

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

Before Commissioners:                      Shari Feist Albrecht  
   Jay Scott Emler  
   Dwight D. Keen

In the Matter of the Application of United Telephone       )  
Companies of Kansas Filing Tariff Revisions to Increase )  
Monthly Rates for All Residential and Business Flat       ) Docket No. 18-UTDT-483-TAR  
Rate Access Lines and Also Certain Business 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 examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

1.       On May 1, 2018, United Telephone Companies of Kansas d/b/a CenturyLink (CenturyLink) filed an Application requesting to update the rate page of its Local Exchange Tariff to increase rates permitted within the current rate floor established by the Federal Communications Commission (FCC). CenturyLink maintains that the requested increases comply with HB 2131 changes to K.S.A. 66-2005(q)(1)(F), effective July 1, 2016, and are within the change permitted by the increase in the consumer price index for all urban customers. Supplementing its Application, CenturyLink included as attachments copies of (i) Attachment A - the Consumer Price Index for all Urban Consumers in 2017 and 2018, (ii) Attachment B – information supporting the proposed business and residential access line rate changes included in the filing, and (iii) Attachment C – a copy of the company’s customer notification. CenturyLink anticipates an effective date for the requested rate increases of June 1, 2018.<sup>1</sup>

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<sup>1</sup> Application, page 1.

2. K.S.A. 66-1,190 requires that telecommunications public utilities doing business in

Kansas 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, and...[t]he commission shall have 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 derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which states in part:

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.

Pursuant to K.S.A. 66-1,189, the Commission must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable”.<sup>2</sup>

3. On May 9, 2018, the Commission Staff (Staff) submitted its Report and Recommendation dated May 3, 2018 in response to CenturyLink’s Application. Staff states that pursuant to 2016 Senate Sub. for House Bill 2131 (HB 2131), as approved by the Governor, was revised to read 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 on 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).

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<sup>2</sup> Report and Recommendation, pages 1 and 2.

Staff adds that in an Order issued February 23, 2017, in Docket No. 16-GIMT-517-GIT, implementing the changes to HB 2131, it was 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)*.

4. Staff states that it has examined CenturyLink's Application and requested tariff revisions, the pertinent provisions of which include the following changes:

- Increase Residential Access Lines to \$19.48.
- Increase Business Access Lines to \$30.06.
- Increase in Key Trunks in Rate Group 1-3 to \$34.65.

Staff explains that these proposed changes increase the rates for residential, business, and some business key trunk lines. The increase of \$0.65 per residential line is an increase of 3.45%, which is higher than the change in the Consumer Price Index-All Urban Consumers for February 2018 of 2.212%, per the United States Department of Labor website; however, it is lower than the rate floor set by the FCC of \$25.50. The rates are not subject to Commission approval per K.S.A. 66-2005(q)(1)(F) and Staff finds that the rates are in compliance with K.S.A. 66-2005(q)(1)(F). Consequently, Staff recommends the Commission accept CenturyLink's revised tariff for filing.<sup>3</sup> Concluding, Staff states that it has no concerns with CenturyLink's filing, finding that it complies with K.S.A. 66-117, K.S.A. 66-1,190, and K.S.A. 66-2005(q)(1)(F), and recommends CenturyLink's Application be granted and the tariff revisions be approved to become effective June 1, 2018.<sup>4</sup>

5. The Commission adopts Staff's analysis and recommendation of May 3, 2018, as stated in its Report and Recommendation, which is attached hereto and made a part hereof by

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<sup>3</sup> Id., pages 2 and 3.

<sup>4</sup> Ibid., page 3.

reference, and finds that CenturyLink's Application should be granted and that the company's tariff revisions are just and reasonable and should be approved.

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

A. United Telephone Companies of Kansas d/b/a CenturyLink's Application filed May 1, 2018, is hereby granted and the company's requested tariff revisions are hereby approved and shall become effective June 1, 2018.

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. 2017 Supp. 77-529.

C. The Commission retains jurisdiction over United Telephone Companies of Kansas d/b/a CenturyLink and the subject matter of this docket for the purpose of entering such further order, or orders, as it deems necessary.

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

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 05/15/2018



Lynn M. Retz  
Secretary to the Commission

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# STATE OF KANSAS



CORPORATION COMMISSION  
UTILITIES DIVISION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604-4027

PHONE: 785-271-3220  
FAX: 785-271-3357  
<http://kcc.ks.gov/>

GOVERNOR JEFF COLYER, M.D.

SHARI FEIST ALBRECHT, CHAIR | JAY SCOTT EMLER, COMMISSIONER | DWIGHT D. KEEN, COMMISSIONER

## REPORT AND RECOMMENDATION UTILITIES DIVISION

**TO:** Chairman Shari Feist Albrecht  
Commissioner Jay Scott Emler  
Commissioner Dwight D. Keen

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

**DATE:** May 03, 2018

**SUBJECT:** Docket No. 18-UTDT-483-TAR

In the Matter of the Application of United Telephone Companies of Kansas Filing  
Tariff Revisions to Increase Monthly Rates for All Residential and Business Flat  
Rate Access Lines and Also Certain Business 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 Key Trunks in the Company's Local Exchange Tariff. Staff recommends Commission accept the revised tariff for filing.

The Commission action date is Tuesday, **May 22, 2018**.

### **BACKGROUND:**

On May 1, 2018, 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.

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 1, 2018, filing. CenturyLink’s pertinent revisions to the Local Exchange Tariff include the following changes:

- Increase Residential Access Lines to \$19.48.
- Increase Business Access Lines to \$30.06.
- Increase in Key Trunks in Rate Group 1-3 to \$34.65.

These changes, as proposed, increase the rates for residential, business, and some business key trunk lines. The increase of \$.65 per residential line is an increase of 3.45 percent, which is higher than the change in the Consumer Price Index-All Urban Consumers for February of 2018 of 2.212

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

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 \$25.50<sup>3</sup>.

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 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 accepted for filing August 24, 2017, in Docket 18-UTDT-055-TAR.

**RECOMMENDATION:**

Staff has no concerns with this filing and finds it complies with K.S.A. 66-117, K.S.A. 66-1,190, and K.S.A. 66-2005 (q)(1)(F). Staff recommends the Commission accept the revised tariff for filing these tariff revisions with a requested effective date of June 1, 2018.

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<sup>2</sup> See CPI Report Data for February 2018, Supplemental Files, CPI-U, Unadjusted Index, All Items. Report available at <https://www.bls.gov/cpi-data/tables>.

<sup>3</sup> See FCC Public Notice, DA 17-1093, WC Docket No. 10-90, and Released November 8, 2017, ¶2.

## CERTIFICATE OF SERVICE

18-UTDT-483-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 05/16/2018.

ROBYN CRICHTON, TARIFF ANALYST  
UNITED TELEPHONE CO. OF KANSAS  
D/B/A CENTURYLINK  
1D218  
600 NEW CENTURY PKWY  
NEW CENTURY, KS 66031  
Fax: 913-345-6756  
robyn.m.crichton@centurylink.com

OTTO NEWTON, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD ROAD  
TOPEKA, KS 66604  
Fax: 785-271-3167  
o.newton@kcc.ks.gov  
\*\*\*Hand Delivered\*\*\*

JOHN R. IDOUX, DIRECTOR KANSAS GOVERNMENTAL  
AFFAIRS  
UNITED TELEPHONE CO. OF KANSAS  
D/B/A CENTURYLINK  
100 CENTURYLINK DR  
MONROE, LA 71203  
Fax: 913-345-6756  
john.idoux@centurylink.com

/S/ DeeAnn Shupe  
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DeeAnn Shupe