BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of)	
Moundridge Telephone Company for Kansas)	Docket No. 25-MRGT-222-KSF
Universal Service Fund Support)	

JOINT MOTION TO APPROVE PROPOSED SETTLEMENT AGREEMENT AND CANCEL REMAINING PROCEDURAL SCHEDULE

COMES NOW The Staff of the State Corporation Commission ("Commission") of the State of Kansas ("Staff") and Moundridge Telephone Company ("Moundridge") (Staff and Moundridge collectively, the "Parties"), and, pursuant to K.A.R. 82-1-230a, jointly request the Commission approve the proposed Settlement Agreement attached hereto and cancel the remaining procedural schedule in this matter save for the deadline for the Parties to submit Testimony in Support of Settlement which is currently set for May 2, 2025. In support of the requests herein, the Parties state as follows:

- 1. Moundridge is a Kansas corporation holding one or more Certificates of Convenience and Authority to engage in the business of providing local exchange and exchange access telecommunications services in its designated service area within the State of Kansas. It is a rural telephone company as defined by K.S.A. 66-1,187(l).
- 2. K.S.A. 2017 Supp. 66-2008(e)(1) states: "For each local exchange carrier electing pursuant to subsection (b) of K.S.A. 66-2005, and amendments thereto, to operate under traditional rate of return regulation, all Kansas Universal Service Fund (KUSF) support, including any adjustment thereto pursuant to this section shall be based on such carrier's embedded costs, revenue requirements, investments and expenses."
- 3. On November 22, 2024, Moundridge filed an Application requesting \$1,311,826 of annual support from the KUSF. Moundridge's Application contained schedules required by K.A.R. 82-1-

- 231. The schedules contained evidence reflecting Moundridge's embedded costs, revenue requirements, investments, and expenses. The schedules were supported by testimony from Rhonda Goddard, Moundridge's Chief Financial Officer, and Nick Huckaby, Moundridge's consultant.
- 4. Staff investigated Moundridge's Application and formulated a position to set Moundridge's KUSF support at \$1,009,114.² Staff's position was based upon its review of Moundridge's embedded costs, revenue requirements, investments, and expenses.
- 5. After discussion, the Parties have agreed to the attached proposed Settlement Agreement in resolution of Moundridge's application. The Parties agree Moundridge's total amount of annual KUSF support shall be \$1,012,411. Pursuant to paragraph 25 of the Commission's Order dated January 4, 2018, in Docket No. 17-RNBT-555-KSF, the Parties request an effective date of June 1, 2025. The Parties further agree (1) that Moundridge's total KUSF rate case expense for this proceeding shall be \$127,970 and (2) that this expense amount shall be amortized and recovered over five (5) years. After five (5) years, Moundridge's total amount of annual KUSF support shall be reduced by \$25,594 to reflect the complete recovery of the amortized rate case expense. Finally, the Parties agree that further proceedings in this matter are unnecessary and are willing to submit this matter for Commission consideration based upon the paper record, including filing of Testimony in Support of Settlement Agreement on or before May 2, 2025.

WHEREFORE, the Parties respectfully request the Commission issue an Order approving the terms of the attached Settlement Agreement and cancel the remaining Procedural Schedule other than the due date for Testimony in Support of the Settlement Agreement (on or before May 2, 2025); and render a decision in this matter upon the paper record.

¹ Testimony Nick Huckaby, p. 29, line 6, filed November 22, 2024.

² Testimony Kristina A. Luke-Fry, p. 6, line 5-7, filed March 27, 2025.

Respectfully submitted,

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BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Application of)	
Moundridge Telephone Company for Kansas)	Docket No. 25-MRGT-222-KSF
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SETTLEMENT AGREEMENT

The Staff of the State Corporation Commission of the State of Kansas ("Staff") and Moundridge Telephone Company ("Moundridge") (Staff and Moundridge collectively, the "Parties"), pursuant to K.A.R. 82-1-230a, hereby submit this unanimous settlement agreement to the State Corporation Commission of the State of Kansas (the "Commission") for approval and to resolve all disputed matters in the above-captioned proceeding.

I. Moundridge's Annual Total KUSF Support Amount

- 1. The Parties agree that the Commission shall set Moundridge's total amount of annual KUSF support at \$1,012,411. Pursuant paragraph 25 of Commission's January 4, 2018, order in Docket No. 17-RNBT-555-KSF, the parties request an effective date of June 1, 2025.
- 2. The Parties agree that the \$1,012,411 shall be Moundridge's total amount of annual KUSF support prior to any pro-rata reduction that may be required pursuant to K.S.A. 66-2008(e)(3).

II. Moundridge's Total KUSF Rate Case Expense

3. The Parties agree that Moundridge's total KUSF rate case expense for this proceeding shall be \$127,970. The Parties further agree that this expense amount shall be amortized and recovered over five (5) years. Accordingly, five years after the Commission issues a final order approving this Settlement Agreement, Moundridge's total amount of annual KUSF support shall be reduced by \$25,594 to reflect the complete recovery of the amortized rate case expense.

III. General Provisions

- 4. This Agreement represents a negotiated settlement that resolves the issues in this docket as between the Parties. The Parties represent that the terms of the Agreement constitute a fair and reasonable outcome and comport with the statutory requirements of K.S.A. 66-2008(e) for purposes of calculating Moundridge's KUSF support. Except as specified herein, the Parties shall not be prejudiced, bound by, or in any way affected by the terms of this Agreement (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Agreement in the instant proceeding. If the Commission accepts this Agreement in its entirety and incorporates the same into a final order without material modification, the Parties shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof and will not appeal the Commission's order on these issues. The Parties recognize that, pursuant to K.A.R. 82-1-230a(b), the Commission may approve, reject, or modify any Settlement Agreement. Should the Commission not approve the terms of this Settlement Agreement in full, the Parties agree that by entering into this Settlement Agreement, they are not waiving any arguments.
- 5. Except as expressly stated herein, the Parties shall not be bound, prejudiced, or affected in any way by the terms of this Settlement Agreement: (i) in any future Commission proceeding; (ii) in any Commission proceeding currently pending in a separate docket; or (iii) in this proceeding if the Commission declines to approve this Settlement Agreement.
- 7. If the Commission declines to approve this Settlement Agreement in its entirety, this Settlement Agreement shall be voidable by either or both of the Parties, and the Parties' decisions to enter into this Settlement Agreement shall not be construed as a waiver of any argument.

8. Nothing in this Settlement Agreement shall prohibit or restrict the Commission's ability to exercise any statutory right or limit the Commission's access to information in this proceeding.

IV. Remaining Procedural Schedule

9. The Parties agree each will respectively file Testimony in Support of this Agreement on or before May 2, 2025. Moundridge may file testimony, but it is not required to do so. Staff's testimony will address the three factors the Commission typically considers when evaluating a unanimous settlement agreement.

Respectfully submitted,

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CERTIFICATE OF SERVICE

25-MRGT-222-KSF

I, the undersigned, certify that a true copy of the attached Motion has been served to the following by means of electronic service on April 18, 2025.

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