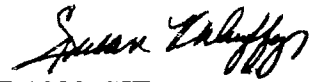


**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

STATE CORPORATION COMMISSION

MAY 10 2010



Docket No. 08-GIMT-1023-GIT

In the Matter of the Petition of Sprint)
Communications Company L.P., Sprint)
Spectrum L.P., and Nextel West Corp., d/b/a)
Sprint, to Conduct General Investigation)
into the Intrastate Access Charges of United)
Telephone Company of Kansas, United)
Telephone Company of Eastern Kansas,)
United Telephone Company of South)
Central Kansas, and United Telephone)
Company of Southeastern Kansas, d/b/a Embarq.)

SECOND PETITION FOR RECONSIDERATION AND/OR CLARIFICATION

The Citizens' Utility Ratepayer Board ("CURB"), pursuant to K.S.A. 66-118b, K.S.A. 77-529, and K.A.R. § 82-1-235, hereby petitions the Kansas Corporation Commission ("KCC" or "Commission") for reconsideration and/or clarification of its April 23, 2010 Order on Reconsideration ("April 23rd Order"). Specifically, CURB is requesting that the Commission reconsider or clarify the portion of its April 23rd Order relating to the annual true-up of Embarq's¹ access minutes of use ("MOU") and rates, to fully implement the intent expressed by the Commission in the April 23rd Order to: (1) allow Embarq to "receive the same amount of revenue it would have received had the Commission not ordered any access rate reductions," (2) provide "Kansas consumers with protection against paying more into the KUSF than necessary," (3) accomplish "revenue neutrality more accurately," (4) provide "better administration and oversight of the KUSF", and (5) provide Embarq "with the assurance that if Embarq's MOU's increase, Embarq would be entitled to additional funding until costs can actually be

¹ United Telephone Companies of Kansas, now known as CenturyLink, hereinafter referred to as Embarq.

determined.”² In support of its Second Petition for Reconsideration and/or Clarification, CURB states as follows:

1. In its Order Setting Embarq's Intrastate Access Rates to Parity and Providing for Rebalancing through the KUSF (“March 10th Order”), the Commission acknowledged CURB’s request for a true-up mechanism in its Order, but did not provide language expressly denying CURB’s request.³

2. On March 25, 2010, CURB timely filed its Petition for Reconsideration of the Commission’s March 10th Order. In its Petition, CURB requested that the Commission reconsider the portions of its order that (1) failed to phase in Embarq’s intrastate access rate reductions over at least a three year period, and (2) failed to order a true-up process for intrastate access volumes (resulting in a smaller amount of access dollars rebalanced to the KUSF) to reflect the fact that Embarq’s intrastate access volumes are declining and will continue to decline.

3. On April 23, 2010, the Commission issued its Order on Petition for Reconsideration (“April 23rd Order”), granting CURB’s request for reconsideration with regard to CURB’s request for an annual true-up process related to Embarq’s access MOU and rates.

4. During the implementation process ordered by the Commission in the March 10th Order, it became evident that CURB and Embarq had differing interpretations of the annual true-up process ordered by the Commission in its April 23rd Order. To be fair to Embarq, both interpretations find some support in language contained in the April 23rd Order. As a result, CURB files this Second Petition for Reconsideration and/or Clarification.

² April 23rd Order, ¶ 42 (emphasis added).

³ March 10th Order, at ¶ 190.

I. The Commission Should Reconsider or Clarify the Annual True-Up Process Required by the April 23rd Order.

5. In its April 23rd Order, the Commission noted its determination in its March 10th Order that Embarq should be made whole on a revenue-neutral basis until the Commission could address the cost basis of the KUSF in a separate docket.⁴ The Commission also noted that it had ordered Embarq to submit data reflecting rates and usage for the more current period ending December 31, 2009, to make the reimbursement to Embarq from the KUSF “more accurately reflect revenues actually lost – that is, be more accurately revenue neutral.”⁵

6. The Commission further noted its March 10th Order required Embarq to submit the more recent data because, as CURB observed in its Petition for Reconsideration, substantial evidence demonstrated that Embarq’s intrastate MOU are declining, which Embarq has conceded. The Commission specifically noted that “not ordering an update in data would result in inaccurate revenue neutral payments to Embarq. Over time, Embarq would likely receive more than what it would have received from access revenues had the Commission not reduced Embarq’s intrastate access rates.”⁶

7. The Commission further reasoned:

Making revenue neutrality more accurate balances the legislative goals of universal service and support of the telecommunications infrastructure in this interim period before a cost-basis can be determined while minimizing the costs to consumers.

...

Making Embarq’s KUSF draw (and related payments to competitors as required under competitive neutrality) more accurately revenue-neutral in the interim until the K.S.A. 2009 Supp. 66-2008(c) review, of course, also makes the necessary increase in the size of the KUSF no more than necessary and more accurate until Embarq’s reimbursements may be made cost-based in the new docket. One of the main problems will likely be developing a cost model, which may take some time.

⁴ April 23rd Order, ¶ 35.

⁵ *Id.*, at ¶ 36.

⁶ *Id.*, at ¶ 37; March 20th Order, ¶ 246; Reams Direct, 9.

The fact the new docket may be complex and time-consuming supports making revenue-neutrality reasonably accurate in the interim.⁷

8. The Commission concluded that its March 10th Order had already ordered a true-up in ordering Embarq to true-up its data as of December 31, 2010, but determined that annual true-ups of a similar nature on an annual basis would better accomplish the Commission's objective of balancing legislative goals as discussed in the March 10th Order.⁸

9. The Commission intent and rationale for ordering an annual true-up is most clearly and succinctly stated in paragraph 42 of its April 23rd Order:

Such an annual true-up would not harm Embarq, as it would receive the same amount of revenue it would have received had the Commission not ordered any access rate reductions. At the same time, it provides Kansas consumers with protection against paying more into the KUSF than necessary. It accomplishes revenue neutrality more accurately. It constitutes better administration and oversight of the KUSF. Of course, it also provides Embarq with the assurance that if Embarq's MOU's increase, Embarq would be entitled to additional funding until costs can actually be determined.⁹

10. However, at odds with the clearly expressed intent of the Commission's rationale for ordering the annual true-up sought by CURB in its Petition for Reconsideration (described above in paragraphs 5-9), the language contained in paragraphs 47 and 48 of the April 23rd Order can be interpreted¹⁰ to deny any real true-up for the substantial amounts overpaid in the preceding year resulting from projections based on prior year MOU volumes (actual revenues during the following year when the KUSF draw is made will be less which is caused by the declining trend).

11. The true-up process sought by CURB at the hearing, and in its Petition for Reconsideration would operate like the true-up processes routinely performed by the

⁷ *Id.*, at ¶ 38.

⁸ *Id.*, at ¶ 40.

⁹ *Id.*, at ¶ 42.

¹⁰ CURB has been advised this is how Embarq interprets the annual true-up process ordered by the Commission in its April 23rd Order.

Commission, such as property tax surcharge true-ups, energy cost adjustment (ECA) true-ups, weather normalization true-ups, and energy efficiency rider (EER) true-ups.¹¹ In addition, the same type of true-up process proposed by CURB is also currently used by Staff to true-up Embarq's "Federal USF offset" component when determining the annual KUSF support payable to Embarq. Therefore, even the existing annual KUSF support calculations for Embarq include a component that incorporates CURB's true-up method.

12. In these energy utility true-ups, the revenues paid to the utility are based on projections, and the true-up process simply compares the actual amount due to the utility to the amounts paid to the utility based on projections. The true-up amount (difference between the actual amount due and the payment based on projections) is added to or subtracted from the projected payments for the next period.

13. CURB's proposed true-up is illustrated in CURB True-Up Calculation, Attachment A. The illustration begins with the \$2,911,823 actual access revenue loss calculated by Embarq for year ending December 31, 2009.¹² This amount is divided by twelve to calculate Embarq's August and September 2010 KUSF draw.¹³ The actual access revenue loss for each subsequent year is then reduced by 8%,¹⁴ the average percent by which Embarq's intrastate access volumes have declined over the past four periods (2005 to 2006, 2006 to 2007, 2007 to 2008, and 2008 to 2009).¹⁵ While there is a different KUSF draw amount to Embarq for the

¹¹ See, December 18, 2009 *Notice Of Filing Of Staff Report And Recommendation*, Attachment A, In the Matter of Westar Energy, Inc. and Kansas Gas and Electric Company Seeking Commission Approval for a Property Tax Surcharge Per K.S.A. 66-117(e), KCC Docket No. 10-WSEE-362-TAR.

¹² Embarq has advised Staff and CURB that based on the volumes for the twelve-month period ended December 31, 2009 and the interstate and intrastate rates in effect as of December 31, 2009, the calculated annual intrastate switched access revenue that Embarq will need to recover from the KUSF is \$2,911,823.

¹³ Staff has advised CURB it will recommend Embarq's KUSF draw to be implemented in August, 2010.

¹⁴ Actual access revenue losses for year ending September 30, 2010 is reduced by 6% instead of 8%, since it ends nine months after the actual revenue loss calculated by Embarq for December 31, 2009.

¹⁵ CURB believes the 8% average annual decline in access volumes may be understated, because it appears that the

months of October through February and March through September,¹⁶ the true-up calculation for the subsequent year March 1st draw amount is a simple mathematical calculation based on Embarq's total KUSF access reduction draw from October 1 through September 30 and the actual lost access revenues by Embarq during that same time period. This results in compliance with the Commission's intent clearly expressed in paragraph 42 of the April 23rd Order as quoted in paragraph 9 above.¹⁷ Kansas consumers are given credit for overpayments to Embarq in each subsequent KUSF year calculation, which will provide Embarq with exactly the amount of revenues it would have received had the Commission not ordered access rate reductions. Implementing CURB's proposed true-up process each year will be simple, easy to administer, fair, revenue neutral, and will result in Embarq fully recovering its lost revenue without receiving a windfall from Kansas ratepayers.

14. On the other hand, the calculation method Embarq urges the Commission to implement is not a true-up at all, but merely reduces the next year's KUSF access reduction draw for Embarq by the amount Embarq's access revenue declined the previous year ending September 30. This unavoidably results in significantly more overpayments each year, with no true-up of the prior year's overpayment. This is illustrated in Embarq Implementation Calculation, Attachment B. Attachment B demonstrates that Kansas consumers will be required to overpay Embarq a total of \$882,846 if the K.S.A. 66-2008(c) review is not completed in three years by September 2013. If the review is not completed until September 2015, ratepayers will have overpaid, and Embarq will have received a windfall, totaling \$1,358,490. While the exact amount of Embarq's declining volumes may differ slightly in coming years from the 8% four-

decline in one period was unusually low and an anomaly, yet CURB included this period in its calculations to arrive at a conservative average percentage of 8%.

¹⁶ This occurs because the KUSF March 1 effective date does not coincide with the September 30 review period ordered by the Commission in the April 23rd Order.

¹⁷ *Id.*, at 42.

period historical decline, a failure to provide a true-up for the overpayments made will result in substantial overpayment by Kansas consumers and an unjust windfall to Embarq.

15. While CURB understands why Embarq may want a windfall in excess of \$200,000 per year, allowing this inequitable result is inconsistent with the rationale, intent, and consumer protections clearly described by the Commission in paragraph 42 of the April 23rd Order. Specifically, Embarq's true-up interpretation will allow Embarq to receive a windfall rather than the same amount of revenue it would have received had the Commission not ordered any access rate reductions. Kansas consumers will be denied protection against paying more into the KUSF than necessary, but will instead be required to pay substantial amounts in excess of what is necessary to fairly compensate Embarq for its access revenue losses. Revenue neutrality will not be accomplished accurately and allowing this windfall and overpayments by Kansas consumers will not constitute "better administration and oversight of the KUSF." Finally, while an increase in Embarq's MOUs is unlikely and contrary to the substantial evidence in the record, Embarq's true-up interpretation will fail to provide Embarq assurance that should its MOU's increase, it will be entitled to additional funding until costs can actually be determined.¹⁸

16. CURB cannot see any justification for denying CURB's request to adjust for the unavoidable overpayments that will be made by ratepayers without a real annual true-up. The Commission has clearly expressed its intent and goal to achieve revenue neutrality, prudently administer and oversee the KUSF, allow Embarq to recover only those revenues it would have received had the Commission not ordered any access rate reductions, and provide Kansas consumers with protection from paying more into the KUSF than necessary. Without the true-up proposed by CURB, this cannot be accomplished in the face of Embarq's undeniable declining access revenue losses. Without the true-up proposed by CURB, Kansas consumers will be

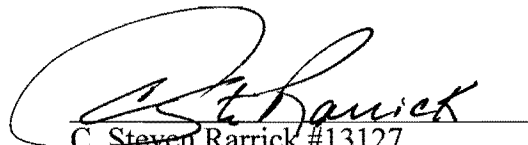
¹⁸ *Id.*, at ¶ 42.

required to overpay by over \$200,000 annually. Kansas consumers should not be required to pay and Embarq should not be allowed to retain windfall overpayments of \$882,846 by September 2013, or about \$1,358,490 by September 2015.

II. Conclusion.

17. CURB respectfully requests that the Commission reconsider or clarify the portions of its April 23rd Order related to the annual true-up process to prevent Kansas consumers from substantially overpaying and prevent Embarq from receiving a windfall far in excess of amount of revenue it would have received had the Commission not ordered access rate reductions. CURB urges the Commission to carefully consider CURB's arguments and determine that reconsideration and/or clarification is necessary to protect Kansas consumers from paying more into the KUSF than necessary, accomplish revenue neutrality more accurately, and provide better administration and oversight of the KUSF.

Respectfully submitted,



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CURB TRUE-UP CALCULATION - ATTACHMENT A

YEAR 1				YEAR 2				YEAR 3			
12 Month Actual Lost Access Revenue 9/30/10 (Note 2)	\$	456,186		12 Month Actual Lost Access Revenue 9/30/11	\$	2,518,145		12 Month Actual Lost Access Revenue 9/30/12	\$	2,316,693	
12 Month KUSF Draw 9/30/10 prorated (Note 2)		485,304		12 Month KUSF Draw 9/30/2011		2,792,924		12 Month KUSF Draw 9/30/2012		2,436,961	
Overpayment Credited to Ratepayers in Year 1	\$	(29,118)		Overpayment Credited to Ratepayers in Year 3	\$	(274,779)		Overpayment Credited to Ratepayers in Year 4	\$	(120,268)	
12 Month Actual Lost Access Revenues 9/30/10 before prorate	\$	2,737,114		12 Month Actual Lost Access Revenues 9/30/11	\$	2,518,145		12 Month Actual Lost Access Revenues 9/30/12	\$	2,316,693	
12 Month KUSF Draw 3/1/11	\$	2,707,995		12 Month KUSF Draw 3/1/12	\$	2,243,365		12 Month KUSF Draw 3/1/13	\$	2,196,425	
Monthly KUSF Draw 3/1/11	\$	225,666		Monthly KUSF Draw 3/1/12	\$	186,947		Monthly KUSF Draw 3/1/13	\$	183,035	
Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid
Oct-09		\$ -	\$ -	Oct-10	242,652	\$ 209,845	\$ (32,807)	Oct-11	225,666	\$ 193,058	\$ (32,609)
Nov-09		-	-	Nov-10	242,652	\$ 209,845	\$ (32,807)	Nov-11	225,666	\$ 193,058	\$ (32,609)
Dec-09		-	-	Dec-10	242,652	\$ 209,845	\$ (32,807)	Dec-11	225,666	\$ 193,058	\$ (32,609)
Jan-10		-	-	Jan-11	242,652	\$ 209,845	\$ (32,807)	Jan-12	225,666	\$ 193,058	\$ (32,609)
Feb-10		-	-	Feb-11	242,652	\$ 209,845	\$ (32,807)	Feb-12	225,666	\$ 193,058	\$ (32,609)
Mar-10		-	-	Mar-11	225,666	\$ 209,845	\$ (15,821)	Mar-12	186,947	\$ 193,058	\$ 6,111
Apr-10		-	-	Apr-11	225,666	\$ 209,845	\$ (15,821)	Apr-12	186,947	\$ 193,058	\$ 6,111
May-10		-	-	May-11	225,666	\$ 209,845	\$ (15,821)	May-12	186,947	\$ 193,058	\$ 6,111
Jun-10		-	-	Jun-11	225,666	\$ 209,845	\$ (15,821)	Jun-12	186,947	\$ 193,058	\$ 6,111
Jul-10		-	-	Jul-11	225,666	\$ 209,845	\$ (15,821)	Jul-12	186,947	\$ 193,058	\$ 6,111
Aug-10	242,652	228,093	(14,559)	Aug-11	225,666	\$ 209,845	\$ (15,821)	Aug-12	186,947	\$ 193,058	\$ 6,111
Sep-10	242,652	228,093	(14,559)	Sep-11	225,666	\$ 209,845	\$ (15,821)	Sep-12	186,947	\$ 193,058	\$ 6,111
Annual Total	\$	485,304	\$	456,186	\$	2,792,924	\$	2,518,145	\$	2,436,961	\$
			(29,118)				(274,779)				(120,268)

YEAR 4				YEAR 5				YEAR 6			
12 Month Actual Lost Access Revenue 9/30/13	\$	2,131,358		12 Month Actual Lost Access Revenue 9/30/14	\$	1,960,849		12 Month Actual Lost Access Revenue 9/30/15	\$	1,803,981	
12 Month KUSF Draw 9/30/2013		2,215,983		12 Month KUSF Draw 9/30/2014		2,109,104		12 Month KUSF Draw 9/30/2015		1,910,151	
Overpayment Credited to Ratepayers in Year 5	\$	(84,626)		Overpayment Credited to Ratepayers in Year 6	\$	(148,255)		Overpayment Credited to Ratepayers in Year 7	\$	(106,170)	
12 Month Actual Lost Access Revenues 9/30/13	\$	2,131,358		12 Month Actual Lost Access Revenues 9/30/14	\$	1,960,849		12 Month Actual Lost Access Revenues 9/30/15	\$	1,803,981	
12 Month KUSF Draw 3/1/14	\$	2,046,732		12 Month KUSF Draw 3/1/15	\$	1,812,594		12 Month KUSF Draw 3/1/16	\$	1,697,811	
Monthly KUSF Draw 3/1/14	\$	170,561		Monthly KUSF Draw 3/1/15	\$	151,050		Monthly KUSF Draw 3/1/16	\$	141,484	
Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid
Oct-12	186,947	\$ 177,613	\$ (9,334)	Oct-13	183,035	\$ 163,404	\$ (19,631)	Oct-14	170,561	\$ 150,332	\$ (20,229)
Nov-12	186,947	\$ 177,613	\$ (9,334)	Nov-13	183,035	\$ 163,404	\$ (19,631)	Nov-14	170,561	\$ 150,332	\$ (20,229)
Dec-12	186,947	\$ 177,613	\$ (9,334)	Dec-13	183,035	\$ 163,404	\$ (19,631)	Dec-14	170,561	\$ 150,332	\$ (20,229)
Jan-13	186,947	\$ 177,613	\$ (9,334)	Jan-14	183,035	\$ 163,404	\$ (19,631)	Jan-15	170,561	\$ 150,332	\$ (20,229)
Feb-13	186,947	\$ 177,613	\$ (9,334)	Feb-14	183,035	\$ 163,404	\$ (19,631)	Feb-15	170,561	\$ 150,332	\$ (20,229)
Mar-13	183,035	\$ 177,613	\$ (5,422)	Mar-14	170,561	\$ 163,404	\$ (7,157)	Mar-15	151,050	\$ 150,332	\$ (718)
Apr-13	183,035	\$ 177,613	\$ (5,422)	Apr-14	170,561	\$ 163,404	\$ (7,157)	Apr-15	151,050	\$ 150,332	\$ (718)
May-13	183,035	\$ 177,613	\$ (5,422)	May-14	170,561	\$ 163,404	\$ (7,157)	May-15	151,050	\$ 150,332	\$ (718)
Jun-13	183,035	\$ 177,613	\$ (5,422)	Jun-14	170,561	\$ 163,404	\$ (7,157)	Jun-15	151,050	\$ 150,332	\$ (718)
Jul-13	183,035	\$ 177,613	\$ (5,422)	Jul-14	170,561	\$ 163,404	\$ (7,157)	Jul-15	151,050	\$ 150,332	\$ (718)
Aug-13	183,035	\$ 177,613	\$ (5,422)	Aug-14	170,561	\$ 163,404	\$ (7,157)	Aug-15	151,050	\$ 150,332	\$ (718)
Sep-13	183,035	\$ 177,613	\$ (5,422)	Sep-14	170,561	\$ 163,404	\$ (7,157)	Sep-15	151,050	\$ 150,332	\$ (718)
Annual Total	\$	2,215,983	\$	2,131,358	\$	2,109,104	\$	1,960,849	\$	1,910,151	\$
			(84,626)				(148,255)				(106,170)

Note 1 - Each full year assumes an 8% reduction in access rebalance revenues based on an average annual reduction of 8% in access volumes (based on the most recent four year periods 2005 to 2006, 2006 to 2007, 2007 to 2008, and 2008 to 2009).

Note 2 - Year 1 KUSF draw is Dec. 31, 2009 actual rebalance of \$2,911,823 divided by 12 months.

The Year 1 Actual Lost Revenues must be prorated to reflect 9/12 of a period, so an annual decline of 6% is used instead of 8%.

EMBARQ IMPLEMENTATION CALCULATION - ATTACHMENT B

YEAR 1				YEAR 2				YEAR 3			
2 Month Actual Lost Access Revenue 9/30/10 (Note 2)		\$	456,186	12 Month Actual Lost Access Revenue 9/30/11		\$	2,518,145	12 Month Actual Lost Access Revenue 9/30/12		\$	2,316,693
2 Month KUSF Draw 9/30/10 prorated (Note 2)			485,304	12 Month KUSF Draw 9/30/2011			2,809,909	12 Month KUSF Draw 9/30/2012			2,609,382
Amount Overpaid by Ratepayers in Year 1			\$ (29,118)	Amount Overpaid by Ratepayers in Year 2			\$ (291,765)	Amount Overpaid by Ratepayers in Year 3			\$ (292,689)
Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid
Oct-09		\$ -	\$ -	Oct-10	242,652	\$ 209,845	\$ (32,807)	Oct-11	228,093	\$ 193,058	\$ (35,035)
Nov-09		-	-	Nov-10	242,652	\$ 209,845	\$ (32,807)	Nov-11	228,093	\$ 193,058	\$ (35,035)
Dec-09		-	-	Dec-10	242,652	\$ 209,845	\$ (32,807)	Dec-11	228,093	\$ 193,058	\$ (35,035)
Jan-10		-	-	Jan-11	242,652	\$ 209,845	\$ (32,807)	Jan-12	228,093	\$ 193,058	\$ (35,035)
Feb-10		-	-	Feb-11	242,652	\$ 209,845	\$ (32,807)	Feb-12	228,093	\$ 193,058	\$ (35,035)
Mar-10		-	-	Mar-11	228,093	\$ 209,845	\$ (18,247)	Mar-12	209,845	\$ 193,058	\$ (16,788)
Apr-10		-	-	Apr-11	228,093	\$ 209,845	\$ (18,247)	Apr-12	209,845	\$ 193,058	\$ (16,788)
May-10		-	-	May-11	228,093	\$ 209,845	\$ (18,247)	May-12	209,845	\$ 193,058	\$ (16,788)
Jun-10		-	-	Jun-11	228,093	\$ 209,845	\$ (18,247)	Jun-12	209,845	\$ 193,058	\$ (16,788)
Jul-10		-	-	Jul-11	228,093	\$ 209,845	\$ (18,247)	Jul-12	209,845	\$ 193,058	\$ (16,788)
Aug-10	242,652	228,093	(14,559)	Aug-11	228,093	\$ 209,845	\$ (18,247)	Aug-12	209,845	\$ 193,058	\$ (16,788)
Sep-10	242,652	228,093	(14,559)	Sep-11	228,093	\$ 209,845	\$ (18,247)	Sep-12	209,845	\$ 193,058	\$ (16,788)
Annual Total	\$ 485,304	\$ 456,186	\$ (29,118)	Annual Total	\$ 2,809,909	\$ 2,518,145	\$ (291,765)	Annual Total	\$ 2,609,382	\$ 2,316,693	\$ (292,689)

YEAR 4				YEAR 5				YEAR 6			
12 Month Actual Lost Access Revenue 9/30/13		\$	2,131,358	12 Month Actual Lost Access Revenue 9/30/14		\$	1,960,849	12 Month Actual Lost Access Revenue 9/30/15		\$	1,803,981
12 Month KUSF Draw 9/30/2013			2,400,631	12 Month KUSF Draw 9/30/2014			2,208,581	12 Month KUSF Draw 9/30/2015			2,031,894
Amount Overpaid by Ratepayers in Year 4			\$ (269,274)	Amount Overpaid by Ratepayers in Year 5			\$ (247,732)	Amount Overpaid by Ratepayers in Year 6			\$ (227,913)
Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid	Month:	KUSF Draw	Actual Lost Revenue	Amount Overpaid
Oct-12	209,845	\$ 177,613	\$ (32,232)	Oct-13	193,058	\$ 163,404	\$ (29,654)	Oct-14	177,613	\$ 150,332	\$ (27,281)
Nov-12	209,845	\$ 177,613	\$ (32,232)	Nov-13	193,058	\$ 163,404	\$ (29,654)	Nov-14	177,613	\$ 150,332	\$ (27,281)
Dec-12	209,845	\$ 177,613	\$ (32,232)	Dec-13	193,058	\$ 163,404	\$ (29,654)	Dec-14	177,613	\$ 150,332	\$ (27,281)
Jan-13	209,845	\$ 177,613	\$ (32,232)	Jan-14	193,058	\$ 163,404	\$ (29,654)	Jan-15	177,613	\$ 150,332	\$ (27,281)
Feb-13	209,845	\$ 177,613	\$ (32,232)	Feb-14	193,058	\$ 163,404	\$ (29,654)	Feb-15	177,613	\$ 150,332	\$ (27,281)
Mar-13	193,058	\$ 177,613	\$ (15,445)	Mar-14	177,613	\$ 163,404	\$ (14,209)	Mar-15	163,404	\$ 150,332	\$ (13,072)
Apr-13	193,058	\$ 177,613	\$ (15,445)	Apr-14	177,613	\$ 163,404	\$ (14,209)	Apr-15	163,404	\$ 150,332	\$ (13,072)
May-13	193,058	\$ 177,613	\$ (15,445)	May-14	177,613	\$ 163,404	\$ (14,209)	May-15	163,404	\$ 150,332	\$ (13,072)
Jun-13	193,058	\$ 177,613	\$ (15,445)	Jun-14	177,613	\$ 163,404	\$ (14,209)	Jun-15	163,404	\$ 150,332	\$ (13,072)
Jul-13	193,058	\$ 177,613	\$ (15,445)	Jul-14	177,613	\$ 163,404	\$ (14,209)	Jul-15	163,404	\$ 150,332	\$ (13,072)
Aug-13	193,058	\$ 177,613	\$ (15,445)	Jul-14	177,613	\$ 163,404	\$ (14,209)	Aug-15	163,404	\$ 150,332	\$ (13,072)
Sep-13	193,058	\$ 177,613	\$ (15,445)	Sep-14	177,613	\$ 163,404	\$ (14,209)	Sep-15	163,404	\$ 150,332	\$ (13,072)
Annual Total	\$ 2,400,631	\$ 2,131,358	\$ (269,274)	Annual Total	\$ 2,208,581	\$ 1,960,849	\$ (247,732)	Annual Total	\$ 2,031,894	\$ 1,803,981	\$ (227,913)

TOTAL AMOUNT OVERPAID BY RATEPAYERS USING EMBARQ'S PROPOSED TRUE-UP METHOD

Note 1 - Each full year assumes an 8% reduction in access rebalance revenues based on an average annual reduction of 8% in access volumes (based on the most recent four year periods 2005 to 2006, 2006 to 2007, 2007 to 2008, and 2008 to 2009.

Note 2 - Year 1 KUSF draw is Dec. 31, 2009 actual rebalance of \$2,911,823 divided by 12 months.

The Year 1 Actual Lost Revenues must be prorated to reflect 9/12 of a period, so an annual decline of 6% is used instead of 8%.

VERIFICATION

STATE OF KANSAS

COUNTY OF SHAWNEE


)
)
ss:

I, C. Steven Rarrick, of lawful age, being first duly sworn upon his oath states:

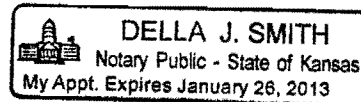
That he is an attorney for the above named petitioner; that he has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.


C. Steven Rarrick

SUBSCRIBED AND SWORN to before me this 10th day of May, 2010.


Notary of Public

My Commission expires: 1-26-2013.



CERTIFICATE OF SERVICE

08-GIMT-1023-GIT

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was placed in the United States mail, postage prepaid, electronic service, or hand-delivered this 10th day of May, 2010, to the following:

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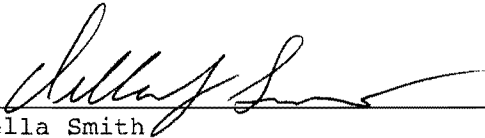
CERTIFICATE OF SERVICE

08-GIMT-1023-GIT

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* Denotes those receiving the Confidential
version