

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of Cable One, Inc.'s Compliance)
with the Commission's Order Dated June 26,) Docket No. 15-COIC-018-CPL
2014, in Docket No. 14-COIC-341-SHO.)

ORDER RESCINDING PENALTY AND CLOSING DOCKET

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On March 20, 2014, in Docket No. 14-COIC-341-SHO (Docket 14-341), the Commission issued an *Order to Show Cause* (Show Cause Order) against Cable One, Inc. (Cable One). The Show Cause Order directed Cable One to show cause why it should not be subject to penalties, fines, or referral to the Attorney General's Office for certain violations of the Kansas Underground Utility Damage Prevention Act (KUUDPA) and the Kansas Universal Service Fund (KUSF) statutes and regulations.

2. On June 26, 2014, in Docket 14-341, the Commission found that Cable One was in violation of the KUUDPA and KUSF regulations, and issued an *Order Assessing Penalty Against Cable One* (Penalty Order). The Penalty Order assessed a \$3,400 penalty against Cable One for its KUUDPA violations. The Penalty Order also assessed a \$15,000 penalty against Cable One for its past non-compliance with KUSF obligations, but stated that if Cable One remained compliant with its KUSF obligations until July 15, 2015, the Commission would rescind the penalty. Staff was ordered to monitor Cable One and file a Report and

Recommendation in a new compliance docket regarding Cable One's compliance with its KUSF obligations.

3. Staff opened the immediate docket for purposes of monitoring Cable One's compliance and filed a Report and Recommendation (R&R) on May 20, 2015, attached hereto and made a part hereof by reference.

4. Staff's R&R indicates that Cable One reported its monthly revenue and paid the related KUSF assessments on or before the due date with one exception – the Company remitted its November 2014 Carrier Remittance Worksheet (CRW), due on or before December 15, 2014, to GVNW on January 2, 2015. Cable One remitted payment of the November 2015 assessment on time. GVNW assessed the Company a \$100 late CRW penalty, which the Company paid.

5. Staff's R&R also indicates that Cable One submitted its semi-annual KUUDPA Damage Reports on July 29, 2014, and January 20, 2015, as required.

6. Due to Cable One's continued compliance with KUUDPA and KUSF obligations, Staff recommends the Commission rescind the \$15,000 penalty.

7. The Commission finds Staff's findings and recommendation to be reasonable and hereby adopts the same.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Cable One's \$15,000 penalty assessed in Docket No. 14-COIC-341-SHO is hereby rescinded.

B. This docket is closed.

C. Cable One is reminded that it shall remain compliant with all KUUDPA and KUSF statutes and regulations. Further violations could warrant investigations, penalties, fines, or referral to the Attorney General's Office.

D. The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 77-529(a)(1).

E. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JUN 02 2015


ORDER MAILED JUN 03 2015

Amy L. Gilbert
Secretary

MRN

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO: Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

FROM: Sandy Reams, Assistant Chief of Telecommunications
Kris Casarona, Natural Gas & Pipeline Operations Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: May 20, 2015

SUBJECT: Docket Number: 15-COIC-018-CPL
*In the Matter of Cable One, Inc.'s Compliance with the Commission's
Order Dated June 26, 2014, in Docket No. 14-COIC-341-SHO.*

EXECUTIVE SUMMARY:

In a June 26, 2014, Order in Docket No. 14-COIC-341-SHO (Docket 14-341),¹ the Commission directed a new docket be opened to monitor Cable One, Inc.'s (Cable One) compliance with the Kansas Underground Utility Damage Prevention Act (KUUDPA) and Kansas Universal Service Fund (KUSF) requirements, assessed Cable One a \$15,000 penalty and suspended the penalty pending continued compliance, and directed Staff to submit a Report and Recommendation regarding Cable One's compliance by June 1, 2015. Cable One has remained in compliance with its KUUDPA and KUSF obligations, with one exception. Staff, therefore, recommends that the Commission waive the \$15,000 penalty levied in the June 2014 Order in Docket 14-341.

BACKGROUND:

Staff's January 31, 2014, Report and Recommendation in Docket 14-341 recommended that the Commission open a proceeding to require Cable One to show cause why it

¹ *In the Matter of a General Investigation of Cable One, Inc. to Show Cause Why This Commission Should Not Initiate Sanctions and Fines and/or Refer the Company to the Attorney General's Office for Non-Compliance with Commission Orders and Kansas Statutes*, Docket No. 14-COIC-341-CIC, June 26, 2014, Order Assessing Penalty Against Cable One.

should not be subject to sanctions and fines and/or referred to the Kansas Attorney General's Office for failure to comply with KUUDPA and KUSF requirements.

On March 20, 2014, the Commission opened Docket 14-341 and directed Cable One to show cause why it should not be subject to fines and sanctions or referred to the Attorney General's Office for failure to comply with its KUUDPA and KUSF obligations. On April 23, 2014, Cable One submitted a Response to the Commission's Order and, on April 29, 2014, Staff replied to Cable One's Response.

In a June 26, 2014, Order, the Commission found Cable One failed to comply with its KUUDPA obligations and assessed the Company a \$3,400 penalty for failure to comply with those obligations. The Commission also found the Company failed to comply with its KUSF obligations and, recognizing that Cable One had paid over \$80,000 of KUSF-related penalties, declined to assess additional penalties related to the Company's non-compliance with its KUSF obligations. The Commission stated it was concerned about Cable One's continued compliance and: (1) assessed a \$15,000 penalty; (2) suspended the effective date of the penalty until July 15, 2015; (3) directed that a compliance docket be opened to monitor the Company's compliance with its KUUDPA and KUSF obligations; (4) determined the penalty would be rescinded if Cable One remained compliant with its KUUDPA and KUSF obligations; and (5) directed Staff to file a Report and Recommendation on Cable One's compliance no later than June 15, 2015. The Commission stated an Order in the compliance docket would be issued no later than July 15, 2015.

On July 2, 2014, Cable One paid the \$3,400 civil penalty as ordered by the Commission.

On July 16, 2014, this Docket was opened as directed by the Commission.

ANALYSIS:

Cable One has been subject to the following semi-annual KUUDPA Damage Reporting requirements since the June 2014 Order in Docket 14-341 was issued:²

1. submission of a Damage Report for January 1 through June 30, 2014, due on or before August 1, 2014; and
2. submission of a Damage Report for July 1 through December 31, 2014, due on or before February 2, 2015.

Cable One submitted its Damage Reports on July 29, 2014, and January 20, 2015, respectively. The Damage Report for January 1 through June 30, 2015, is due on or before August 1, 2015, after the Commission has stated it will issue its Order in this Docket.

Cable One has reported its monthly revenue and paid the related KUSF assessments on or before the due date with one exception - the Company remitted its November 2014 Carrier Remittance Worksheet, due on or before December 15, 2014, to GVNW on

² See K.A.R. 82-14-3(v) and (w).

January 2, 2015. Cable One remitted payment of the November 2015 assessments on time. GVNW assessed the Company a \$100 late CRW penalty,³ which the Company paid.

RECOMMENDATION:

Staff recommends that the Commission find that Cable One is in compliance with its KUUDPA and KUSF obligations. Staff further recommends that the Commission rescind the \$15,000 penalty.

³ *In the Matter of the Investigation to Determine the March 1, 2006 Assessment for the Tenth Kansas Universal Service Fund Year*, Docket No. 06-GIMT-332-GIT, January 23, 2006, Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements.

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

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
CLARENCE MATLOCK CABLE ONE 2229 BROADWAY AVE PARSONS, KS 67357-2743		
ANGELA F. COLLINS CAHILL GORDON & REINDEL LLP 1990 K STREET, NW, SUITE 950 WASHINGTON, DC 20006		
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BRIAN G. FEDOTIN, ASSISTANT GENERAL COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		
MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***		

ORDER MAILED **JUN 03 2015**

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.