

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Before Commissioners: Pat Apple, Chairman  
Shari Feist Albrecht  
Jay Scott Emler

In the Matter of United Telephone Companies )  
of Kansas Filing Tariff Revisions to Increases ) Docket No. 17-UTDT-485-TAR  
Monthly Rates for all Residential and Business )  
Flat Rate Access Lines and also Certain )  
Business PBX Key Trunks. )

**ORDER APPROVING TARIFF REVISIONS**

NOW, the above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On May 2, 2017, United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) filed revisions to its Local Exchange Tariff. The revisions increased the monthly rates for all residential and business flat rate access lines and certain business PBX Key Trunks.

2. CenturyLink is a price-cap regulated carrier based on its election under K.S.A. § 66-2005(b). Therefore, pursuant to K.S.A. § 66-2005(q)(1)(F), only CenturyLink's rates for the initial residential local exchange access line and up to four business local exchange access lines at one location, and switched access services, remain rate regulated.

3. K.S.A. § 66-2005(q)(1)(F) further provides that:

On and after July 1, 2008, the local exchange carrier shall be authorized to adjust such rates without commission approval by not more than the greater of the percentage increase in the consumer price index for all urban consumers, as officially reported by the bureau of labor statistics of the United States department of labor, or its successor index, or the amount necessary to maintain the local rate floor as determined by the federal communications commission or its successor, in any one

year period and such rates shall not be adjusted below the price floor established in subsection (k).

4. K.S.A. § 66-1,190 requires telecommunications public utilities doing business in Kansas to “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, and shall furnish the commission 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.”

5. Commission Staff (Staff) submitted a Report and Recommendation regarding CenturyLink’s tariff revisions on May 12, 2017, attached hereto and made a part hereof by reference. Staff investigated the proposed revisions and found that they were in compliance with K.S.A. § 66-2005(q)(1)(F). Staff noted that pursuant to K.S.A. § 66-2005(q)(1)(F), the rates may be adjusted without Commission approval, but tariffs must still be published and filed with the Commission. Staff therefore recommended that the Commission accept the tariff revisions for filing, and give them an effective date of June 1, 2017, as requested by CenturyLink.

6. The Commission finds Staff’s findings and recommendation to be reasonable and hereby adopts the same.

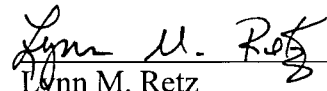
**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

- A. CenturyLink’s tariff revisions are approved, effective June 1, 2017.
- B. The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. § 66-118b; K.S.A. § 77-529(a)(1).
- C. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

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

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: **MAY 23 2017** \_\_\_\_\_

  
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Lynn M. Retz  
Secretary to the Commission

MRN

**Order Mailed Date**

**MAY 24 2017**

**REPORT AND RECOMMENDATION  
UTILITIES DIVISION**

**TO:** Chairman Pat Apple  
Commissioner Shari Feist Albrecht  
Commissioner Jay Scott Emler

**FROM:** Paula Artzer, Senior Telecommunications Analyst  
Christine Aarnes, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** May 12, 2017

**SUBJECT:** Docket No. 17-UTDT-485-TAR  
In the Matter of United Telephone Companies of Kansas Filing Tariff  
Revisions to Increases Monthly Rates for all Residential and Business Flat  
Rate Access Lines and also Certain Business PBX Key Trunks.

**EXECUTIVE SUMMARY:**

United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) is requesting Tariff Revisions to increase monthly rates for all Residential and Business Flat Rate Access Lines and certain Business PBX Key Trunks in the Company's Local Exchange Tariff. Staff recommends Commission approval of this filing.

The Commission action date is Tuesday, **May 23, 2017**.

**BACKGROUND:**

On May 2, 2017, CenturyLink filed a Tariff Application to update the rate page of the Local Exchange Tariff to increase rates permitted within the current rate floor established by the FCC.

**ANALYSIS:**

The Kansas Corporation Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

(d) Except as provided in subsection (c), no change shall be made in any rate, toll, charge, classification or schedule of charges or joint rates, or in any rule or regulation or practice pertaining to the service or rates of any such public utility or common carrier, without the consent of the commission.

Moreover, K.S.A. 66-1,190 requires every telecommunications 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 rates must also be “just and reasonable” pursuant to K.S.A. 66-1,189.

CenturyLink is the only price cap regulated company in Kansas. The following regulations also apply to price cap carriers.

K.S.A. 66-2005 (q)(1)(F) states in part pertaining to price cap regulation:

On and after July 1, 2008, the local exchange carrier shall be authorized to adjust such rates without commission approval by not more than the percentage increase in the consumer price index for all urban consumers, as officially reported by the bureau of labor statistics of the United States department of labor, or its successor index, in any one year period and such rates shall not be adjusted below the price floor established in subsection (k).

Pursuant to 2016 Senate Sub. for House Bill 2131 (HB 2131), as approved by the Governor, K.S.A. 66-2005 (q)(1)(F) was revised as follows:

On and after July 1, 2008, the local exchange carrier shall be authorized to adjust such rates without commission approval by not more than the greater of the percentage increase in the consumer price index for all urban consumers, as officially reported by the bureau of labor statistics of the United States department of labor, or its successor index, *or the amount necessary to maintain the local rate floor as determined by the federal communications commission or its successor (emphasis added)*, in any one year period and such rates shall not be adjusted below the price floor established in subsection (k).

Docket No. 16-GIMT-517-GIT implemented the changes to HB 2131. The Order was approved on February 23, 2017, and further stipulated that:

Price cap carriers are authorized to increase their local rates as necessary to

maintain the local rate floor and *are not limited by the FCC's phase-in of the local rate floor (emphasis added).*<sup>1</sup>

Staff has examined CenturyLink's May 2, 2017, filing. CenturyLink's pertinent revisions to the Local Exchange Tariff include the following changes:

- Increase Residential Access Lines to \$18.83.
- Increase Business Access Lines to \$29.41.
- Increase in Key Trunks to \$34.00.

These changes, as proposed, increase the rates for residential and business lines. The increase of \$.75 per residential line is an increase of 4.15 percent, which is above the change in the Consumer Price Index-All Urban Consumers for February of 2017 of 2.74 percent, per the United States Department of Labor website<sup>2</sup>. The increase is, however, lower than the rate floor set by the FCC of \$22.49<sup>3</sup>, which is currently being phased in.

The rates are not subject to Commission approval per K.S.A. 66-2005(q)(1)(F). Staff has reviewed the filing and found that the rates are just and reasonable and comply with K.S.A. 66-2005(q)(1)(F), therefore Staff recommends the Commission accept the revised tariff for filing.

The last tariff filing was approved May 4, 2017, in Docket 17-UTDT-474-TAR.

### **RECOMMENDATION:**

Staff has no concerns with this filing and finds it complies with K.S.A. 66-117, K.S.A. 66-1,189, K.S.A. 66-1,190, and K.S.A. 66-2005 (q)(1)(F). Staff recommends the Commission approve these tariff revisions with a requested effective date of June 1, 2017.

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<sup>1</sup> See 16-GIMT-517-GIT, approved February 23, 2017, pg. 13 (C).

<sup>2</sup> See CPI Detailed Report Data for February 2017, Table 24 at bottom of page 75. Report available at <https://www.bls.gov/cpi/cpid1702.pdf>.

<sup>3</sup> See FCC Public Notice, DA 17-167, WC Docket No. 10-90, and Released February 14, 2017, ¶2.

## **CERTIFICATE OF SERVICE**

17-UTDT-485-TAR

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 **MAY 23 2017**.

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/S/ DeeAnn Shupe  
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DeeAnn Shupe

Order Mailed Date  
**MAY 24 2017**