## THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of An Investigation to Determine	)	
the Assessment Rate for the Twenty-Fourth	)	Docket No. 20-GIMT-086-GIT
Year of the Kansas Universal Service Fund,	)	
Effective March 1, 2020.	)	

# STAFF'S REPLY TO RURAL LOCAL EXCHANGE CARRIERS' MOTION TO SEVER OR DEFER CERTAIN ISSUES

The Staff of the Corporation Commission of the State of Kansas (Staff and Commission, respectively), hereby files its Reply to the Motion to Sever or Defer Certain Issues (Motion) filed by the Rural Local Exchange Carriers (RLECs). In reply, Staff states the following:

- 1. On August 29, 2019, the Commission opened the immediate Docket to determine the Kansas Universal Service Fund (KUSF) Year Twenty-Four Assessment Rate, effective March 1, 2020, through February 28, 2021, (Year 24) pursuant to K.S.A. 66-2008(a) and Docket No. 94-GIMT-478-GIT.
- 2. On December 13, 2019, Sandra K. Reams filed Direct Testimony (Reams Testimony) in this proceeding with several attachments. In addition to setting the assessment rate for KUSF Year 24, Staff requested the Commission clarify the implementation process but did not recommend implementation of the cap at this time. Mrs. Reams testified:

Staff recommends the Commission clarify the implementation process to ensure the process is clear to the RLECs and contributors to the KUSF. Consistent with the Commission's Order, Staff will monitor the monthly and cumulative KUSF FY 24 support disbursed to the RLECs. Once it appears that the cumulative support disbursements will result in the cap being reached, Staff plans to file a Report and Recommendation in the applicable KUSF annual Docket. Staff intends to include the following information in its Report: (1) the month the RLEC cap will likely need to be implemented; (2) the pro-rated KUSF support reduction for each RLEC; and (3) each RLEC's pro-rated monthly KUSF support distribution. Thus, Staff recommends the Commission clarify that Staff is to file a Report and Recommendations in the applicable annual KUSF Docket and provide the

- information identified in (1) through (3) above. Staff also recommends the Commission clarify it will issue an Order implementing the \$30 million cap at the appropriate time.
- 3. On December 18, 2019, the RLECs filed their Motion to Sever or Defer Certain Issues requesting the Commission issue an Order directing all issues relating to implementation of the cap created by K.S.A. 66-2008(e)(3) be severed from this Docket and made subject to a separate Docket or, alternatively, that such issues be ordered deferred to a later time in this Docket and that the procedural ordered in this Docket be amended accordingly.
- 4. Staff agrees that issues related to implementation of the cap can be deferred to a later time in this Docket. Staff requests the Commission issue an order clarifying that it will not address implementation of the statutory cap at this time.
- Staff recommends, as it did in Mrs. Reams' testimony, that the Commission direct Staff to file a Report and Recommendation in the applicable KUSF annual Docket when it believes the cap for the RLECs will be reached and advise the Commission of: (1) the month the RLEC cap will likely need to be implemented; (2) the pro-rated KUSF support reduction for each RLEC; and (3) each RLEC's pro-rated monthly KUSF support distribution. This is the only recommendation contained in Staff's testimony related to the cap and is procedural in nature. If a party has a concern with Staff filing a Report and Recommendation at the appropriate time, it may file Rebuttal Testimony regarding its concerns, as contemplated by the existing procedural schedule.
- 6. Staff believes the parties have a right to file pleadings related to the implementation of the cap at the appropriate time, which would be in response to Staff's Report and Recommendation regarding the implementation of the cap, to be filed at a later date.

WHEREFORE, Staff respectfully requests that the Commission issue an Order clarifying that issues related to the implementation of the cap required by K.S.A. 66-2008(e)(3) will be addressed at the appropriate time.

Respectfully submitted,

Ahsan A. Latif, #24709

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For Commission Staff

### CERTIFICATE OF SERVICE

#### 20-GIMT-086-GIT

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff's Reply to Rural Local Exchange Carriers' Motion to Sever or Defer Certain Issues was served electronically this 19th day of December, 2019, to the following:

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## **VERIFICATION**

STATE OF KANSAS	)
	) ss
COUNTY OF SHAWNEE	)

Ahsan A. Latif, of lawful age, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas; that he has read and is familiar with the foregoing *Staff's Reply to Rural Local Exchange Carriers' Motion to Sever or Defer Certain Issues*, and attests that the statements therein are true and correct to the best of his knowledge, information and belief.

Ahsan A. Latif, S. Ct. # 24709

Litigation Counsel

The State Corporation Commission

of the State of Kansas

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_\_\_day of December, 2019.



Notary Public

My Appointment Expires: June 30, 2022

## **CERTIFICATE OF SERVICE**

20-GIMT-086-GIT

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