

**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 United        )  
Telephone Association, Inc. to Relinquish its     )  
Certificate of Convenience and its Designation    )  
as an Eligible Telecommunications Carrier and     )  
Certificate of Convenience in the South           )  
Englewood, Oklahoma Exchange; Application     )  
for Allocation of KUSF Support; and             )  
Application for Tariff Revision.                 )

Docket No. 22-UTAT-519-CCS

**ORDER GRANTING COC AND ETC RELINQUISHMENT; APPROVING TARIFF  
REVISION AND REDUCTION IN KUSF SUPPORT**

The above captioned matter comes before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, the Commission makes the following findings and conclusions:

**APPLICATION**

1. On May 16, 2022, United Telephone Association, Inc. (United) filed an Application seeking the following relief: (1) relinquishment of its Certificate of Convenience (COC) in the South Englewood, Oklahoma exchange; (2) relinquishment of its Eligible Telecommunications Carrier (ETC) designation in the South Englewood, Oklahoma exchange; (3) reduction of its Kansas Universal Service Fund (KUSF) high-cost support allocated for the customers in the South Englewood, Oklahoma exchange; and (4) modification of its General Exchange Tariff to reflect that South Englewood, Oklahoma, is no longer within United’s service territory.<sup>1</sup>

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<sup>1</sup>See Application of United Telephone Association, Inc., to Relinquish its Certificate of Convenience and its Designation as an Eligible Telecommunications Carrier in the South Englewood, Oklahoma Exchange; Application for Allocation of KUSF Support; and Application for Tariff Revision, pp. 4-5 (May 16, 2022) (Application).

2. United explained that Panhandle Telephone Cooperative, Inc. (Panhandle) and United executed an Asset Purchase Agreement wherein Panhandle will acquire from United all customers being served within United's South Englewood, Oklahoma exchange, facilities currently serving those customers, and customer records needed to support provision of service.<sup>2</sup> United will continue to provide telecommunications services to all customers affected by the Transaction until all necessary regulatory approvals have been received.<sup>3</sup>

3. United further explained that Panhandle has filed with the Oklahoma Corporation Commission (OCC) an Application to be granted a COC in the South Englewood, Oklahoma exchange and become an ETC in said exchange.<sup>4</sup>

4. United's high-cost KUSF support was most recently determined in Docket No. 20-UTAT-032-KSF and its most current level of KUSF adopted in Docket No. 22-GIMT-142-GIT includes support for the South Englewood, Oklahoma exchange. United proposes an annual reduction of KUSF support paid to United once the exchange has been transferred to Panhandle.<sup>5</sup>

#### **JURISDICTION AND STANDARD OF REVIEW**

5. COC modification requests are governed by K.S.A. 66-131. Such requests shall be granted if it would promote the public convenience and necessity.

6. ETC relinquishment is governed by 47 U.S.C. § 214(e)(4) and requires a State commission to permit ETC relinquishment in any area served by more than one ETC, so long as the relinquishing carrier provides advance notice to the State commission and the State commission requires remaining ETCs to ensure that all customers served by the relinquishing

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<sup>2</sup>See *Id.* at 1-2.

<sup>3</sup>See *Id.* at 2.

<sup>4</sup>See *Id.* at 2-3.

<sup>5</sup>See *Id.* at 4.

carrier will continue to be served, giving sufficient notice to permit the purchase or construction of adequate facilities by any remaining ETC needed to fulfill this requirement.

7. KUSF high-cost support for United (a local exchange carrier operating under traditional rate of return regulation) is governed by K.S.A. 66-2008(e)(1) and provides that any modification to such support be made only as a direct result of changes to its intrastate embedded costs, revenue requirements, investments and expenses, subject to the annual cap under K.S.A. 66-2008(e)(3).

8. Tariff revisions are governed by K.S.A. 66-117 for all public utilities and K.S.A. 66-1,189 – 1,191 for telecommunications public utilities.

#### **STAFF'S REPORT AND RECOMMENDATION**

9. The Commission Staff (Staff) submitted a Report and Recommendation (R&R) regarding United's Application on July 19, 2022, attached hereto as Exhibit A and made a part hereof by reference.

10. Staff stated United is the Incumbent Local Exchange Carrier (ILEC), the Carrier of Last Resort (COLR) and an ETC in the South Englewood exchange. The OCC is reviewing Panhandle's Applications requesting a COC to be the designated ILEC and an ETC in the exchange. The parties anticipate that when regulatory approvals are obtained, all customers currently served by United in the exchange will be served by Panhandle.

11. Following the strictures of 47 U.S.C. § 214(e)(4), Staff determined whether the requested relinquishment areas will continue to have a designated high-cost ETC to ensure that all customers served by United will continue to be served. Staff found this element to be satisfied. United commits to meeting its ILEC, COLR and ETC obligations and provide telecommunications

services to all customers affected by this Transaction until all regulatory approvals are received, at which time Panhandle will assume those responsibilities.

12. Staff also reviewed United's proposal to allocate a portion of its annual KUSF support to the South Englewood exchange and reduce the Company's annual KUSF support upon closing of the Transaction. Staff agrees with United's proposed allocation methodology. United does not oppose Staff's calculation to update the annual KUSF support amount to its current March 2022 – February 2023 support and reduce the Company's annual KUSF support by \$16,951, prior to any pro-rating.

13. Since KUSF support is paid one month in arrears and the date of the closing of the Transaction is not known, Staff suggests that United file an affidavit in this Docket executed by an officer of the Company once the closing date is known. Staff also recommends that, to avoid attempting to pro-rate United's monthly KUSF support, as well as the KUSF support for all other RLECs affected by the \$30 million cap on the KUSF, for a partial month, the reduction to United's annual KUSF support be effective the first of the month in which the Transaction occurs. Staff intends to file new pro-rata KUSF support calculations to allocate the reduction in United's annual KUSF support between the other RLECs in Docket No. 22-GIMT-142-GIT.

14. Staff finds that that no customers will be harmed as a result of the proposed Transaction. Effective the date of the Transaction closing, United's COC, ETC, and COLR designations will be ceased in the South Englewood exchange and Panhandle will become the new ILEC and designated ETC in the exchange.

15. Staff recommends the Commission issue an Order to approve the Transaction and direct United to submit an affidavit, executed by an officer of the Company, to identify the Transaction date's closing as soon as it is known. Staff also recommends United be directed to

file a copy of the OCC and FCC's orders approving the Transaction in this Docket. Staff further recommends United's annual KUSF support be reduced by \$16,951, prior to any pro-rating, effective the first of the month of the Transaction's closing.

## **FINDINGS AND CONCLUSIONS**

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

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

A. United Telephone Association's Application, filed May 16, 2022, is hereby approved. United is granted relinquishment of its Certificate of Convenience and Authority to provide Local Exchange Carrier service and its designation as an Eligible Telecommunications Carrier in the South Englewood, Oklahoma exchange. The relinquishment shall become effective upon the closing of the Transaction between itself and Panhandle Telephone Cooperative, Inc., the Oklahoma Corporation Commission's issuance of an order granting Panhandle a Certificate of Convenience and Authority and designating Panhandle as an ETC in the South Englewood Exchange, and the FCC's approval.

B. United Telephone Association is directed to submit an affidavit, executed by an officer of the Company, to identify the Transaction's closing date as soon as it is known. The Company is also directed to file a copy of the OCC and FCC's orders approving the Transaction.

C. Additionally, United Telephone Association's annual KUSF support shall be reduced by \$16,951, prior to any pro-rating, effective the first of the month of the Transaction's closing.

D. 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>6</sup>

**BY THE COMMISSION IT IS SO ORDERED.**

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 07/28/2022



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Lynn M. Retz  
Executive Director

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<sup>6</sup>K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

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Dwight D. Keen, Chair  
Susan K. Duffy, Commissioner  
Andrew J. French, Commissioner

Laura Kelly, Governor

## REPORT AND RECOMMENDATION

To: Dwight D. Keen, Chair  
Susan K. Duffy, Commissioner  
Andrew J. French, Commissioner

From: Sandra Reams, Assistant Chief of Telecommunications  
Bryan Seamans, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

Date: July 19, 2022

Re: Docket No. 22-UTAT-519-CCS

In the Matter of the Application of United Telephone Association, Inc. to Relinquish its Certificate of Convenience and its Designation as an Eligible Telecommunications Carrier and Certificate of Convenience in the South Englewood, Oklahoma, Exchange, Application for Allocation of KUSF Support and Application for Tariff Revision.

### **EXECUTIVE SUMMARY:**

On May 16, 2022, United Telephone Association, Inc. (United) submitted an Application requesting the Commission cease its Certificate of Convenience and Authority (COC) to provide Local Exchange Carrier service (LEC) and its designation as an Eligible Telecommunications Carrier (ETC) in the South Englewood, Oklahoma (South Englewood) exchange as a result of an Asset Purchase Agreement (Agreement) between United and Panhandle Telephone Cooperative, Inc. (Panhandle), herein referred to as the Transaction.<sup>1</sup>

Staff recommends the Commission approve the Transaction and direct United to file a copy of the Oklahoma Corporation Commission's (OCC) order(s) granting Panhandle a COC and designating Panhandle as an ETC in the South Englewood exchange. United should also be directed to file a copy of the Federal Communications Commission's (FCC) approval of the Transaction and file an affidavit executed by an officer of the Company identifying the date the Transaction will close as soon as the closing date is identified. Staff also recommends the Commission's Order modify United's COC to remove the South Englewood exchange and the applicable metes and bounds from United's study area, recognize that United will no longer be the Incumbent LEC (ILEC), the Carrier of Last Resort (COLR), or an ETC in the exchange. The Order should also approve United's revised tariff to remove the South Englewood exchange from its study area.<sup>2</sup> Lastly, Staff

<sup>1</sup> United Telephone Association, Inc Application to cease Certificate of Convenience and designation as an Eligible Telecommunications Carrier, May 16, 2022 (Application)

<sup>2</sup> *Id.*, ¶ 8-9.

recommends the Commission approve a \$16,951 reduction, prior to any pro-rating, to United's annual KUSF support, effective the first of the month in which the Transaction closes.

### **BACKGROUND:**

The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 66-1,188. The Commission derives its authority to certificate and de-certificate public utilities from K.S.A. 66-131 and K.S.A. 66-136, which requires the Commission to review all certification and de-certification applications to determine whether the "public convenience" will be promoted by granting the request. The Transaction affects the ultimate ownership and control of a rural ILEC's exchange, therefore, the Commission has jurisdiction to review this Transaction to ensure it promotes the public convenience.

The Commission generally views the sale of a regulated utility in light of its Merger Standards,<sup>3</sup> however, the Transaction involves the sale of one exchange to an out-of-state regulated utility that is regulated by the OCC. Reliance is, therefore, placed on the OCC's jurisdictional authority to determinate whether Panhandle's managerial, technical, and financial qualifications allow the Company to be certificated as the ILEC and an ETC in the South Englewood exchange. Furthermore, Staff analyzed the information provided in United's Application, information provided by United in response to Staff Data Requests (DRs), included in Staff Exhibit 1, and discussions Staff had with the OCC Staff regarding the Transaction.

In addition to the Commission's requirements, the Federal Telecommunications Act, § 214(e)(4) provides that when an ETC seeks to relinquish its designation:

A State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission (or the Commission in the case of a common carrier designated under paragraph (6)) shall establish a time, not to exceed one year after the State commission (or the Commission in the case of a common carrier designated under paragraph (6)) approves such relinquishment

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<sup>3</sup> Order on Merger Standards, Docket No. 16-ITCE-512-ACQ, Aug. 9, 2016, available for viewing at: <http://estarc.kcc.ks.gov/estar/ViewFile.aspx/20160809133328.pdf?Id=6ff4c577-59ee-47f9-9fc9-bc735d064a9c>, [affirmed in](#) Docket 16-KCPE-593-ACQ.



under this paragraph, within which such purchase or construction shall be completed.

Federal regulations, specifically, 47 C.F.R. § 54.205, requires the following criteria to be met:

(a) A state commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the state commission of such relinquishment.

(b) Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the state commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The state commission shall establish a time, not to exceed one year after the state commission approves such relinquishment under this section, within which such purchase or construction shall be completed.

United is a rural Kansas telephone company as defined in K.S.A. 66-1,187 and operates under rate-of-return regulation pursuant to K.S.A. 66-2005(b). United is an ILEC, the COLR, and a federal and state high-cost ETC within its study area. United provides telephone service to approximately 4,000 access lines in 11 exchanges in southwestern Kansas.<sup>4</sup> In 1993, United's COC and study area were expanded to include the South Englewood exchange when United purchased the exchange from Ditch Valley Telephone Company (Ditch), headquartered in Oklahoma.<sup>5</sup> Thus, United is the COLR, ILEC, and an ETC in the South Englewood exchange.

On May 16, 2022, United filed its Application requesting to cease its COC and ETC designation in the South Englewood exchange. United included documentation in Exhibits A through E to support its Application. Exhibit A includes the metes and bounds and a map of the South Englewood exchange to reflect that the Transaction will result in a change to United's study area. Exhibits B and C include a copy of Panhandle's Applications for a COC and for ETC designation within the South Englewood exchange, respectively. United's proposed KUSF support reduction to recognize that it will no longer provide support to customers in the South Englewood exchange is contained in Exhibit D and Exhibit E includes the Company's revised Local Exchange Tariff to remove the South Englewood exchange.

United is the parent company of United Wireless Communications, Inc. (UWC), a wireless high-cost ETC for Federal and Kansas purposes,<sup>6</sup> that offers fixed and mobile wireless services in southwestern Kansas. UWC is also a certificated competitive local exchange carrier (CLEC) in

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<sup>5</sup> Order Granting Certificate, Docket 94-UTAT-458-COC, May 11, 1994. .

<sup>6</sup> See Docket Nos. 06-UWCC-243-ETC, 07-UWCC-293-ETC, 07-UWCC-975-ETC, 09-UWCC-328-ETC, 15-UWCC-029-ETC, and 15-UWCC-355-ETC.

Southwestern Bell Telephone Company d/b/a AT&T Kansas and the United Telephone Companies of Kansas d/b/a CenturyLink's study areas<sup>7</sup> and an interexchange carrier (IXC) within the State of Kansas.<sup>8</sup> United is also an affiliate of United Communications Association, Inc. (UCA), a certificated IXC<sup>9</sup> and a CLEC.<sup>10</sup> UWC and UCA are not affected by the Agreement with Panhandle.

Panhandle, headquartered in Guymon, Oklahoma, is an ILEC and an ETC that has provided telecommunications services in Oklahoma for more than 65 years under the OCC's jurisdiction.<sup>11</sup> The Office of the Secretary of State of Oklahoma shows Panhandle is registered as a Domestic For-Profit Cooperative with a Certificate of Good Standing.<sup>12</sup>

On March 31, 2022, United and Panhandle executed an Asset Purchase Agreement (Agreement) for Panhandle to acquire United's telecommunications facilities, including land and other assets, as well as the customers, within the South Englewood exchange. All customer records and other information necessary to support the provision of service will also be transferred to Panhandle.<sup>13</sup>

On April 19, 2022, Panhandle filed an Application with the OCC requesting a COC to provide local exchange, IXC, and data services and an Application to be designated as an ETC in the South Englewood exchange pursuant to the terms of the Agreement.<sup>14</sup> Panhandle states it possesses the financial ability to provide any local exchange telecommunications services in the state of Oklahoma.<sup>15</sup> Panhandle also states its current management team will operate and provide services to its customers, including those in the South Englewood exchange, in accordance with the OCC's rules and regulations and applicable Oklahoma statutes.<sup>16</sup>

### **ANALYSIS:**

United is the ILEC, the COLR, and an ETC in the South Englewood exchange. The OCC is reviewing Panhandle's Applications requesting a COC to be the designated ILEC and an ETC in the exchange. Upon receiving all regulatory approvals, the Transaction will close and the customers currently served by United will be served by Panhandle.

Consistent with the Federal Telecommunications Act § 214(e)(4) and C.F.R. 47 § 54.205, the Commission must ensure there is a designated high-cost ETC in the South Englewood exchange to ensure that all customers served by the relinquishing carrier will continue to be served. United's Application to relinquish its COC and ETC designation in the South Englewood exchange and Panhandle's simultaneous Applications filed with the OCC for a COC and ETC designation in the

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<sup>7</sup> Order Granting Certificate of Convenience and Authority to Provide Local Exchange and Exchange Access Services Within the State of Kansas, Docket No. 15-UWCC-350-COC, April 28, 2015.

<sup>8</sup> Order Granting A Certificate of Convenience and Authority to Provide Intrastate Interexchange Telecommunications Services in the State of Kansas, Docket No. 15-UWCC-472-COC (IXC), June 25, 2015.

<sup>9</sup> Order Granting Certificate, Docket No. 95-UCAC-211-COC, March 10, 1995.

<sup>10</sup> Order and Certificate, Docket No. 12-UCAC-358-COC, April 4, 2012.

<sup>11</sup> Application, Exhibit B, p. 2.

<sup>12</sup> *Id.*, Exhibit B, §1& 3

<sup>13</sup> *Id.*, ¶ 2.

<sup>14</sup> *Id.*, Exhibit C.

<sup>15</sup> *Id.*, Exhibit B, p. 2.

<sup>16</sup> *Id.*, Exhibit B, p.12, §2F

exchange ensures all customers served by United will continue to be served by Panhandle. United commits to meeting its ILEC, COLR, and ETC obligations and provide telecommunications services to all customers affected by this Transaction until all regulatory approvals are received and the Transaction closes.<sup>17</sup> Once the Transaction closes, Panhandle will be responsible for ensuring service is provided to customers in the South Englewood exchange. Staff believes the Transaction and terminating United's ETC designation upon closing of the Transaction meets the requirements set forth in the Federal Telecommunications Act § 214(e)(4) and with C.F.R. 47 § 54.205.

Staff reviewed the metes and bounds and map United provided in Exhibit A, for the South Englewood exchange and agrees the Company's study area will be modified to reflect the removal of the metes and bounds upon closing of the Transaction. Staff also reviewed Exhibit E containing United's revised tariff to remove the South Englewood exchange from its study area upon the Transaction closing.<sup>18</sup>

Staff also reviewed United's proposal to allocate a portion of its annual KUSF support to the South Englewood exchange and reduce the Company's annual KUSF support upon closing of the Transaction. United proposed to allocate KUSF support based on the percentage of its South Englewood access lines of its total access lines, resulting in allocating 1.05% of its annual KUSF support, or \$14,425, to the South Englewood exchange and reduce its annual pro-rata KUSF support by an equal amount.

Staff agrees with United's proposed allocation methodology. United does not oppose Staff's calculation to update the annual KUSF support amount to its current March 2022 – February 2023 support and reduce the Company's annual KUSF support by \$16,951, prior to any pro-rating.<sup>19</sup> Since KUSF support is paid one month in arrears and the date of the closing of the Transaction is not known, Staff suggests that United file an affidavit executed by an officer of the Company, in this Docket once the closing date is known. Staff also recommends that, to avoid attempting to pro-rate United's KUSF support, as well as the KUSF support for all other RLECs affected by the \$30 million cap on the KUSF, the reduction to United's annual KUSF support be effective the first of the month in which the Transaction occurs. Staff intends to file new pro-rata KUSF support calculations to allocate the reduction in United's annual KUSF support between the other RLECs in Docket No. 22-GIMT-142-GIT.

United and Panhandle have not sent a Notice detailing the Transaction to customers in the South Englewood exchange, but will do so at the appropriate time consistent with Kansas and Oklahoma rules.<sup>20</sup> Panhandle intends to continue to charge the South Englewood customers United's current rate of \$19.50 per month until Panhandle completes a fiber update.<sup>21</sup>

Staff's position is that no customers will be harmed as a result of the proposed Transaction. Effective the date of the Transaction closing, United's COC, ETC, and COLR designations will

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<sup>17</sup> Application, §2

<sup>18</sup> Application, Exhibit E.

<sup>19</sup> Staff Exhibit 1, United's Response to DR 6.

<sup>20</sup> *Id.*, United's Response to DR 2.

<sup>21</sup> *Id.*, United's Response to DR 1.

be ceased in the South Englewood exchange and Panhandle will become the new ILEC and designated ETC in the exchange.

**RECOMMENDATION:**

Based on Staff's analysis of United's Application and responses to Staff DRs, Staff believes it is in the public interest to approve this Application. Staff recommends the Commission issue an Order to approve the Transaction and direct United to submit an affidavit, executed by an officer of the Company, to identify the Transaction date's closing as soon as it is known. Staff also recommends United be directed to file a copy of the OCC and FCC's orders approving the Transaction. Staff further recommends United's annual KUSF support be reduced by \$16,951, prior to any pro-rating, effective the first of the month of the Transaction's closing.

**Kansas Corporation Commission**

Discovery Requests

Discovery Request No. KCC-1

Company Name: United Telephone Association

Docket Number: 22-UTAT-519-CCS

Request Date: June 6, 2022

Due Date: June 23, 2022

Regarding: Local Rates

**Please Provide the Following:**

- A. What local service rates does Panhandle plan to charge customers in the South Englewood exchange once the Transaction is completed? **Panhandle has informed United that it intends to continue to charge the South Englewood customers the same \$19.50 per month that United now charges until Panhandle completes a fiber upgrade to the area, at which time Panhandle will transition customers to Oklahoma approved rates.**
- B. Are the rates proposed for the South Englewood exchange the same, lower, or greater, than the rates charged to other Panhandle customers? **United's current blended rate is \$19.50 per month for either residential or business. Panhandle's current residential rate is \$19.24 per month, and its current single line business rate is either \$31.40 per month or \$32.54 per month.**

Submitted By: Sandy Reams, Bryan Seamans

Submitted To: Todd Houseman

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

**Verification of Response**

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter.

Signature: Todd Houseman

Date: June 23, 2022

## Kansas Corporation Commission

### Discovery Requests

Discovery Request No. KCC-2

Company Name: United Telephone Association

Docket Number: 22-UTAT-519-CCS

Request Date: June 22, 2022

Due Date: June 23, 2022

Regarding: Customer Notice

#### **Please Provide the Following:**

- A. Has United provided its customers with notice of the sale of the South Englewood exchange to Panhandle? If yes, please provide a copy of such notice. **Not yet. We have been informed that Oklahoma will require a notice sent to customers at some point.**
- B. If United has not provided its South Englewood customers with notice, please explain when the company plans to provide notice to affected customers and provide a copy of the draft Customer Notice as soon as it is available. **See attached.**

Submitted By: Sandy Reams, Bryan Seamans

Submitted To: Todd Houseman

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

#### **Verification of Response**

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter.

Signature: Todd Houseman

Date: June 23, 2022

## CUSTOMER NOTICE

Panhandle Telephone Cooperative Inc. (dba PTCI) and United Telephone Association, Inc. (United) have entered into an agreement which will result in PTCI acquiring all of United Telephone's service territory in Oklahoma and transferring United customers to PTCI. This transaction will be effective after all state and federal regulatory approvals have been obtained. Upon the effective date of the transaction, United customers will continue to keep their service at the same rates while PTCI constructs a fiber-based network. It is projected the fiber network should be completed by August 2023, at which time, PTCI will begin the process of moving customers onto the new fiber network and upgraded services. Depending on your existing service and/or the new services you may subscribe to, this could result in some bills increasing or decreasing. Every effort will be made to ensure any change in services is done in a fair and deliberate manner. For further information regarding your service, please contact PTCI customer service at 1(800) 562-2556 or email [comments@ptci.net](mailto:comments@ptci.net), or United customer service at 1 (800) 784-9999 or email [utasupport@unitedtelcom.net](mailto:utasupport@unitedtelcom.net).

## Kansas Corporation Commission

### Discovery Requests

Discovery Request No. KCC-4

Company Name: United Telephone Association

Docket Number: 22-UTAT-519-CCS

Request Date: June 23, 2022

Due Date: June 23, 2022

Regarding: KUSF Support Allocation

#### **Please provide the following:**

Exhibit D to United's Application provides the calculation of the KUSF support allocation to the South Englewood exchange. Staff's records show the Company qualified to receive \$1,636,030 of KUSF support for March 2021 – February 2022 (FY 25) and received \$1,537,113 after the statutory prorate reductions. For March 2022 – February 2023 (FY 26), United qualifies to receive \$1,613,335 of annual KUSF support and will receive \$1,446,480 of KUSF support based on the statutory prorate reductions.

A. An explanation of how the \$1.3 million of KUSF support for 2021 was determined.

The \$1,372,914 KUSF amount in the application was what United booked for YE 2021. This amount may have contained other adjustments which would cause it to not match the KCC's figure.

B. An explanation of why the Company proposes to use a calendar year amount instead of the current FY support amount.

United's previously provided support allocation example was merely to propose an allocation method and United is not set using its booked figure over an KUSF fiscal year calculation if preferred.

C. Whether United agrees the allocation of the KUSF support for the South Englewood exchange should be based on the current FY 26 KUSF support or, if not, please explain why not.

United agrees that support for the South Englewood exchange should be based on the current FY 26 KUS support.

D. Whether United agrees the allocation of its KUSF support for the South Englewood exchange should be based on the current FY 26 KUSF support prior to pro-rating of such support. If United does not agree, please explain why.

United believes the allocation of KUSF support related to the South Englewood exchange should be based on the FY 26 KUSF after the pro-rata adjustment as that more realistically represents the revenues United receives and will be foregoing with this divestiture.

Submitted By: Sandy Reams, Bryan Seamans

Submitted To: Todd Houseman



If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

**Verification of Response**

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter.

Signature: Todd Houseman

Date: June 23, 2022

## Kansas Corporation Commission

### Discovery Requests

Discovery Request No. KCC-5

Company Name: United Telephone Association

Docket Number: 22-UTAT-519-CCS

Request Date: June 22, 2022

Due Date: June 23, 2022

Regarding: Regulatory Approvals

Please provide the following:

- A. File a copy of the Oklahoma Corporation Commission's order granting Panhandle a Certificate of Convenience and Authority to provide ILEC and granting ETC designation after issuance of such order in the above referenced Docket. **Will do once granted.**
- B. File a copy of the FCC's approval of the sale of the South Englewood exchange upon issuance in the above referenced Docket. **Will do once granted.**

Submitted By: Sandy Reams, Bryan Seamans

Submitted To: Todd Houseman

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

### Verification of Response

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter.

Signature: Todd Houseman

Date: June 23, 2022

**Kansas Corporation Commission**

Discovery Requests

Discovery Request No. KCC-6

Company Name: United Telephone Association  
Docket Number: 22-UTAT-519-CCS  
Request Date: July 11, 2022  
Due Date: July 15, 2022  
Regarding: KUSF Support Adjustment

**Please Provide the Following:**

In response to Data Request 4, United explained its proposed calculation of the adjustment to its annual KUSF support associated with the South Englewood exchange and that the adjustment should be based on the pro-rated annual KUSF support received by the Company. Please review Staff Attachment to DR 6 for the following:

- A. Does United agree that if the adjustment is based on the pro-rata KUSF support amount, the gross KUSF support identified for the Company in subsequent KUSF Fiscal Years would not accurately reflect the support for the South Englewood exchange?
- B. Please review Staff's draft calculations included in the Attachment to DR 6 and explain whether United agrees or disagrees with the calculation.

**United does not oppose Staff's draft calculations included in the revised attachment to DR 6 that its KUSF support attributable to the South Englewood exchange is \$16,951 annually.**

Submitted By: Sandy Reams, Bryan Seamans

Submitted To: Todd Houseman

If for some reason, the above information cannot be provided by the date requested, please provide a written request for an extension along with an explanation of the reasons for the request.

**Verification of Response**

I have read the foregoing Data Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter.

Signature: Todd Houseman

Date: July 11, 2022

**United Telephone Assoc KS001410  
KUSF Support Calculation Worksheet  
Effective As Of (month) /1/2022 Data Month  
Fiscal Year 2022/2023**

**Issue No. 40**

<b>Description</b>	<b>Annual</b>	<b>Monthly</b>	
KUSF Support from Issue No. 37	\$ 1,537,192		
Plus: FY 25 Pro-Rate Support Reduction	76,143		(1)
Less: annual Pr-Rata Support Reduction - S. Englewood Exchange Sale	(16,951)		
<i>Less: Rebalancing to Target Rate</i>			(2)
Plus/(Less): <i>Access Rate Revenue Adjustment</i>	-		(3)
FY 26 KUSF Support	\$ 1,596,384		
Less: FY 26 Pro-Rate Support Reduction	(184,983)		(4)
 <b>Total KUSF Support Payable to Company</b>	<b>\$ 1,411,401</b>	<b>\$ 117,617</b>	<b>(5)</b>

**Calculation of Annual Pro-Rated KUSF Support Paid to Company**

<b>March - April 2022</b>		\$ 128,093	
# Applicable Months		2	
<b>Total KUSF Support Payable to Company</b>		<b>\$ 256,186</b>	
 <b>May 2022 - July 2023</b>		\$ 119,029	
# Applicable Months		3	
<b>Total KUSF Support Payable to Company</b>		<b>\$ 357,088</b>	
 <b>Aug. 2022 - Feb. 2023</b>		\$ 117,617	
# Applicable Months		7	
<b>Total KUSF Support Payable to Company</b>		<b>\$ 823,317</b>	
<b>Total Annual Pro-Rata KUSF Support Payable to Company</b>	<b>\$ 1,436,592</b>		<b>(6)</b>

Assessment Rate 11.44% (7)

**Lifeline Credit:** \$ 7.77

Notes:

- (1) Order on KUSF Year 25 Assessment Rate and Affordable Rates; Methodology for KUSF High-Cost Support Cap Implementation, Docket No. 21-GIMT-095-GIT, Jan. 21, 2021.
- (2) No affordable rate increases occur in KUSF FY 26.
- (3) No intrastate access revenue adjustments occur in KUSF FY 26.
- (4) Order Adopting KUSF Pro-Rata Support Reductions, Docket No. 22-GIMT-142-GIT, April 19, 2022.
- (5) Total KUSF support Payable to Company. Reported to KUSF Administrator on the Carrier Remittance Worksheet, line 17. Includes \$101,880 total rate case expense amortized over 5 years. Effective April 1, 2025, the Company's annual KUSF support will be reduced \$20,376. [March 17, 2020 Order, Docket No. 20-UTAT-032-KSF].
- (6) Total annual pro-rated KUSF support Payable to Company.
- (7) Order Adopting KUSF Assessment Rate, Docket No. 22-GIMT-142-GIT, Jan. 25, 2022.

**CERTIFICATE OF SERVICE**

22-UTAT-519-CCS

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 07/28/2022.

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/S/ DeeAnn Shupe  
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DeeAnn Shupe