

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

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of the Audit of Consolidated)
Communications Enterprise Services, Inc.)
by the Kansas Universal Service Fund (KUSF)) Docket No. 18-COSC-045-KSF
Administrator Pursuant to K.S.A. 2016 Supp.)
66-2010(b) for KUSF Operating Year 20, Fiscal)
Year March 2016-February 2017.)

**ORDER APPROVING TRAFFIC FACTOR UPDATE FOR CONSOLIDATED
COMMUNICATIONS ENTERPRISE SERVICES, INC.**

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 August 1, 2017, the Commission directed GVNW Consulting, Inc. (GVNW) to perform an audit of Consolidated Communications Enterprise Services, Inc. (Consolidated) for Kansas Universal Service Fund (KUSF) purposes.

2. On February 23, 2018, GVNW filed its Audit Report, including Attachments A and B, dated February 22, 2018.

3. In response to GVNW's Audit Finding No. 2 and GVNW's recommendation associated with the finding, the Commission directed Consolidated to submit a pleading, accompanied by an affidavit executed by an officer of the company, updating the company's traffic study methodology and intrastate factors for KUSF purposes for the periods of April 2015 through current 2018. The Commission further instructed Consolidated to verify that it applies the inverse of the Federal Universal Service Fund (FUSF) factor for KUSF reporting purposes and identify the time period for each applicable factor.

4. Consolidated, on February 20, 2018, filed a pleading in this docket styled *Response of Consolidated Communications Enterprise Services, Inc. to Findings of Audit of Year 20 of the Kansas Universal Service Fund* (Response). Consolidated's Response included as Exhibit A, the Affidavit of Michael Shultz, Consolidated's Vice President-Regulatory and Public Policy, stating that Consolidated has, at all times during the relevant periods from April 2015 through February 2016; March 2016-February 2017; and March 2017-present applied the inverse of the Federal USF factor for KUSF reporting purposes. Consolidated's Response included as Exhibit B, Consolidated's Traffic Study Percentages, both Interstate and Intrastate, for years 2015 and 2016. Consolidated's Response also reiterated the circumstances leading to the company's failure to provide annual traffic factor updates, as well as the required Affidavit from an officer of the company verifying that Consolidated used the same methodology to allocate its VoIP toll service revenues for both Federal and KUSF purposes since 2014.

5. The Commission has reviewed and accepts and approves Consolidated's February 20, 2018 Response filing in satisfaction of the reporting requirements of the thirty-four-month period during which the company was non-compliant in failing to update its traffic study methodology and intrastate factors.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Consolidated Communications Enterprise Services, Inc.'s February 20, 2018 Response and traffic study percentages during the relevant periods from April 2015 through February 2016; March 2016-February 2017; and March 2017-present¹ are hereby accepted and approved.

¹ On March 3, 2018, Consolidated filed its annual traffic study percentage, effective January 2018, which the Commission approved on April 5, 2018, Docket No. 18-GIMT-084-GIT.

B. The Commission retains jurisdiction over Consolidated Communications Enterprise Services, Inc. and the subject matter of this Docket for the purpose of issuing such additional orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 04/17/2018

A handwritten signature in cursive script, reading "Lynn M. Retz", written over a horizontal line.

Lynn M. Retz
Secretary to the Commission

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CERTIFICATE OF SERVICE

18-COSC-045-KSF

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of
first class mail/hand delivered on 04/18/2018.

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/S/ DeeAnn Shupe

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