Airespring Inc																	Average
Gorham Telephone Company LD																	Lowest
SKT Inc																	Lowest
Rainbow Communications, LLC																	Lowest
Voicecom Telecommunications dba Intelliverse																	Lowest
GBT Communications Inc																	Average
800 Response Information Services LLC																	Annual
Cunningham Communications Inc																	Average
H & B Communications Inc (2)																	Average
Network Service Billing Inc																	Semi-Annual
Idea Tek Telecom, LLC																	Lowest
Nationwide Long Distance Service Inc																	Quarterly
Windstream Communications																	Average
Big River Telephone Company, LLC																	Average
Integrated Services, Inc																	Quarterly
Comcast Phone of Kansas LLC																	Lowest
Encartel Inc																	Lowest
First Communications LLC																	Lowest
Multiline Long Distance Inc																	Semi-Annual
Avad Communications LLC																	Average
Cause Based Commerce, Inc																	Lowest
LR Communications, Inc.																	Lowest
New Horizons Communications Corp																	Average
Twin Valley Communications																	Lowest
First Choice Technology Inc.																	Lowest
Globalstar USA LLC																	Quarterly
Conterm Ultra Broadband LLC																	Quarterly
Consumer Telecom Inc																	Annual
Public Communication Services Inc																	Lowest
Home Communications Inc																	Average
Proteal LLC																	Lowest
Broadview Networks																	Quarterly
Phone.com, Inc.																	Lowest
Sity Communications																	Lowest
HCI Telecom Inc																	Lowest
Total Holdings Inc																	Lowest
CCI Network Services, LLC																	Lowest
Celbridge Telecom KS, LLC d b a Suddenlink Commu																	Lowest
Serinus Networks Inc dba Access2Go Inc																	Lowest
Intelligent Solutions, Inc.																	Semi-Annual
Kansas Fiber Network, LLC																	Lowest

Company	Activity Month Data Month	As Reported								Total	Average	Projected				TOTAL	Method
		Apr-17 Mar-17	May-17 Apr-17	Jun-17 May-17	Jul-17 Jun-17	Aug-17 Jul-17	Sep-17 Aug-17	Oct-17 Sep-17	Nov-17 Oct-17			Dec-17 Nov-17	Jan-18 Dec-17	Feb-18 Jan-18	Mar-18 Feb-18		
TeleQuality Communications, Inc.																Average	
Zayo Group, LLC																Average	
Peerless Network of Kansas, LLC																Lowest	
Airux, Inc.																Average	
Rosebud Telephone, LLC																Lowest	
WiMac Tel. Inc.																Annual	
Roman I.D. Inc - CLOSE																Closed	
Valu-Net, LLC																Average	
Spectrotel, Inc.																Average	
Grasshopper Group, LLC																Quarterly	
QC Postal, LLC																Average	
Time Warner Cable Business LLC																Lowest	
Socket Telecom LLC																Semi-Annual	
Correat Solutions, LLC																Average	
Garmin USA Inc.																Quarterly	
Cricket Wireless LLC																Lowest	
Scissortail Communications, LLC																Annual	
Jaroth, Inc.																Quarterly	
Midcontinent Communications																Lowest	
SageNet, LLC																Lowest	
PayTel Communications, Inc.																Lowest	
Velocity The Greatest Phone Company Ever, Inc.																Quarterly	
Network Innovations, Inc.																Lowest	
Premier Hosting, Inc. dba Intinwiz																Average	
<b>Total</b>																	
		\$ 13,269,796	\$ 13,139,037	\$ 12,588,783	\$ 12,851,107	\$ 12,826,964	\$ 12,627,986	\$ 12,710,147	\$ 12,432,914	\$ 102,446,734	\$ 12,805,842	\$ 12,291,499	\$ 12,383,203	\$ 12,291,499	\$ 12,291,499	\$ 151,704,433	
(Monthly projection less monthly average)												\$ (514,343)	\$ (422,639)	\$ (514,343)	\$ (514,343)	\$ (1,965,668)	

	<i>Projected Yr. 21</i>	Year 20	Annual Change		2 Year
	<i>2017/2018</i>	2016/2017	Revenue	Percent	Average
RLECs	\$ 24,455,028	\$ 24,514,331	\$ (59,303)	-0.24%	-1.73%
SWBT	*				
CenturyLink	*				
Wireless	296,404,930	350,578,672	(54,173,742)	-15.45%	-13.74%
VoIP	19,566,101	19,465,816	100,285	0.52%	2.99%
IXCs/Others	151,704,433	166,958,615	(15,254,182)	-10.06%	-9.90%
Total	\$ 617,753,756	\$ 698,838,370	\$ (81,084,614)	-11.60%	-11.18%

	Yr. 20	Year 19	Annual Change		2 Year
	2016/2017	2015/2016	Revenue	Percent	Average
RLECs	\$ 24,514,331	\$ 25,331,170	\$ (816,839)	-3.22%	-2.44%
SWBT	*				
CenturyLink	*				
Wireless	350,578,672	398,475,479	(47,896,808)	-12.02%	-13.76%
VoIP	19,465,816	18,455,657	1,010,159	5.47%	4.53%
IXCs/Others	166,958,615	184,983,736	(18,025,121)	-9.74%	-4.55%
Total	\$ 698,838,370	\$ 783,111,827	\$ (84,273,457)	-10.76%	-10.14%

	Year 19	Year 18	Annual Change		
	2015/2016	2014/2015	Revenue	Percent	
RLECs	\$ 25,331,170	\$ 25,757,879	\$ (426,709)	-1.66%	
SWBT	*				
CenturyLink	*				
Wireless	398,475,479	471,569,694	(73,094,215)	-15.50%	
VoIP	18,455,657	17,815,240	640,417	3.59%	
IXCs/Others	184,983,736	183,782,934	1,200,802	0.65%	
Total	\$ 783,111,827	\$ 865,427,680	\$ (82,315,853)	-9.51%	

	Projected Yr 21 Revenues	Recognized Proj. Growth/ Decline %	Projected Revenue Change	Plus: Rebalancing	Projected Yr. 22 Revenue	Impact of "lower or Average)	Total Increase / Reduction
RLECs	\$ 24,455,028	-0.25%	\$ (61,138)		\$ 24,393,890	(286,913)	\$ (348,050)
SWBT	*						*
CenturyLink	*						*
Wireless	296,404,930	-14.50%	(42,978,715)	-	253,426,216	(6,475,846)	(49,454,561)
VoIP	19,566,101	1.50%	293,492	-	19,859,593	(191,479)	102,012
IXCs/Others	151,704,433	-9.50%	(14,411,921)	-	137,292,512	(1,965,668)	(16,377,589)
Totals	\$ 617,753,756	-10.98%	\$ (67,836,259)	\$ -	\$ 549,917,497	\$ (11,137,157)	\$ 78,973,417



**Comparison: Projected Year 20 Revenue Growth/Decline To Reported Revenue Base**

Category	Projected Year 20 Revenue for Assessment thru 2/2016 (1) (A)	Reported Year 20 Assessable Revenues (B)	Difference (C = B - A)
ILECs	\$ 172,289,485	\$ 161,835,267	\$ (10,454,218)
Wireless	359,832,214	350,578,672	(9,253,542)
Interconnected VoIP	18,943,320	19,465,816	522,497
IXCs/Others	178,864,896	166,958,615	(11,906,281)
Total	\$ 729,929,914	\$ 698,838,370	\$ (31,091,544)
Average Monthly Revenues	\$ 60,827,493	\$ 58,236,531	\$ (2,590,962)
Net KUSF Obligation	\$ 47,631,932	\$ 47,631,932	\$ 47,631,932
Calculated Assessment Rate	6.53%	6.82%	0.29%

**Comparison: Impact of Revenue Adjustment Factor on Year 21 Revenues and Assessment Rate**

Category	Projected Year 21 Revenue Base (A)	Projected Year 22 Revenue Base (B)	Difference (C = B - A)
LECs/Electing Carriers	\$ 150,078,291	\$ 139,339,176	\$ (10,739,115)
Wireless	296,404,930	253,426,216	(42,978,714)
Interconnected VoIP	19,566,101	19,859,593	293,492
IXCs/Others	151,704,433	137,292,512	(14,411,921)
Total	\$ 617,753,756	\$ 549,917,497	\$ (67,836,259)
Average Monthly Revenues	\$ 51,479,480	\$ 45,826,458	\$ (5,653,022)
Estimated KUSF Obligation	\$ 41,222,375	\$ 41,222,375	\$ 41,222,375
Calculated Assessment Rate	6.67%	7.50%	0.82%

Category	Year Reported Revenue thru 10/2017 (A)	Current Year 21 Revenue Projected thru 2/2017 (B)	Original Projected Year 21 Assessable Revenues (2) (C)	Difference D = (C - B)
ILECs	\$ 101,721,637	\$ 150,078,291	\$ 152,221,270	\$ 2,142,979
Wireless	201,913,650	296,404,930	306,920,637	10,515,707
VoIP	13,146,108	19,566,101	20,017,331	451,230
IXCs/Others	102,446,734	151,704,433	160,489,933	8,785,500
Total (2)	\$ 419,228,129	\$ 617,753,756	\$ 639,649,171	\$ 21,895,415
Average Monthly Revenues	\$ 52,403,516	\$ 51,479,480	\$ 53,304,098	\$ 1,824,618
Net KUSF Obligation	\$ 46,373,157	\$ 46,373,157	\$ 46,373,157	\$ 46,373,157
Calculated Assessment Rate		7.51%	7.25%	-0.26%

Notes:


(2) KUSF Year 21 projected revenue (March 2017 - Feb. 2018), December 15, 2016 Direct Testimony of Sandra K. Reams, Exhibit SKR-1, p. 2; Attachment L, Docket No. 17-GIMT-008-GIT.

**VERIFICATION**

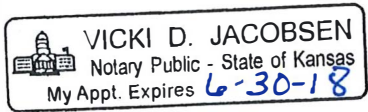
18-GIMT-084-GIT

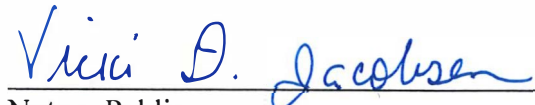
STATE OF KANSAS                    )  
  ) ss.  
COUNTY OF SHAWNEE            )

Sandra Reams, being duly sworn upon her oath deposes and states that she is the Assistant Chief of Telecommunications for the Utilities Division of the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Direct Testimony of Sandra Reams on Behalf of Kansas Corporation Commission Staff (Public Version)*, and that the statements contained therein are true and correct to the best of her knowledge, information and belief.

  
\_\_\_\_\_  
Sandra Reams  
Assistant Chief of Telecommunications  
Kansas Corporation Commission  
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 20th day of December, 2017.



  
\_\_\_\_\_  
Notary Public

My Appointment Expires: June 30, 2018

**CERTIFICATE OF SERVICE**

18-GIMT-084-GIT

I, the undersigned, certify that a true and correct copy of the above Direct Testimony of Sandra Reams on Behalf of the Kansas Corporation Staff (Public Version) was served via electronic service this 20th day of December, 2017, to the following:

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/s/ Vicki Jacobsen

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