THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

Before Commissioners:

Andrew J. French, Chairperson

Dwight D. Keen Annie Kuether

In the Matter of Consolidated Communications)	
of Missouri Company Filing Revisions to its)	Dealest No. 24 ECMT 444 TAI
General Exchange Tariff, Business Access)	Docket No. 24-FCMT-444-TAR
Line and Package Increases.)	

ORDER APPROVING TARIFF REVISIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (the "Commission") for consideration and determination of the application of Consolidated Communications of Missouri Company ("Consolidated Communications") for approval of the Commission to revise Consolidated Communications' General and Local Exchange Tariff by increasing the business access line rate and increasing the rate for the intrastate long distance portion of the ExpansionPAK II ("EPAK II") bundles. Having reviewed its files and records, and being otherwise duly advised in the premises, the Commission makes the following findings of fact and conclusions of law:

- 1. On December 14, 2023, Consolidated Communications filed an application requesting Commission approval to revise certain provisions of Consolidated Communications' General and Local Exchange Tariff with a proposed effective date of April 16, 2024.
- 2. The first proposed tariff revision is to Section 4 Sixth Revised Sheet 7 where Consolidated Communications wishes to increase its Business Access Line rate by \$1.50 per month, resulting in a total rate of \$22.50 per month.

- 3. The second proposed tariff revision is to Section 15 Third Revised Sheet 17 where Consolidated Communications wishes to increase the rate of its intrastate long distance portion of its EPAK II bundles by \$3.50 per month.
- 4. Consolidated Communications is a local exchange carrier, as defined at K.S.A. 66-1,187(h), providing long distance service in Kansas.
- 5. "The [C]ommission is given full power, authority and jurisdiction to supervise and control the local exchange carriers...doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction."
- 6. "Every telecommunications public utility...shall be required to...establish just and reasonable rates, joint rates, tolls, charges and exactions and to make just and reasonable rules, classifications and regulations."²
- 7. Further, "[e]very telecommunications public utility doing business in Kansas...shall publish and file with the [C]ommission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate, and shall furnish the [C]ommission copies of all rules and regulations and contracts between such telecommunications public utilities pertaining to any and all jurisdictional services to be rendered by such telecommunications public utilities."
- 8. Generally, no telecommunications public utility may make effective any changed rate or joint rate except by filing the same with the Commission at least 30 days prior to the

¹ K.S.A. 66-1,188.

² K.S.A. 66-1,189.

³ K.S.A. 66-1,190.

proposed effective date.⁴ And, except as provided in K.S.A. 66-117(c), no change shall be made in any rate, charge, or schedule of charges with the consent of the Commission.⁵

- 9. However, under K.S.A. 66-2007(a), "[a]ll local exchange carriers...providing long distance service in Kansas shall...be allowed to increase long distance rates to reflect the KUSF funding requirements set forth in K.S.A. 66-2008, and amendments thereto."
- 10. Accordingly, Consolidated Communications' request to increase its business access line rate is subject to K.S.A. 66-2007 and Consolidated Communications' request to increase the rate for the intrastate long distance portion of its EPAK II bundles is subject to K.S.A. 66-117.
- 11. On March 25, 2024, Commission technical staff ("Staff") submitted a Report and Recommendation ("Staff's R&R")—attached as **Exhibit 1** and incorporated by reference—stating that after evaluating Consolidated Communications' application, Staff recommends that the Commission approve the application.
 - 12. The Commission adopts Staff's R&R in its entirety.
- 13. Consolidated Communications' application regarding the proposed increase in its Business Access Line rate complies with K.S.A. 66-2007 and should be approved.
- 14. Consolidated Communications' proposed rate increase for the intrastate long distance portion of the EPAK II bundles is just and reasonable and should be approved under K.S.A. 66-117.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The application filed by Consolidated Communications to revise its General and Local Exchange Tariff by increasing the business access line rate by \$1.50 per month and

⁴ K.S.A. 66-117(a).

⁵ K.S.A. 66-117(d).

increasing the rate for the intrastate long distance portion of the EPAK II bundles by \$3.50 per month is approved.

- B. The effective date of each tariff revision shall be April 16, 2024.
- C. 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).⁶
- D. The Commission retains jurisdiction over the parties and this matter for the purpose of entering further orders, as the Commission may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

French,	Chairperson;	Keen,	Commissioner	; Kuether,	Commissioner.

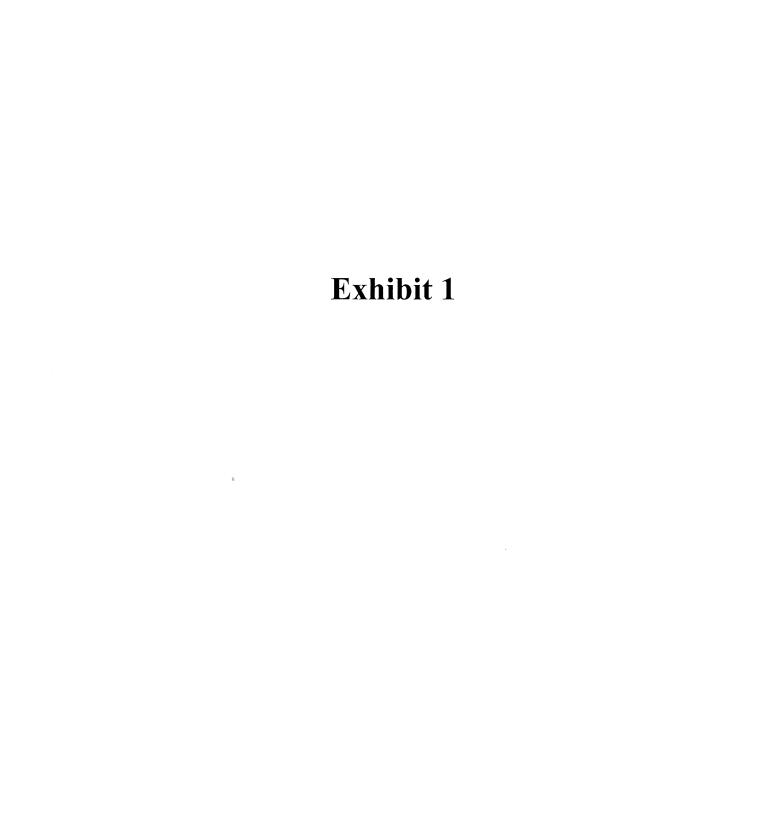
Dated:	04/02/2024	

Lynn M. Retz

Lynn M. Retz Executive Director

KCW

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



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Laura Kelly, Governor

Andrew J. French, Chairperson Dwight D. Keen, Commissioner Annie Kuether, Commissioner

REPORT AND RECOMMENDATION UTILITIES DIVISION

TO:

Andrew J. French, Chairperson Dwight D. Keen, Commissioner

Annie Kuether, Commissioner

FROM:

Jorge Soto-Gomez, Telecommunications Analyst

Drennan Dolsky, Telecommunications Analyst Steve Garrett, Deputy Chief of Telecommunications

Jeff McClanahan, Director of Utilities

DATE:

March 25, 2024

SUBJECT:

Docket No. 24-FCMT-444-TAR

In the Matter of Consolidated Communications of Missouri Company Filing Revisions to its General Exchange Tariff, Business Access Line

and Package Increases.

EXECUTIVE SUMMARY:

On December 14, 2023, Consolidated Communications of Missouri Company (Consolidated Missouri) filed an application requesting permission to raise its business access line rate by \$1.50 per month and to increase its ExpansionPAK II (EPAK II) bundles rate by \$3.50 per month. Consolidated Missouri sent a notice to customers of these changes on their January billing cycle. Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended March 16, 2024. Consolidated Missouri filed revisions to its General and Local Exchange Tariff relating to business access line rates and EPAK II bundles of service, respectively impacting Section 4, Fifth Revised Sheet 7 and Section 15, Second Revised Sheet 17. Kansas Corporation Commission (Commission) Staff recommends approval of the application.

On December 28, 2023, the Commission issued an order suspending the docket to allow additional time for Staff review. Commission action on this matter is required no later than **Friday April 12**, **2024**, in order to comply with K.S.A. 66-2007(b). Consolidated Missouri's proposed effective date is April 16, 2024.

BACKGROUND:

Consolidated Missouri requests approval to increase the following rates:

- Business access line rate will increase by \$1.50 per month, from \$21.00 per month to \$22.50 per month under K.S.A. 66-2007(b).
- EPAK II bundles rate will increase by \$5.00 per month, comprised of the business access line rate increase of \$1.50 per month and an intrastate long distance rate increase of \$3.50, which is subject to K.S.A. 66-117.

K.S.A. 66-117(c), in part, states:

The commission shall not delay the effective date of the proposed change in rate, joint rate, toll, charge or classification or schedule of charges, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, more than 240 days beyond the date the public utility or common carrier filed its application requesting the proposed change. If the commission does not suspend the proposed schedule within 30 days of the date the same is filed by the public utility or common carrier, such proposed schedule shall be deemed approved by the commission and shall take effect on the proposed effective date.

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 "Notice of Proposed Rates" (Customer Notice) with the January billing it sent to its customers. 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. Consolidated Missouri also provided in its Application updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

I. Business Access Line Rate Increase.

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 the date of distribution of the notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Saturday, March 16, 2024. The Commission is required to approve aggregate increases of \$1.50 or less per access line per month pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Missouri's subscribers subject to the proposed rate increase object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received no customer comments regarding Consolidated Missouri's proposed rate increase.

An affordable rate for single line business service at any time shall be the existing rate or an amount \$3 greater than the affordable rate for residential service as determined under K.S.A. 66-2005(e)(1), whichever is higher, except that any increase in the business service affordable rate exceeding \$2 may be satisfied by increases in a rural telephone company's business monthly service rate not exceeding \$2 per year, effective March 1 of the year when such rate is determined, with the remainder applied at the rate of \$2 per year, but not to exceed the affordable rate. In Docket No. 23-GIMT-261-GIT, the Commission adopted a statewide target affordable rate of \$21.75 for single-line business service.

Under K.S.A. 66-2005(e)(5), a rural telephone company that increases one or more local service rates on application made after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have the level of its affordable rate increased by an equal amount of the rate increase under K.S.A. 66-2007(b). Consolidated Missouri has not received KUSF high-cost support since May 3, 2006.⁵

II. Intrastate Long Distance Rate Increase.

In the proposed tariff, Consolidated Missouri added the total bundle rate for each of the new EPAK II bundles. The total bundle rate includes a non-access line rate increase of \$3.50 for the intrastate long distance portion of the EPAK II Bundle, in addition to the access line rate increase of \$1.50 resulting in a total rate increase of \$5.00.

¹ Application, Customer Notice, Pg. 1, December 14, 2023.

² *Id.* at Pg. 3.

³ K.S.A. 66-2005(e)(2).

⁴ Order Adopting KUSF Year 27 Assessment Rate and Affordable Rates; Docket No. 23-GIMT-261-GIT, January 17, 2023

⁵ Order Approving Stipulated Settlement Agreement; Docket No. 05-GIMT-094-GIT, May 3, 2006.

K.S.A. 66-1,190 requires every public utility doing business in Kansas over which the Commission has control shall publish and file with the Commission copies of all schedules of rates, joint rates, tolls, charges, classifications and divisions of rates affecting Kansas traffic, either state or interstate. The Commission has the power to prescribe reasonable rules and regulations regarding the form and filing of all schedules, tariffs and classifications of all rates, joint rates, tolls and charges, and all rules and regulations of such telecommunications public utilities as the Commission determines reasonable and appropriate. The Commission must review rates and terms for jurisdictional telecommunications services to ensure they are "just and reasonable" pursuant to K.S.A. 66-1,189.

If its application is approved by the Commission, Consolidated Missouri anticipates recognizing on an annual basis additional business access line revenue of \$378, comprised of \$72 from standalone access lines and \$306 from access lines in bundles. The company also anticipates it will receive on an annual basis an additional \$714 in intrastate and interstate long distance revenue resulting from bundles service containing long distance service.

RECOMMENDATION:

Staff's evaluation of Consolidated Missouri's application and Customer Notice regarding its proposed business access line rate increase shows they are in compliance with K.S.A. 66-2007(b). Consolidated Missouri's customers filed no comments with the Commission's Public Affairs and Consumer Protection Office; therefore, Staff recommends the Commission approve the company's application to increase its business access line rate by \$1.50 per access line per month.

Regarding Consolidated Missouri's proposed rate increase regarding the intrastate long distance portion of its EPAK II Bundle, after completing its evaluation, Staff finds that the proposed rate increase is just and reasonable and recommends the Commission approve Consolidated Missouri's application to increase the intrastate long distance portion of its EPAK II Bundle by \$3.50 per month.

Staff further recommends the Commission accept the revised tariff with an effective date of April 16, 2024, as requested by the company.

CERTIFICATE OF SERVICE

24-FCMT-444-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	
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	/S/ KCC Docket Room
	KCC Docket Room