

under the statutory provision. However, if more than 15% of subscribers request an investigation within 60 days of the distribution of the customer notice, the Commission shall conduct a rate investigation.

3. The Commission Staff reviewed the Consolidated Missouri Application and submitted a Report and Recommendation dated May 25, 2022. Citing K.S.A. 66-2007 (b), Staff analyzed the filing and determined that proper notice was provided by Consolidated Missouri to inform subscribers they had the option to file a petition to initiate an investigation for the purpose of expanding the scope of review to a traditional rate case. The Staff referenced a Memo from the Commission's Public Affairs and Consumer Protection Office indicating only one comment from a non-consumer had been received and consequently a formal investigation will not be initiated. The Staff concluded that the requirements of K.S.A. 66-2007 (b) had been met, and the requested residential and business access line increases should be allowed to take effect as a matter of law

4. As part of the Staff's review, it made a corresponding analysis of the impact of the proposed rate increases in conjunction with a determination regarding target affordable rates that are redetermined every two years from March 1, 2007, as provided in K.S.A. 66-2005 (e) (1) (C). Citing Docket No. 21-GIMT-095-GIT, the Staff states the statewide target affordable rates are \$18.50 for residential service. The affordable rate assessment is then applied consistent with K.S.A. 66-2005 (e) (2), which requires that a rural local exchange carrier that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007 (b), will have affordable rates increased by amounts corresponding to the rates increased under the expedited statutory procedure for the purpose of evaluating universal service support. Because Consolidated Missouri has had previous rate increases of \$1.50 rate¹, together with the rate increases proposed in this Docket, its

¹ *Order Approving Rate Increase*, Docket No. 12-FCMT-622-TAR, June 5, 2012 (residential, \$1.50); *Order Approving Local Rate Increases Pursuant to K.S.A. § 66-2007(b)*, Docket No. 13-FCMT-642-TAR, July 9, 2013

affordable rates would be calculated \$7.50 higher than the statewide affordable rates determined by the Commission in its biannual review with the approval of the Application.

5. The Staff reviewed the revenue effect from the rate increases proposed by Consolidated Missouri and indicated the company anticipated additional residential customer revenue of \$3,216.00. Accordingly, Staff recommended the approval of the Application in the absence of written or oral complaints from subscribers.

7. The Commission adopts Staff's analysis and recommendations of May 25, 2022, as stated in the Report and Recommendation, which is attached hereto and made a part hereof by reference, and finds that the Consolidated Missouri tariff changes be granted. In conjunction with the request, Consolidated Missouri is authorized to place the amended tariffs in effect with the issuance of this Order.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Consolidated Communications of Missouri Company's Application filed on February 15, 2022, is hereby granted and the replacement of Tariffs be made effective.

B. 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).²

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

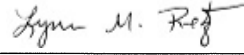
(residential, \$1.50); *Order Approving Rate Increases*, Docket No. 20-FCMT-327-TAR, April 30, 2020 (residential, \$1.50); *Order Approving Rate Increases*, Docket No. 21-FCMT-304-TAR, May 25, 2021 (residential, \$1.50); plus the \$1.50/line increase approved in this Docket.

² K.S.A. 66-118b; K.S.A. 77-503 (c) and K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 06/02/2022



Lynn M. Retz
Executive Director

wah

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

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

FROM: Kelly Mabon, Senior Telecommunications Analyst
Sandra K. Reams, Assistant Chief of Telecommunications
Bryan Seamans, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: May 25, 2022

RE: Docket No. 22-FCMT-401-TAR

In the Matter of Consolidated Communications of Missouri Company Filing
Tariff Revision to its Exchange Tariff and Residential Rate Increases

EXECUTIVE SUMMARY:

On February 15, 2022, Consolidated Communications of Missouri Company (Consolidated Missouri) filed an Application pursuant to K.S.A. 66-2007(b), requesting permission to raise its residential local service rates \$1.50 per month. Consolidated Missouri stated the bill messages would be sent to customers starting March 16, 2022. Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended May 24, 2022. Staff recommends approval of the Application.

Commission action on this matter is required no later than **Thursday, June 16, 2022.**

BACKGROUND:

The Company requests approval to increase the following access line rates:

- Residential access line rate will increase by \$1.50 per month (Current access line rate is \$18.00 increasing to \$19.50).
- Home Phone Standard Service Package will increase by \$2.50 per month.
- Voice Advantage and Voice Advantage II bundles will increase by \$2.50 (residential access line rate increase of \$1.50 and intrastate long distance minutes rate increase of \$1.00).

K.S.A. 66-2007(b) states:

The commission shall approve, upon not more than 120 days' notice, any basic local exchange price increases that in the aggregate in any one year are \$1.50 or less per access line per month, that are proposed by any rural telephone company which is subject to traditional rate of return regulation and that comply with the requirements of this section. Any such proposed price increases shall be presumed reasonable and not subject to commission investigation and review if the rural telephone company has followed the notice requirements set forth below. However, the commission shall initiate an investigation if more than 15% of the subscribers subject to the rate increase request such an investigation within 60 days of the date of distribution of the notice of the proposed change.

Upon filing such an application for a rate increase, any rural telephone company seeking expedited approval of the proposed rate under this section shall send a notice to its subscribers by regular mail, which may be included with regular subscriber mailings. Such mailings shall include the name, mailing address and telephone number of the commission. The notice shall include a schedule of the proposed local exchange rates, the effective date of the rates and a description of the procedures by which the subscribers can petition the commission to determine the reasonableness of the proposed rates, including a provision specifically stating that protest by 15% or more of subscribers subject to the proposed rate increase would require the commission to initiate an investigation concerning the reasonableness of the proposed rate increase.

Consolidated Missouri provided a copy of the Customer Notice (Notice of Proposed Rates) on February 15, 2022. The Customer Notice stated that a customer could petition the Commission regarding the reasonableness of the rate increase and that the Commission would be required to initiate an investigation if more than fifteen percent (15%) of the Company's subscribers protest the rate increase. The Company also provided updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

Staff evaluated Consolidated Missouri's Customer Notice and finds it is appropriate and in compliance with K.S.A. 66-2007. Pursuant to K.S.A. 66-2007(b), the statutorily required comment period is 60 days from customer notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Tuesday, May 24, 2022. The Commission is required to approve aggregate increases of \$1.50 per month or less per line in a one-year period pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Missouri's subscribers comment or object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received one comment regarding Consolidated Missouri's proposed rate increase. The comment was provided by a consumer that is not served by Consolidated Missouri.

K.S.A. 66-2005(e)(1)(C) required the Commission to determine a target affordable residential local service rate, effective March 1, 2007, and every two-years thereafter for those entities that receive Kansas Universal Service Fund (KUSF) high-cost support. In Docket No. 21-GIMT-095-GIT, the Commission adopted a statewide target affordable rate of \$18.50 for residential service.

K.S.A. 66-2005(e)(5) requires that a rural LEC that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have an affordable rate that is increased by an equal amount of the rate increase under K.S.A. 66-2007(b).

The Company has not received KUSF high-cost support since May 3, 2006.¹ The Company previously increased its local service rates under K.S.A. 66-2007(b) in numerous dockets, the most recent being Docket No. 21-FCMT-304-TAR.² Based on the total amount of the increases in these dockets, its affordable residential rate would be \$7.50 above the statewide affordable rate upon approval of the additional increase in this Docket, if it were to seek KUSF high-cost support.

In response to a Data Request from Staff, the Company states it anticipates additional annual residential customer revenue of \$3,216, comprised of \$2,652 from stand-alone access lines and \$564 from access line increases in the voice bundles.

RECOMMENDATION:

The evaluation of Consolidated Missouri's Application and Customer Notice shows they are in compliance with K.S.A. 66-2007(b). Consolidated Missouri received one comment from a consumer not served by Consolidated Missouri written to the Commission's Public Affairs and Consumer Protection Office. The Staff believes Consolidated Missouri's Application to increase its rates in aggregate in any one year up to \$1.50 per access line per month, as stated in its Application, should be approved.

Staff recommends that the Commission approve Consolidated Missouri's filing.

¹ *Order Approving Stipulated Settlement Agreement*, Docket No. 05-GIMT-094-GIT, May 3, 2006.

² *Order Approving Rate Increase*, Docket No. 12-FCMT-622-TAR, June 5, 2012 (residential, \$1.50); *Order Approving Local Rate Increases Pursuant to K.S.A. § 66-2007(b)*, Docket No. 13-FCMT-642-TAR, July 9, 2013 (residential, \$1.50); *Order Approving Rate Increases*, Docket No. 20-FCMT-327-TAR, April 30, 2020 (residential, \$1.50); *Order Approving Rate Increases*, Docket No. 21-FCMT-304-TAR, May 25, 2021 (residential, \$1.50); plus the \$1.50/line increase approved in this Docket.

CERTIFICATE OF SERVICE

22-FCMT-401-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of
electronic service on 06/02/2022.

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/S/ DeeAnn Shupe

DeeAnn Shupe