

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

Phone Bundles will increase by \$2.50 per month, with the residential access line rate increasing by \$1.50 and intrastate long distance minutes rate increasing by \$1.00.

2. K.S.A. 66-2007 (b) allows a rural telephone company to file local exchange price increases that in the aggregate do not exceed \$1.50. An increase of \$1.50 is deemed reasonable under the statutory provision. However, if more than 15% of subscribers request an investigation within 60 days of the distribution of the customer notice, the Commission shall conduct a rate investigation.

3. The Commission Staff reviewed the Consolidated Kansas Application and submitted a Report and Recommendation dated May 6, 2022. Citing K.S.A. 66-2007 (b), Staff analyzed the filing and determined that proper notice was provided by Consolidated Kansas to inform subscribers they had the option to file a petition to initiate an investigation for the purpose of expanding the scope of review to a traditional rate case. The Staff referenced a Memo from the Commission's Public Affairs and Consumer Protection Office indicating no complaints had been filed to cause a formal investigation to proceed. Consequently, the Staff concluded that the requirements of K.S.A. 66-2007 (b) had been met, and the requested residential and business access line increases should be allowed to take effect as a matter of law

4. As part of the Staff's review, it made a corresponding analysis of the impact of the proposed rate increases in conjunction with a determination regarding target affordable rates that are redetermined every two years from March 1, 2007, as provided in K.S.A. 66-2005 (e) (1) (C). Citing Docket No. 21-GIMT-095-GIT, the Staff states the statewide target affordable rates are \$18.50 for residential service. The affordable rate assessment is then applied consistent with K.S.A. 66-2005 (e) (2), which requires that a rural local exchange carrier that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007 (b), will have affordable rates

increased by amounts corresponding to the rates increased under the expedited statutory procedure for the purpose of evaluating universal service support. Because Consolidated Kansas has had previous rate increases of \$1.50 rate¹, together with the rate increases proposed in this Docket, its affordable rates would be calculated \$7.50 higher than the statewide affordable rates determined by the Commission in its biannual review with the approval of the Application for the Cedar Point, Saffordville, Leoti, Tribute , Marienthal, Sharon Springs, Wallace and Wekan exchanges; \$7.18 for the Jetmore exchange; and \$7.38 for the Americus exchange.

5. The Staff reviewed the revenue effect from the rate increases proposed by Consolidated Kansas and indicated the company anticipated additional residential customer revenue of \$16,079.00. Accordingly, Staff recommended the approval of the Application in the absence of any written or oral complaints from subscribers.

6. The Commission adopts Staff's analysis and recommendations of May 6, 2022, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the Consolidated Kansas tariff changes be granted. In conjunction with the request, Consolidated Kansas is authorized to place the amended tariffs in effect with the issuance of this Order.

¹ *Order Approving Tariff Revisions*, Docket No. 12-SFLT-623-TAR, May 21, 2012 (\$1.50 for all exchanges except Jetmore and \$1.18/month for residential in the Jetmore exchange); *Order Approving Local Rate Increases Pursuant to K.S.A. § 22-2007(b)*, Docket No. 13-SFLT-641-TAR, July 18, 2013 (\$1.50 for all exchanges for residential); *Order Approving Tariff Revisions*, Docket No. 12-BSTT-621-TAR, May 21, 2012 (\$1.50/month for the Cedar Pointe and Stafford exchanges and \$1.38/month for the Americus exchange for residential); *Order Approving Local Rate Increases Pursuant to K.S.A. § 22-2007(b)*, Docket No. 13-BSTT-643-TAR, July 18, 2013 (\$1.50/month for all exchanges for residential); *Order Approving Tariff Revisions*, Docket No. 20-SFLT-331-TAR, April 28, 2020 (\$1.50/month for all exchanges for residential), and *Order Approving Tariff Revisions*, Docket No. 21-SFLT-288-Tar, May 13, 2021, plus the \$1.50/line increase approved in this Docket.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Consolidated Communications of Kansas Company's Application filed on January 31, 2022, is hereby granted and the replacement of Tariffs be made effective.

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

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

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 05/19/2022



Lynn M. Retz
Executive Director

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

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Dwight D. Keen, Chair
Susan K. Duffy, Commissioner
Andrew J. French, Commissioner

FROM: Hemant Bhagat, Senior Telecommunications Analyst
Sandy Reams, Assistant Chief of Telecommunications
Bryan Seamans, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: MAY 6, 2022

RE: Docket No. 22-SFLT-378-TAR

In the Matter of Consolidated Communications of Kansas Company Filing Tariff
Revision to its General Exchange Tariff and Residential Rate Increases

EXECUTIVE SUMMARY:

On January 31, 2022, Consolidated Communications of Kansas Company (Consolidated Kansas) filed an Application pursuant to K.S.A. 66-2007(b), requesting permission to raise its residential local service rates \$1.50 per month. On February 1 and February 8, 2022, Consolidated Kansas filed clarifications in the Docket, stating the revised bill messages would be sent to customers during the March billing cycle, starting March 1, 2021. Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended May 2, 2022. On March 8, 2022, the Company filed a revised customer bill message to clarify the customer comment period. Staff recommends approval of the Revised Application.

Commission action on this matter is required no later than **Wednesday, June 1, 2022.**

BACKGROUND:

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

- Residential access line rate will increase by \$1.50 per month, from \$16.27 to \$17.77, for exchanges in Leoti, Tribune, Marienthal, Jetmore, Sharon Springs, Wallace, and Weskan.
- Residential access line rate will increase by \$1.50, from \$19.74 to \$21.24 per month, for exchanges in Cedar Point, Staffordville, and Americus.

- Voice Advantage and Voice Advantage II bundles will increase by \$2.50 a month (residential access line rate increase of \$1.50 and intrastate long distance minutes rate increase of \$1.00).
- Home Phone bundles will increase by \$2.50 per month. (residential access line rate increase of \$1.50 and interstate long distance minutes of \$1.00).

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

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

Upon filing such an application for a rate increase, any rural telephone company seeking expedited approval of the proposed rate under this section shall send a notice to its subscribers by regular mail, which may be included with regular subscriber mailings. Such mailings shall include the name, mailing address and telephone number of the commission. The notice shall include a schedule of the proposed local exchange rates, the effective date of the rates and a description of the procedures by which the subscribers can petition the commission to determine the reasonableness of the proposed rates, including a provision specifically stating that protest by 15% or more of subscribers subject to the proposed rate increase would require the commission to initiate an investigation concerning the reasonableness of the proposed rate increase.

Consolidated Kansas provided a revised copy of the Customer Notice (Notice of Proposed Rates) on February 8, 2022 and March 7, 2022, after discussions with Staff. The Customer Notice stated that a customer could petition the Commission regarding the reasonableness of the rate increase and that the Commission would be required to initiate an investigation if more than fifteen percent (15%) of the Company's subscribers protest the rate increase. The Company also provided updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

Staff evaluated Consolidated Kansas's revised Customer Notice and finds it is appropriate and is in compliance with K.S.A. 66-2007. Pursuant to K.S.A. 66-2007(b), the statutorily required comment period is 60 days from customer notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Monday, May 2, 2022. The Commission is required to approve aggregate increases of \$1.50 per month or less per line in a one-year period pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Kansas' subscribers comment

or object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received no comments or complaints regarding Consolidated Kansas's proposed rate increases.

K.S.A. 66-2005(e)(1)(C) required the Commission to determine a target affordable residential local service rate, effective March 1, 2007, and every two-years thereafter for those entities that receive Kansas Universal Service Fund (KUSF) high-cost support. In Docket No. 21-GIMT-095-GIT, the Commission adopted a statewide target affordable rate of \$18.50 for residential service.¹

K.S.A. 66-2005(e)(5) requires that a rural LEC that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have an affordable rate that is increased by an equal amount of the rate increase under K.S.A. 66-2007(b).

The Company has not received KUSF high-cost support since June 1, 2003.² The Company has increased its local service rates under K.S.A. 66-2007(b) in numerous dockets, the most recent being Docket No. 21-SFLT-288-TAR for residential services³ and Docket No. 21-SFLT-408-TAR for business services. Based on the total amount of the previous increases, its affordable residential rate is \$7.50 above the statewide affordable rate in the Cedar Point, Stanfordville, Leoti, Tribune, Marienthal, Sharon Springs, Wallace and Weskan exchanges, \$7.18 above the statewide affordable rate for the Jetmore exchange, and \$7.38 above the affordable rate for the Americus exchange upon approval of the additional increase in this Docket, if it were to seek KUSF high-cost support. In response to a Data Request from Staff, the Company states it anticipates additional annual residential customer revenue of \$16,079, comprised of \$9,063 from stand-alone residential access lines and \$7,013 from access lines in the voice bundles.

RECOMMENDATION:

The evaluation of Consolidated Kansas's Application and Customer Notice shows they are in compliance with K.S.A. 66-2007(b). Consolidated Kansas's customers did not register any written or oral complaints with the Commission's Public Affairs and Consumer Protection Office; therefore, the Company's Application to increase its rates up to \$1.50/month per line per year, as stated in its Application, should be approved.

Staff recommends that the Commission approve Consolidated Kansas's filing.

¹ *Order Adopting KUSF Year 25 Assessment Rate and Affordable Rates; Adopting Methodology for KUSF High-Cost Support Cap Implementation*, Docket No. 21-GIMT-095-GIT, Jan. 21, 2021.

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

³ *Order Approving Tariff Revisions*, Docket No. 12-SFLT-623-TAR, May 21, 2012 (\$1.50 for all exchanges except Jetmore and \$1.18/month for residential in the Jetmore exchange); *Order Approving Local Rate Increases Pursuant to K.S.A. § 22-2007(b)*, Docket No. 13-SFLT-641-TAR, July 18, 2013 (\$1.50 for all exchanges for residential); *Order Approving Tariff Revisions*, Docket No. 12-BSTT-621-TAR, May 21, 2012 (\$1.50/month for the Cedar Pointe and Stafford exchanges and \$1.38/month for the Americus exchange for residential); *Order Approving Local Rate Increases Pursuant to K.S.A. § 22-2007(b)*, Docket No. 13-BSTT-643-TAR, July 18, 2013 (\$1.50/month for all exchanges for residential); *Order Approving Tariff Revisions*, Docket No. 20-SFLT-331-TAR, April 28, 2020 (\$1.50/month for all exchanges for residential), plus the \$1.50/line increase approved in this Docket, and *Order Approving Tariff Revisions*, Docket No. 21-SFLT-288-TAR, May 13, 2021 (\$1.50/month for all exchanges for residential), plus the \$1.50/line increase approved in this Docket.

1500 SW Arrowhead Road
Topeka, KS 66604-4027

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner



Attachment A

Phone: 785-271-3100
Fax: 785-271-3354
<http://kcc.ks.gov/>

Laura Kelly, Governor

MEMORANDUM

To: Lynn Retz
Executive Director

From: Linda Berry, Director
Public Affairs and Consumer Protection

Date: May 2, 2022

Re: Docket 22-SFLT-378-TAR
In the Matter of Consolidated Communications of Kansas Company
Filing Tariff Revisions to Residential Access Line and Bundles
Increases

The Office of Public Affairs and Consumer Protection received no customer comments between March 1, 2022 and May 2, 2022 regarding the rate increase proposed in Docket 22-SFLT-378-TAR.

I request the Telecommunications Division of the Kansas Corporation Commission file this memo into the docket.

cc. Bryan Seamans, Chief of Telecommunications
Sandy Reams, Assistant Chief of Telecommunications
Hemant Bhagat, Senior Telecommunications Analyst

CERTIFICATE OF SERVICE

22-SFLT-378-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 05/19/2022.

WALKER HENDRIX, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
w.hendrix@kcc.ks.gov

FLOYD J JASINSKI, DIRECTOR - LEGISLATIVE AND
REGULATORY
CONSOLIDATED COMMUNICATIONS OF KANSAS
COMPANY
114 VERNON ST
ROSEVILLE, CA 95678
floyd.jasinski@consolidated.com

/S/ DeeAnn Shupe

DeeAnn Shupe