

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Mark Sievers, Chairman
 Ward Loyd
 Thomas E. Wright

In the Matter of a Review of the Kansas)
Lifeline Service Program (KLSP) to) Docket No. 11-GIMT-635-GIT
Determine the Impact of the Increase in the)
Statewide Affordable Residential Rate to)
Lifeline Subscribers and Whether the \$7.77)
Monthly Credit Should be Modified.)

**ORDER MAINTAINING KANSAS LIFELINE SERVICE PROGRAM
MONTHLY CREDIT AT \$7.77 PER MONTH AND
DECLINING TO REQUIRE A MINIMUM MONTHLY PAYMENT**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records and being fully advised in the premises, the Commission finds and concludes as follows:

1. On April 1, 2011, the Commission, in response to Staff's March 10, 2011 Report, opened this docket to review the Kansas Lifeline Service Program monthly credit. The review was triggered by a \$0.50 increase in the affordable monthly service rate for rural local exchange companies (rural LECs) effective March 1, 2011, in accordance with K.S.A. 2010 Supp. 66-2010(e). On that same day, the Commission granted the Citizens' Utility Ratepayer Board's (CURB) Petition to Intervene, directed Staff to file a report and recommendation as soon as possible after the opening of the docket, taking into account nine specific items enumerated at paragraph four of the order opening the docket. The order also requested docket participants file comments on June 3, 2011, and reply comments on July 1, 2011.

2. On April 7, 2011, Staff filed its report. After reciting a thorough background of the Kansas Lifeline program and credits, Staff reviewed the increase in the statewide affordable rate under K.S.A. 2010 Supp. 66-2005(e), and noted that all incumbent local exchange carrier Lifeline subscribers experienced a net overall rate increase. Staff stated, specifically, that as of Staff's review, there were 22,640 Lifeline subscribers. Of that number, 129 experienced a net rate increase greater than \$1.00; 20,775 experienced a net increase of \$0.50 to \$0.99; and 1,734 saw a rate increase of less than \$0.50.

3. Staff's ultimate recommendation to the Commission was no increase in the Lifeline credit, and also requested comments address whether Lifeline subscribers should pay a minimum monthly charge for local service. Finally, Staff recommended the Commission issue an order addressing any Lifeline increases prior to September 30, 2011, in order for Staff to incorporate any changes into its calculations the assessment rate for KUSF Year 16, to be effective March 1, 2012.

4. Although several entities filed entries of appearance, only CURB filed comments, and only Southwestern Bell Telephone Company d/b/a AT&T Kansas (AT&T) filed reply comments. Generally, AT&T and CURB were in agreement in recommending the Commission maintain the monthly Lifeline credit at its current \$7.77, and reject any minimum monthly payment for service. CURB noted that a requirement that all Lifeline subscribers pay a minimum monthly charge would impact customers of only three companies, with a total of 155 Lifeline subscribers, and that such a requirement would "isolate, penalize, and discriminate against the KLSP customers of these three ILECs simply because these companies have made a decision to maintain low basic local rates (below the statewide affordable rate level) in order to preserve and enhance universal service." In its reply comments, AT&T noted that "[i]n addition,

implementing a \$1.00 minimum monthly charge for KLSP customers would have no significant impact on the KUSF or on the KUSF assessments levied on other Kansas non-KLSP consumers.”

5. The Commission thanks its Staff and the commenters for their time and input into this docket. The Commission does not see that adequate justification exists for making any changes to the Lifeline service program monthly credit at this time and decides, in accordance with the unanimous recommendation, to maintain the monthly credit at \$7.77. Likewise, the Commission accepts CURB and AT&T’s recommendation, at this time, to not implement a minimum monthly charge to be required of all Lifeline service program customers. As a result of the above findings, the Commission determines that this docket should be closed.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

This docket shall be closed.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Loyd, Com.; Wright, Com.

Dated: AUG 04 2011



Executive Director

crh

ORDER MAILED AUG 04 2011

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
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ORDER MAILED **AUG 04 2011**

The Docket Room hereby certified that on this _____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
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ORDER MAILED AUG 04 2011

The Docket Room hereby certified that on this _____ day of _____, 20____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.