

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

Before Commissioners: Thomas E. Wright, Chairman
 Joseph F. Harkins
 Ward Loyd

Generic Proceeding to Address Kansas Universal)
Service Fund Support Supplemental Funding) Docket No. 10-GIMT-667-KSF
Procedures, as Adopted by the Commission in)
Docket No. 00-GIMT-842-GIT.)

ORDER OPENING DOCKET AND SETTING PROCEDURAL SCHEDULE

The above-captioned matter comes on before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission opens this docket and establishes a procedural schedule pertaining to Kansas Universal Service Fund (KUSF) supplemental funding.

1. K.S.A. 2009 Supp. 66-2008(e) governs KUSF supplemental funding. In its December 27, 1996 Order in the 478 Docket¹, the Commission interpreted the statute as (a) requiring the Commission to issue an order on a supplemental KUSF funding request within 120 days from the file date of the request; (b) the requesting carrier would be paid on per-line basis upon Commission approval of the request; and (c) the carrier would report additional lines to the KUSF Administrator.

2. In the 236 Docket², the Commission directed the KUSF administrator to cease processing supplemental KUSF support requests, effective March 1, 2000, until the

¹ *In the Matter of a General Investigation into Competition within the Telecommunications Industry in the State of Kansas*, Docket No. 94-GIMT-478-GIT (1994) (478 Docket).

² *In the Matter of the Investigation to Determine the March 1, 2000 Assessment for the New Kansas Universal Service Fund Year*, Docket No. 00-GIMT-236-GIT (1999) (236 Docket).

Commission could determine whether the procedures adopted in the 478 Docket were consistent with K.S.A. 66-2008(e).

3. In the 842 Docket,³ the Commission adopted the supplemental KUSF funding procedures in place today. Those procedures include (a) defining an access line as any revenue-producing line over which universal service is provided and meets the Commission's definition of a supported line; (b) allowing companies to request supplemental KUSF funding for lines in service at the end of each quarter or between quarters if they experienced a two percent or greater 12-month net increase in lines; (c) a rolling 12-month period, corresponding to the end of each quarter, will be used to determine the net increase; (d) a supplemental funding request must be submitted within 45 days, provided the request includes, at a minimum, certain data; and (f) an "affected party" is defined as any company contributing to or receiving monies from the KUSF. *Id.* Attachment 1, Staff Report and Recommendation for KUSF Supplemental Funding Requests.

4. In the 349 docket,⁴ the Commission instructed Staff to file a memorandum to open a generic proceeding to address whether the KUSF supplemental funding procedures should be modified.

5. Staff prepared a thorough review of the history of KUSF supplemental funding procedures for requests and payment in its Memorandum posted on the Commission's

³ *In the Matter of a General Investigation into Procedures for Supplemental Funding Requests Pursuant to K.S.A. 1999 Supp. 66-2008(e)*, Docket No. 00-GIMT-842-GIT (2000) (842 Docket).

⁴ *In the Matter of the Application of the Request of United Wireless Communications, Inc. for Kansas Universal Service Fund Initial and Supplemental Fund Support*, Docket No. 10-UWCC-349-KSF (2009) (349 Docket).

web site April 14, 2010. The Commission encourages parties to this docket to review Staff's Memorandum, as it was the prompting device by which the Commission opened this docket.

6. The Commission believes it is appropriate to open this docket to determine whether the current supplemental KUSF funding remains adequate or if modifications are necessary. The Commission, therefore, seeks comments upon the following items.

(a) Is the definition of a line eligible for supplemental KUSF support adequate?

(b) Is the current filing frequency procedure—allowing companies to request supplemental KUSF funding for lines in service at the end of each quarter or between quarters if a two percent or greater 12-month net increase in lines occurs—appropriate?

(c) How should prior adjustments adopted by the Commission be incorporated in the carrier's subsequent requests for supplemental KUSF support?

(d) What is the appropriate effective date for payment of supplemental KUSF support?

7. The following procedural schedule will govern the comment periods:

(a) Parties should file their respective entry of appearance within 14 calendar days from the issuance date of this Order.

(b) Initial comments are to be filed within 28 calendar days from the issuance of this Order.

(c) Reply comments are to be filed 28 calendar days from the date the initial comments are due.

Staff will prepare a summary of the comments for consideration by the Commission within 28 calendar days from receipt of reply comments.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Parties will comment on the matters contained in paragraph 6 within the time periods established in paragraph 7.

B. The Commission retains jurisdiction over the parties and the subject matter of this docket for the purpose of issuing such additional orders as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Wright, Chmn.; Harkins, Com.; Loyd, Com.

Dated: JUN 16 2010

ORDERED MAILED

JUN 17 2010

Susan K. Duffy EXECUTIVE
DIRECTOR

Susan K. Duffy Executive Director