BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of an Investigation to Determine the Assessment Rate for the Twenty-Second Year of the Kansas Universal Service Fund, Effective March 1, 2018.

Docket No. 18-GIMT-084-GIT

TELIAX, INC. APPLICATION FOR APPROVAL OF INTRASTATE ALLOCATION METHODOLOGY

1. Teliax, Inc. ("Teliax") respectfully requests that the State Corporation Commission ("Commission") approve its use of a company-specific traffic report for purposes of calculating assessments payable to the Kansas Universal Service Fund ("KUSF") for its interconnected VoIP services.

2. In support hereof, Teliax files the accompanying affidavit of David Aldworth, President.

3. Teliax has opted to utilize a traffic study rather than the FCC safe harbor to allocate its interconnected VoIP revenues between the intrastate and interstate/international jurisdictions. As explained in more detail in Mr. Aldworth's affidavit, Teliax's traffic study relies upon actual minutes of use ("MOU") data for both Federal Universal Service Fund ("FUSF") and KUSF purposes, using the inverse of the federal percentage derived from the study to determine the appropriate percentage for KUSF reporting and remittance purposes.

4. Because the traffic report contains proprietary and confidential trade secret actual MOU data, the factors developed using it are being filed under seal.

WHEREFORE, Teliax, Inc. respectfully requests that the Commission approve Teliax's company-specific traffic study and its use of the inverse of the federal percentage derived therefrom for KUSF reporting purposes.

Dated: July 1, 2018

Respectfully Submitted,

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David Aldworth President

VERIFICATION

I, David Aldworth, being of lawful age and duly sworn, state that I have read the above and foregoing Application and verify that the statements contained therein are true and correct to the best of my knowledge and belief.

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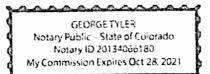
David Aldworth President

State: Colorado County: Denver

Subscribed and sworn to before me this $\underline{\mathcal{I}}$ day of July, 2018.

Notary Public

My Commission Expires: 10/28/2021



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing Teliax, Inc. Application for Approval of Intrastate Allocation Methodology was served via electronic mail this 10th day of July,

2018, to the parties appearing on the Commission's service list as last modified on July 5, 2018.

THOMAS J. CONNORS, Attorney at Law CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 tj.connors@curb.kansas.gov

TODD E. LOVE, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <u>t.love@curb.kansas.gov</u>

DAVID W. NICKEL, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <u>D.NICKEL@CURB.KANSAS.GOV</u>

SHONDA RABB CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 <u>s.rabb@curb.kansas.gov</u>

DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 d.smith@curb.kansas.gov

MARK DOTY GLEASON & DOTY CHTD 401 S MAIN ST STE 10 PO BOX 490 OTTAWA, KS 66067-0490 DOTY.MARK@GMAIL.COM

THOMAS E. GLEASON, ATTORNEY GLEASON & DOTY CHTD PO BOX 6 LAWRENCE, KS 66049-0006 gleason@sunflower.com CARLY FIOLA, COMPLIANCE REPORTING SPECIALIST INTESERRA CONSULTING GROUP 151 SOUTHHALL LANE SUITE 450 MAITLAND, FL 32751 <u>cfiola@inteserra.com</u>

KIMBERLY GEUDER, COMPLIANCE REPORTING SPECIALIST INTESERRA CONSULTING GROUP 151 SOUTHHALL LANE SUITE 450 MAITLAND, FL 32751 KGEUDER@INTESERRA.COM

COLLEEN R. JAMISON JAMES M. CAPLINGER, CHARTERED 823 SW 10TH AVE TOPEKA, KS 66612-1618 <u>COLLEEN@CAPLINGER.NET</u>

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

MARK E. CAPLINGER MARK E. CAPLINGER, P.A. 7936 SW INDIAN WOODS PL TOPEKA, KS 66615-1421 mark@caplingerlaw.net

BRUCE A. NEY, EXEC. DIR.-SENIOR LEGAL COUNSEL NEW CINGULAR WIRELESS PCS, LLC D/B/A AT&T MOBILITY 816 CONGRESS AVE SUITE 1100 AUSTIN, TX 78701-2471 bn7429@att.com

RACHEL LIPMAN REIBER, ATTORNEY RACHEL LIPMAN REIBER LLC 214 S CHESTNUT, SUITE 3 OLATHE, KS 66061 rlreiberlaw@gmail.com

DIANE C. BROWNING, ATTORNEY SPRINT SPECTRUM L.P. KSOPHN0314-3A459 6450 SPRINT PKWY OVERLAND PARK, KS 66251-2400 <u>diane.c.browning@sprint.com</u> DAVID E. BENGTSON, ATTORNEY STINSON LEONARD STREET LLP 1625 N WATERFRONT PKWY STE 300 WICHITA, KS 67206 david.bengtson@stinson.com

KEVIN K. ZARLING UNITED TELEPHONE CO. OF KANSAS D/B/A CENTURYLINK 400 W 15TH ST STE 315 AUSTIN, TX 78701-1647 KEVIN.K.ZARLING@CENTURYLINK.COM

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Inteserra Consulting Group

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of an Investigation to Determine the Assessment Rate for the Twenty-Second Year of the Kansas Universal Service Fund, Effective March 1, 2018.

Docket No. 18-GIMT-084-GIT

County of Denver

State of Colorado

AFFIDAVIT OF DAVID ALDWORTH <u>ON BEHALF OF TELIAX, INC</u>.

I, David Aldworth, being of lawful age and duly sworn, state as follows:

1. I am employed by Teliax, Inc. ("Teliax") as President. In this capacity, I have overall responsibility for reporting remittances relating to the Kansas Universal Service Fund ("KUSF") for Teliax.

2. Teliax's methodology for allocating its interconnected VoIP revenues for KUSF purposes is based on a company-specific traffic study, which is used for both Federal Universal Service Fund ("FUSF") and KUSF purposes. The traffic report is based on actual call origination and termination minutes of use ("MOU") data obtained from Teliax's call detail records, which MOU are classified as interstate, intrastate or international. Teliax derives the percentage of interstate/international MOU by dividing the number of interstate and international MOU into total MOU. This percentage is accepted by the Federal Communications Commission for FUSF reporting purposes.

3. Teliax uses the inverse of the federal percentage derived therewith to calculate the percentage for KUSF reporting purposes (100% - FUSF % = KUSF %). This approach provides a fair and balanced symmetry between federal and state USF programs, and complies with the Commission's directive that carriers use the same allocation methodology for FUSF and KUSF purposes.

4. Teliax applies the KUSF percentage to its Kansas retail interconnected VoIP service revenues to determine the amount it remits to the KUSF.

5. The intrastate factors that will be used by Teliax for KUSF purposes for the KUSF reporting period Q2 (April 2018 – June 2018) are set forth on the confidential and proprietary attachment to my affidavit which is being filed under seal. The study reflects the Kansas traffic that was generated in the first quarter of 2018.

Pursuant to Kan. Stat. Ann. 53-601, I certify that the foregoing is true and correct to the best of my knowledge.

wor Aldworth

State Colorado Consty: Denver

Subscribed and sworn to before me on this $\underline{9}$ day of July, 2018.

Notary Public,

My Commission Expires: 10/28/2021

GEORGETYLER Notary Public - State of Colorado Notary ID 20134066150 My Commission Expires Oct 26, 2021

Teliax Attachment - Traffic Study Allocation Factors

Traffic for Q2 2018	Minutes	Percentage
Interstate	***	***
Intrastate	***	***
Total	***	***

Confidential and Proprietary Information REDACTED



151 Southhall Lane, Ste 450 Maitland, FL 32751 P.O. Drawer 200 Winter Park, FL 32790-0200 www.inteserra.com

July 10, 2018 Via Overnight Delivery

Ms. Amy Green, Secretary Kansas Corporation Commission 1500 SW. Arrowhead Road Topeka, KS 66604-4027

RE: Teliax, Inc. Application for Approval of Intrastate Allocation Methodology Docket No. 18-GIMT-084-GIT

Dear Ms. Amy Green:

Enclosed for filing please find the original and two (2) copies of the above referenced filing submitted on behalf of Teliax., Inc. ("Company").

The intrastate factors to be used by the Company, as set forth in the Attachment to this filing, are being submitted under Seal as Confidential. Please handle in accordance with your established procedures for confidential material.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3006 or via email to croesel@inteserra.com. Thank you for your assistance in this matter.

Sincerely,

Carey Roesel Consultant

cc: David Aldworth – Teliax Service List – via Email tms: KSx1801

Enclosures CR/gs