

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

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

In the Matter of the Application of Wheat State)
Telephone Company d/b/a Wheat State) Docket No. 22-WHST-555-TAR
Technologies Filing Tariff Revisions to)
Replace the Present Tariff in its Entirety.)

ORDER APPROVING REVISED TARIFF

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 14, 2022 Wheat State Telephone Company d/b/a Wheat State Technologies (Wheat State) filed an Application to make tariff revisions for bundled services in its General Local Exchange Tariff, effective July 14, 2022.

2. On June 22, 2022, the Commission Staff (Staff) submitted its Report and Recommendation, attached hereto and made a part hereof, recommending the Commission grant Wheat State's Application and approve the company's revised General Local Exchange Tariff. The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which reads 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.

K.S.A. 66-1,190 provides in part 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...the commission shall have 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...

3. 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. 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.

4. Because telecommunications providers must constantly adapt to consumer needs, the Commission 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.¹

5. According to Staff, Wheat State’s filing makes changes to its Discount Bundles for Business and Residential customers. These bundles include an access line, Caller ID, various minutes of usage for long distance service, internet service, and voice mail.

6. Staff finds there is no impact to revenue and the revisions to the Discount Bundles is for Internet services, this will not affect the Company’s authorized cost recovery or rate of return. Furthermore, Staff finds the proposed revisions to the Company’s Discount Bundles are beneficial to customers. Staff recommends the Commission approve the proposed tariff sheet, effective July 14, 2022.

¹ Report and Recommendation, pages 1-2.

7. The Commission adopts Staff's analysis and recommendation of June 22, 2022, as stated in its Report and Recommendation and finds that Wheat State's Application should be granted and the requested tariff revisions approved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Wheat State Telephone Company, Inc. d/b/a Wheat State Technologies' Application is hereby granted and its tariff is hereby approved and shall become effective July 14, 2022.

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

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 06/30/2022 _____



Lynn M. Retz
Executive Director

AAL

² K.S.A. 66-118b; K.S.A. 77-503(c); 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: Sandy Reams, Assistant Chief of Telecommunications
Bryan Seamans, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: June 22, 2022

SUBJECT: Docket No. 22-WHST-555-TAR

In the Matter of Wheat State Telephone Company, Inc., dba Wheat State
Technologies Filing Tariff Revisions to its Discount Bundles

EXECUTIVE SUMMARY

On June 14, 2022, Wheat State Telephone Company, Inc., d/b/a Wheat State Technologies (WST) filed a request to make tariff revisions for bundled services in its General Local Exchange Tariff, effective July 14, 2022.

Staff recommends the Commission approve WST's revised General Local Exchange Tariff pertaining to discount bundles.

The Commission action date is July 14, 2022.

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.

Pursuant to K.S.A. 66-1,189, the Commission must review rates and terms for Incumbent Local Exchange Carriers (ILECs) to ensure they are "just and reasonable" and that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

Additionally, K.S.A. 66-1,190 requires every 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 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.

Because telecommunications providers must constantly adapt to consumer needs, the Commission 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.¹

ANALYSIS

WST is filing changes to its Discount Bundles for Business and Residential customers. These bundles include an access line, Caller ID, various minutes of usage for long distance service, internet service, and voice mail.

The Company's filing revises Section 4.8, 3rd Revised Sheet 10 to:

- increase the All Pro level discount bundles' Internet speed from 25 Megabits per second (Mbps) to 50 Mbps.

The Company states in its Application that there is no (\$0.00) revenue effect due to the revision to increase the speeds in its Discount Bundles.²

RECOMMENDATION

Since there is no impact to revenue and the revisions to the Discount Bundles is for Internet services, this will not affect the Company's authorized cost recovery or rate of return. The

¹ 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."

² Application, p.2, §4.8

proposed revisions to the Company's Discount Bundles are beneficial to customers. Staff recommends the Commission approve WST replacement tariff sheet, effective July 14, 2022.

CERTIFICATE OF SERVICE

22-WHST-555-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 06/30/2022.

RANDY HOFFMAN, GENERAL MANAGER
WHEAT STATE TELEPHONE COMPANY, INC.
D/B/A WHEAT STATE TECHNOLOGIES, WST
PO BOX 320
UDALL, KS 67146
rhoffman@wheatstate.com

AHSAN LATIF, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
a.latif@kcc.ks.gov

TOM MAURER, DIRECTOR
TELCOM SUPPORT SERVICES
2708 ST CHRISTOPHER CIRCLE
MANHATTAN, KS 66502-2216
tmaurer@tssks.com

/S/ DeeAnn Shupe

DeeAnn Shupe