

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of Consolidated Communications)
of Missouri Company Filing Revisions to its) Docket No. 24-FCMT-628-TAR
General Exchange Tariff, Residential Rate)
Increases)

ORDER APPROVING TARIFF REVISIONS

This matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

I. Background

1. On March 15, 2024, Consolidated Communications of Missouri Company (“Consolidated Missouri” or “Company”) filed an Application requesting permission to raise its Residential Access Line rate by \$1.50 per month pursuant to K.S.A. 66-2007(b), as well as its Voice Advantage and Voice Advantage II (“Voice Advantage”) bundles rates by \$1.00 per month pursuant to K.S.A. 66-117. Consolidated Missouri requested an effective date of August 16, 2024.¹

2. The Commission suspended the Docket pursuant to K.S.A. 66-117(d) for a period of 120-days, to July 15, 2024, in order to meet the statutory deadline prescribed by K.S.A. 66-2007(b) for Access Line rate increases.

3. Consolidated Missouri filed an Amended Tariff Sheet on April 2, 2024 reflecting amended business access line monthly rates approved by the Commission in Docket No. 24-FCMT-444-TAR. The Company filed another Amended Tariff Sheet on June 12, 2024 to reflect

¹ Tariff for Consolidated Communications of Missouri Company (Mar. 15, 2024) (“Application”).

the increased Voice Advantage II Bundles Calling Feature Upgrade monthly rate as approved by the Commission in Docket No. 24-FCMT-736-TAR.

4. On June 26, 2024, Commission Technical Staff (“Staff”) submitted a Report and Recommendation, attached hereto as **Exhibit 1** and incorporated by reference, in which Staff recommended the Commission approve the Application in its entirety.²

II. Jurisdiction and Legal Standards

5. The Commission has full power, authority, and jurisdiction to supervise and control the local exchange carriers doing business in Kansas and is empowered to do all things necessary and convenient for the exercise of such power, authority, and jurisdiction.³

6. K.S.A. 66-117 requires public utilities over which the Commission has jurisdiction to file any proposed changed rate with the Commission at least 30 days prior to the proposed effective date. The Commission may suspend the requested effective date up to 240 days in order to investigate the proposed changed rate.⁴

7. Pursuant to K.S.A. 66-1,190, each telecommunications public utility doing business in Kansas over which the Commission has control must file copies of all schedules of rates with the Commission.

8. Every Commission-jurisdictional telecommunications public utility in Kansas must furnish reasonably efficient and sufficient service at just and reasonable rates.⁵ The Commission must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189.

² Exhibit A, Staff’s Report and Recommendation (Jun. 26, 2024) (“R&R” or “Staff’s R&R”).

³ K.S.A. 66-1,188.

⁴ See K.S.A. 66-117(d).

⁵ See K.S.A. 66-1,189.

9. K.S.A. 66-2007(b) states rural telephone companies that are subject to traditional rate of return regulation may propose basic local exchange price increases, in the aggregate, in any one year, of \$1.50 or less per access line per month and such increases will be presumed reasonable and will not be subject to Commission investigation, provided the company adheres to the notice requirements set forth in the statute.⁶ Such rate increases are to be approved within a 120-day timeframe.⁷

10. The statute requires the rural telephone company to send notice of the proposed increase to its subscribers by mail, including the name, mailing address, and telephone number of the Commission.⁸ The notice must contain 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 rate. The notice must also specifically include a provision that protest by 15% or more of subscribers subject to the proposed rate increase would require the Commission to initiate an investigation into the reasonableness of the increase.⁹

11. Pursuant to K.S.A. 66-2007(b), the statutorily required notice and comment period is 60 days from the date of distribution of the notice. Comments were due to the Commission's Public Affairs and Consumer Protection Office by Friday, June 21, 2024.

12. While the Commission is ordered to conduct an investigation into the reasonableness of a proposed rate increase under K.S.A. 66-2007(b) if 15% of subscribers protest the increase, the Commission also has the right, on its own accord, to investigate and determine the reasonableness of an increase in local exchange rates and charges by any rural telephone

⁶ K.S.A. 66-2007(b).

⁷ *Id.*

⁸ K.S.A. 66-2207(b).

⁹ *Id.*

company within one year of the time of an increase.¹⁰ If the Commission subsequently determines the rate increase is unreasonable, the Commission may, after a Hearing on the matter, rescind all or any portion of the increases found to be unreasonable.¹¹

III. Analysis and Findings

13. Staff evaluated Consolidated Missouri's Application. With regard to the proposed \$1.00 per month increase to the Voice Advantage bundles rate, Staff found that the proposed rate increase is just and reasonable and recommended the Commission approve Consolidated Missouri's request.

14. With regard to the proposed \$1.50 per month Residential Access Line rate increase, Staff analyzed Consolidated Missouri's proposed increase and Customer Notice to determine if it complied with K.S.A. 66-2007(b). First, Consolidated Missouri is requesting an increase of \$1.50 per month for its Residential Access Line rate. K.S.A. 66-2007(b) presumes that increases for \$1.50 per month, in the aggregate over a year, are presumed reasonable. Consolidated Missouri has not requested approval from the Commission to increase its Residential Access Line rate within the last year.¹²

15. Consolidated Missouri provided a copy of the Customer Notice with the April billing statement sent to customers. The Customer Notice informed customers of the proposed increase, of the customers' right to petition the Commission regarding the reasonableness increase, and of the fact that the Commission would be required to initiate an investigation if more than 15% of Consolidated Missouri's subscribers protested the increase.¹³

¹⁰ K.S.A. 66-2007(c).

¹¹ *Id.*

¹² Docket No. 23-FCMT-622-TAR was the last Docket in which Consolidated Missouri requested an increase to its Residential Access Line rate or Voice Advantage bundles rate. The Commission Order approving the Company's request was issued May 25, 2023.

¹³ See Staff's R&R, p. 3.

16. Attachment A to Staff's R&R is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received three customer comments regarding Consolidated Missouri's proposed rate increase. Three customers does not meet the 15% threshold necessary to require a Commission investigation.¹⁴

17. The Commission is required by statute to approve Consolidated Missouri's Application regarding the Residential Access Line rate if: 1) the Company keeps its proposed increase in the aggregate in any one year to \$1.50 or less per month, and 2) the Company complies with the notice provisions in K.S.A 66-2007(b). Consolidated Missouri requested an increase of \$1.50 to its Residential Access Line rate. Consolidated Missouri has not requested a rate increase in either of these categories in over a year. Staff has determined Consolidated Missouri complied with the notice provisions in K.S.A. 66-2007(b).

18. The Commission finds Consolidated Missouri has complied with the provisions of K.S.A. 66-2007(b) with respect to its request to increase Residential Access Line rate.

19. The Commission adopts Staff's analysis and recommendations of June 26, 2024, as stated in the Report and Recommendation, and finds that Consolidated Missouri's proposed increase to its Residential Line Access rate of \$1.50 per month and its proposed increase to its Voice Advantage bundles rate of \$1.00 per month should be granted.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Consolidated Missouri's Application to increase its Residential Access Line rate and its Voice Advantage bundles rates is hereby granted.

B. The effective date of the respective increases shall be August 16, 2024, as requested by Consolidated Missouri.

¹⁴ Staff's R&R, p. 3.

C. 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).¹⁵

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 07/11/2024



Lynn M. Retz
Executive Director

CRM

¹⁵ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).



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Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

REPORT AND RECOMMENDATION
UTILITIES DIVISION

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Drennan Dolsky, Telecommunications Analyst
Steve Garrett, Deputy Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: June 26, 2024

SUBJECT: Docket No. 24-FCMT-628-TAR

In the Matter of Consolidated Communications of Missouri Company Filing Revisions to its General Exchange Tariff, Residential Rate Increases.

EXECUTIVE SUMMARY:

On March 15, 2024, Consolidated Communications of Missouri Company (Consolidated Missouri) filed an Application¹ with the Kansas Corporation Commission (Commission) requesting permission to raise its Residential Access Line rate by \$1.50 per month, pursuant to K.S.A. 66-2007(b), and to increase its Voice Advantage and Voice Advantage II (Voice Advantage) bundles rate by \$1.50 for Local Rate of the Bundle offering and \$2.50 for the Total Bundle Rate offering each per month, pursuant to K.S.A. 66-117. The Home Phone Standard Service offering in the Residential Bundled Service Packages will grandfather existing customers.

Consolidated Missouri sent a notice to customers of these changes on their April 2024 billing cycle. Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended June 21, 2024. Consolidated Missouri filed revisions to its General and Local Exchange Tariff relating to Residential Access Line rates and Voice Advantage bundles of service, respectively impacting Section 4, Fifth Revised Sheet 7, Section 15, Fourth Revised Sheet 2, 9, and 22. Section 3 – Sheet 7 lists both residential and business access line rates.

Consolidated Missouri filed a Revised Tariff Sheet on April 2, 2024 reflecting the amended business access line monthly rates approved by the Commission in Docket No. 24-FCMT-444-TAR. The Company filed another Revised Tariff Sheet on June 12, 2024 to reflect the increased

¹ Tariff for Consolidated Communications of Missouri Company (Mar. 15, 2023) (Application).

Voice Advantage II Bundles Calling Feature Upgrade monthly rate as approved in Docket No. 24-FCMT-736-TAR.

On March 28, 2024, the Commission issued an order suspending the docket to allow additional time for Staff review. Commission action on this matter is required no later than **Monday July 15, 2024**, in order to comply with K.S.A. 66-2007(b). Consolidated Missouri's proposed effective date is August 16, 2024. Commission Staff recommends approval of the Application.

BACKGROUND:

Consolidated Missouri requests approval to increase the following rates:

- Residence access line rate will increase by \$1.50 per month, from \$21.00 per month to \$22.50 per month under K.S.A. 66-2007(b).
- Voice Advantage rates will increase by \$1.50 per month for the Local Rate of the Bundle, which does not include the IntraLATA and InterLATA long distance components. The other service offer option Total Bundle Rate will increase by \$2.50 per month. This increase is comprised of the residential access line rate increase of \$1.50 per month for both service offerings and an intrastate long distance minutes' rate increase of \$1.00 that will only apply to the Total Bundle Rate option, which is subject to K.S.A. 66-117.
 - The Voice Advantage Basic:
 - Local Rate of the Bundle will increase from \$22.97 to \$24.47 and the Total Bundle Rate will increase from \$39.99 to \$42.49.
 - The Voice Advantage Unlimited:
 - Local Rate of the Bundle will increase from \$22.97 to \$24.47 and the Total Bundle Rate will increase from \$49.99 to \$52.49.
 - The Voice Advantage II Basic:
 - Local Rate of the Bundle will increase from \$21.00 to \$22.50 and the Total Bundle Rate will increase from \$37.99 to \$40.49.
 - The Voice Advantage II 600:
 - Local Rate of the Bundle will increase from \$21.00 to \$22.50 and the Total Bundle Rate will increase from \$42.99 to \$45.49.
 - The Voice Advantage II Unlimited:
 - Local Rate of the Bundle will increase from \$21.00 to \$22.50 and the Total Bundle Rate will increase from \$47.99 to \$50.49.

K.S.A. 66-117, in part, states:

Unless the state corporation commission otherwise orders, no common carrier or public utility over which the commission has control shall make effective any changed rate, joint rate, toll, charge or classification or schedule of charges, or any rule or regulation or practice pertaining to the service or rates of such public utility or common carrier except by filing the same with the commission at least 30 days prior to the proposed effective date.

K.S.A. 66-117(c) states:

The commission shall not delay the effective date of the proposed change in rate, joint rate, toll, charge or classification or schedule of charges, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, more than 240 days beyond the date the public utility or common carrier filed its application requesting the proposed change. If the commission does not suspend the proposed schedule within 30 days of the date the same is filed by the public utility or common carrier, such proposed schedule shall be deemed approved by the commission and shall take effect on the proposed effective date.

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.

The notice requirement referenced above are as follows:

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.

The Commission has the right to investigate and determine the reasonableness of an increase in local exchange rates and charges by any rural telephone company within one year of the time of an increase.²

Consolidated Missouri provided a copy of the "Notice of Proposed Rates" (Customer Notice) with the April billing sent to its customers.³ 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

² K.S.A. 66-2007(c).

³ Application, Customer Notice, Pg. 1, March 15, 2024.

subscribers protest the rate increase.⁴ Consolidated Missouri also provided in its Application updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

I. Residential Access Line Rate Increase.

Staff evaluated Consolidated Missouri's Customer Notice and finds it is appropriate and 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 the date of distribution of the notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Friday, June 21, 2024. The Commission is required to approve aggregate increases of \$1.50 or less per access line per month pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Missouri's subscribers subject to the proposed rate increase object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received three customer comments regarding Consolidated Missouri's proposed rate increase. Three customers does not meet the 15% threshold necessary to require a Commission investigation.

An affordable rate for residential service at any time shall be the existing rate or an amount \$3 greater than the affordable rate for residential service as determined under K.S.A. 66-2005(e)(1), whichever is higher, except that any increase in the residential service affordable rate exceeding \$2 may be satisfied by increases in a rural telephone company's business monthly service rate not exceeding \$2 per year, effective March 1 of the year when such rate is determined, with the remainder applied at the rate of \$2 per year, but not to exceed the affordable rate.⁵ In Docket No. 23-GIMT-261-GIT, the Commission adopted a statewide target affordable rate of \$21.75 for single-line business service.⁶

Under K.S.A. 66-2005(e)(5), a rural telephone company that increases one or more local service rates on application made after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have the level of its affordable rate increased by an equal amount of the rate increase under K.S.A. 66-2007(b). Consolidated Missouri has not received KUSF high-cost support since May 3, 2006.⁷

II. Intrastate Long Distance Rate Increase.

In the proposed tariff, Consolidated Missouri added the total bundle rate for each of the new Voice Advantage bundles. The total bundle rate includes a non-access line rate increase of \$1.00 for the intrastate long distance portion of the Voice Advantage bundles, in addition to the access line rate increase of \$1.50 resulting in a total rate increase of \$2.50.

K.S.A. 66-1,190 requires every telecommunications public utility doing business in Kansas over which the Commission has control to 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

⁴ *Id.* at Pg. 3.

⁵ K.S.A. 66-2005(e)(2).

⁶ *Order Adopting KUSF Year 27 Assessment Rate and Affordable Rates*; Docket No. 23-GIMT-261-GIT, January 17, 2023.

⁷ *Order Approving Stipulated Settlement Agreement*; Docket No. 05-GIMT-094-GIT, May 3, 2006.[]

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 Commission must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189.

If its Application is approved by the Commission, Consolidated Missouri anticipates recognizing on an annual basis additional residential access line revenue of \$1,008, comprised of \$684 from stand-alone access lines and \$324 from access lines in bundles. The company also anticipates it will receive on an annual basis an additional \$216 in intrastate and interstate long distance revenue resulting from bundles service containing long distance service.⁸

RECOMMENDATION:

Staff’s evaluation of Consolidated Missouri's Application and Customer Notice regarding its proposed residential access line rate increase shows they are in compliance with K.S.A. 66-2007(b). Consolidated Missouri's customers filed three comments with the Commission's Public Affairs and Consumer Protection Office; therefore, Staff recommends the Commission approve the company's application to increase its residential access line rate by \$1.50 per access line per month.

Regarding Consolidated Missouri’s proposed rate increase regarding the Voice Advantage Bundle’s Total Bundle Rate offering, after completing its evaluation, Staff finds that the proposed rate increase is just and reasonable in allowing the company to recover its costs. Staff recommends the Commission approve Consolidated Missouri’s Application to increase its Total Bundle Rate by \$1.00 per month.

Combined with the Residential Access Line increase of \$1.50 per month, the total bundle rate increase would be \$2.50 per month.

Staff further recommends the Commission accept the revised tariff with an effective date of August 16, 2024, as requested by the company.

⁸ Application, p. 1.



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Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

MEMORANDUM

To: Lynn Retz
Executive Director

From: Linda Berry, Director
Public Affairs and Consumer Protection

Date: June 24, 2024

Re: Docket 24-FCMT-628-TAR
In the Matter of Consolidated Communications of Missouri Company Filing Revisions to
its General Exchange Tariff, Residential Rates Increases

The Office of Public Affairs and Consumer Protection received three customer comments regarding the rate increase proposed in Docket 24-FCMT-628-TAR from April 16, 2024 through June 21, 2024.

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

cc. Drennan Dolsky
Telecommunications Analyst

Steve Garrett
Deputy Chief of Telecommunications

KANSAS CORPORATION COMMISSION



Division of Public Affairs
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Complaint ID **128320**
Date Filed **06/08/2024**
Investigator **SYSTEM**

Account Information

Account No	Notified KCC by H	Consumer Class R
Name Mary Brannan	Home Phone [REDACTED]	Cell Phone
Business	Work Phone	ext
Street Address [REDACTED]	Fax #	
Mailing Address	Email Address [REDACTED]	
City [REDACTED]		
State	Zip Code [REDACTED]	

Docket Opinion

Company ID	Docket Number	Consumer Opinion	Number of Petitions Signatures
FCMT	24-FCMT-628-TAR	O	0

Narrative

06/08/2024 People on a fixed income can't afford the prices to be raised like me I don't get much money

KANSAS CORPORATION COMMISSION



Division of Public Affairs
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Complaint ID **128406**
Date Filed **06/11/2024**
Investigator **SYSTEM**

Account Information

Account No	Notified KCC by P	Consumer Class R
Name MIKE REMICK	Home Phone [REDACTED]	Cell Phone
Business	Work Phone	ext
Street Address [REDACTED]	Fax #	
Mailing Address	Email Address m [REDACTED]	
City [REDACTED]		
State	Zip Code [REDACTED]	

Docket Opinion

Company ID	Docket Number	Consumer Opinion	Number of Petitions Signatures
FCMT	24-FCMT-628-TAR	O	0

Narrative

06/11/2024

we no longer have a residential line to us as rates kept going up so we cancelled it and use only our cell phones for communication, but I do pay a monthly fee for internet use which hasn't gone up since we started it..I see no reason to have a residential line anymore as cost was getting prohibitive for it and we have no need for it,,we also changed cell phone companies to get a better price on that also and we did get a better price,,you all want sports teams to come here and intend to spend money for that but fail to see the cost for senior citizens who oppose that also as some of us are not sport fans at all but your willing to use our monies for those so called entertainment which we really don't need or care about..we oppose any sort of rate increase regarding any of our utilities or access of our communications..as for these comments,,I bet they will fall on deaf ears and you asll will do whatever you want and will get paid for increasing rates,,prove me wrong if you can,,which I doubt you will..

KANSAS CORPORATION COMMISSION



Division of Public Affairs
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(785) 271-3100

Complaint ID **128561**
Date Filed **06/16/2024**
Investigator **SYSTEM**

Account Information

Account No	Notified KCC by H	Consumer Class R
Name Myrna Mcconnaughey	Home Phone	Cell Phone
Business	Work Phone	ext
Street Address [REDACTED]	Fax #	
Mailing Address	Email Address [REDACTED]	
City A [REDACTED]		
State	Zip [REDACTED]	

Docket Opinion

Company ID	Docket Number	Consumer Opinion	Number of Petitions Signatures
FCMT	24-FCMT-628-TAR	O	0

Narrative

06/16/2024 Use their enormous profits to fix and maintane their business. I had to when I owned a business.

CERTIFICATE OF SERVICE

24-FCMT-628-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 07/11/2024.

CARLY MASENTHIN, LITIGATION COUNSEL
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/S/ KCC Docket Room
KCC Docket Room