

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

Before Commissioners:                      Andrew J. French, Chairperson  
   Dwight D. Keen  
   Susan K. Duffy

In the Matter of Consolidated Communications                      )  
of Missouri Company Filing Tariff Revisions to                      )     Docket No. 21-FCMT-447-TAR  
its General Exchange Tariff No. 1.    )

**ORDER APPROVING TARIFF REVISIONS**

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 record, and being duly advised in the premises, the Commission finds and concludes as follows:

1.     On June 1, 2021, Consolidated Communications of Missouri Company (Consolidated) filed a request to revise its General Exchange Tariff to increase its Convenience Fee from \$1.00 to \$2.00 for bill payment transactions over phone. Consolidated filed a replacement tariff for Tariff No. 1, Section 2, Revised Sheet 26, effective July 1, 2021.

2.     K.S.A. 66-1, 190 requires that telecommunications public utilities doing business in Kansas shall:

... publish and file with the commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate, and shall furnish the commission copies of all rules and regulations and contracts between such telecommunications public utilities pertaining to any and all jurisdictional services to be rendered by such telecommunications public utilities.

The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or

regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

3. The Commission maintains authority to require telecommunications public utilities to maintain rates that are not unjust or unreasonably discriminatory.<sup>1</sup> Accordingly, the Commission conducts its investigation regarding the reasonableness of Consolidated's request to modify its tariff language to permit a change in its Convenience Fee of \$1.00 per transaction for payments rendered by telephone.

4. The Commission Staff (Staff) issued a Report and Recommendation dated June 16, 2021, advising the Commission to grant the tariff revisions proposed by Consolidated to change its Convenience Fee from \$1.00 to \$2.00 per transaction for payments made by phone through a live agent or the Company's automated IVR system. The Staff indicated Consolidated has several options for payment including payment by mail with a remittance slip included in the billing invoice, through the use of the Company's website, with an online payment through a banking institution or a pay application or agent, and by telephone transaction. The Staff explained it investigated the \$2.00 telephone fee per transaction and determined the associated costs were in excess of the charge for processing a telephone transaction. The Staff noted the tariff revisions would not have a material impact on annual regulated revenue and were consistent with the Commission's decision in Docket No. 04-GIMT-1080-GIT regarding the threshold for not conducting a formal audit.

5. The Commission adopts Staff's analysis and recommendations of June 16, 2021, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the Consolidated request should be granted. In conjunction with the request, the Commission finds that the effective date shall be July 1, 2021.

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<sup>1</sup> K.S.A. 66-1,189.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The Consolidated Communications of Missouri Company request filed in this matter on June 1, 2021, is hereby granted with the effective tariff date occurring on July 1, 2021.

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).<sup>2</sup>

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.**

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 06/24/2021



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Lynn M. Retz  
Executive Director

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

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chairperson Andrew J. French  
Commissioner Dwight D. Keen  
Commissioner Susan K. Duffy

**FROM:** Hemant Bhagat, Senior Telecommunications Analyst  
Kelly Mabon, Senior Telecommunications Analyst  
Sandra K. Reams, Assistant Chief of Telecommunications  
Bryan Seaman, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** June 16, 2021

**SUBJECT:** Docket No. 21-FCMT-447-TAR  
In the Matter of Consolidated Communications of Missouri Co. Filing  
Tariff Revisions to its General Exchange Tariff No. 1.

**EXECUTIVE SUMMARY:**

On June 1, 2021, Consolidated Communications of Missouri Company (Consolidated of Missouri) filed a request to make tariff revisions in its General Exchange Tariff regarding an increase in the Convenience Fee.

The Commission action date is Thursday, **July 1, 2021**.

**BACKGROUND:**

The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

(d) Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

In addition, K.S.A. 66-1,190 requires every public utility doing business in Kansas over which the Commission has control shall publish and file with the Commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate. The Commission has the power to prescribe reasonable rules and regulations regarding the form and filing of all schedules, tariffs and classifications of all rates, joint rates, tolls and charges, and all rules and regulations of such telecommunications public utilities as the Commission determines reasonable and appropriate.

The KCC must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189. Further, K.S.A. 66-1,189 requires the KCC to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

Because telecommunications providers must constantly adapt to consumer needs, the KCC determined in Docket No. 04-GIMT-1080-GIT that rate changes made by telecommunications providers would not be audited for their justness and reasonableness unless the changes result in the provider receiving “materially greater revenue” than its rate-of-return would necessitate.<sup>1</sup>

### **ANALYSIS:**

This filing requests an increase in the Convenience Fee from \$1.00 to \$2.00 for bill payment transactions conducted over the phone, using either the automated system or via a live agent. Consolidated offers other bill payment options free of charge. The fee of \$1.00 was approved by the Commission in Docket No. 21-FCMT-007-TAR on July 21, 2020.

The current payment options include:

- Mailing the payment to the Company address on the remittance slip attached to the monthly invoice;
- Making a payment via the Company’s website by either enrolling for recurring payments or making a one-time payment;
- Making on-line payments via the Customer’s banking institution or other non-Company payment application or agent; and

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<sup>1</sup> Prior to 2004, if a rate of return carrier asked for an increase in revenue outside a rate case, the Commission policy was to adjust the amount received for an increased rate by a corresponding decrease in draw from the KUSF, pursuant to K.S.A. 66-2005(d). However, in *Rural Telephone Service Co. v. Kansas Corporation Commission*, 31 Kan. App. 2d 760, 72 P.3d 937 (2003), the Kansas Court of Appeals held that the Commission did not have statutory authority to reduce Rural's KUSF distribution in response to increased revenue from modifications to tariff filings (Docket No. 02-RRLT-875-TAR). The Court reversed the Order reducing Rural's KUSF support, but it remanded the matter to enable the Commission to determine the reasonableness of the proposed tariff changes in light of the Court's decision to disallow a contemporaneous reduction of KUSF support, 31 Kan. App. 2d at 770. On June 4, 2004, the Commission opened a generic docket to address Staff's proposal to address tariff increases between KUSF audits. In an Order dated September 28, 2004, in that Docket (04-GIMT-1080-GIT), the Commission stated, “Staff will continue to conduct an individual evaluation of any proposed tariff revision made by a rate-of-return regulated company affecting its revenues to determine the reasonableness of the proposed rates . . . if Staff evaluates information indicating that a rate-of-return regulated carriers is receiving materially greater revenue than its authorized cost recovery and rate of return would necessitate, the Commission will consider whether to conduct an audit.”

- Making a payment via the phone either through live agent of the Company or via the Company's automated Interactive Voice Response (IVR) system.

The proposed language includes a Convenience Fee charge of \$2.00 per transaction when payment is rendered by telephone.

Staff sent a Data Request to Consolidated of Missouri asking what the estimated annual revenue increase will be from this tariff filing. The Company responded that it anticipates an increase in annual revenue of \$300 for this change.

In Docket No. 21-FCMT-007-TAR, Consolidated Missouri stated the cost to process a payment by telephone includes vendor fees for credit card and ACH payments, agent labor, and telephony and IVR system costs. Just including vendor costs and labor, the average cost can exceed \$3.00.

**RECOMMENDATION:**

Staff is generally in favor of giving customers options with regard to payment of monthly bills. The potential revenue generated by this change will not be materially greater than the Company's authorized cost recovery. Staff recommends approval of this filing with an effective date of July 1, 2021, as requested by the Company.

## **CERTIFICATE OF SERVICE**

21-FCMT-447-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 06/24/2021.

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/S/ DeeAnn Shupe  
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DeeAnn Shupe