

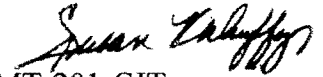
BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

SEP 27 2010

In the Matter of a General Investigation to)
Determine the Assessment Rate for the)
Fifteenth Year of the Kansas Universal)
Service Fund and the Affordable Local)
Service Rates for Rate-of-Return Regulated)
Carriers, Effective March 1, 2011.)

Docket No. 11-GIMT-201-GIT



NOTICE OF FILING OF ERRATA TO STAFF REPORT AND RECOMMENDATION

COMES NOW the Staff of the State Corporation Commission of the State of Kansas
(Staff and Commission, respectively) and files errata to its report and recommendation the
Commission open a proceeding to determine the March 1, 2011 KUSF assessment rate and
affordable local service rates for rate of return regulated companies.

WHEREFORE Staff requests the Commission consider the errata to its report and
recommendation and for such other and further relief as the Commission deems just and proper.

Respectfully submitted,



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MEMORANDUM

To: Chairman Wright
Commissioner Harkins
Commissioner Loyd

From: Sandy Reams

Date: September 27, 2010

Re: *In the Matter of a General Investigation to Determine the Assessment Rate for the Fifteenth Year of the Kansas Universal Service Fund and the Affordable Local Service Rates for Rate-of-Return Regulated Carriers, Effective March 1, 2011.*

Submitted to Legal: 9/27/10

Submitted to Commission: 9/27/10

BACKGROUND:

On September 17, 2010, the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) submitted a memorandum recommending that the Commission open a docket to determine the assessment rate for the fifteenth year of the Kansas Universal Service Fund (KUSF) fiscal year (Year 15). Included with the memorandum were the forms that companies will use to provide the data Staff needs to perform all necessary KUSF calculations. These forms have historically been included with the Commission's order opening the annual KUSF docket.

The attachments enclosed with Staff's September 17, 2010 memorandum were correct; however, page 4 of the memorandum erroneously stated that Attachment A should be filed by "Any incumbent and Competitive Eligible Telecommunication Carrier (ETC) seeking KUSF support in SWBT's study area". Attachment A should be filed by all incumbent and competitive ETCs seeking support; regardless of the area in which such support is requested. A corrected page 4 is attached.

cc: Michael Schmidt
Colleen Harrell
Christine Aarnes
Hal Baumhardt

| <u>Attachment</u> | <u>Who Should File</u> |
|-------------------|--|
| A | Any incumbent and Competitive Eligible Telecommunication Carrier (ETC) seeking KUSF support. |
| B | all incumbent LECs, with SWBT and CenturyLink completing the information for rate groups 1 through 3; |
| C | SWBT and any competitive ETC providing service via its own facilities (excluding Local Wholesale Complete (LWC) and seeking KUSF support in SWBT's; |
| C-1 | Sage Telecom, Inc. (Sage) and Nex-Tech, Inc.; competitive ETCs providing service via LWC in SWBT's study area and that qualify for KUSF support; |
| D | CenturyLink and any competitive ETC providing service and seeking KUSF support in CenturyLink's service area; |
| E | any competitive ETC seeking KUSF support in a rural LEC study, including in the exchanges purchased from CenturyLink, for which KUSF support is based on the cost-model. |

With regard to Attachment B, any rural LEC that receives KUSF support and has an affordable residential or single-line business rate below the preliminary \$16.25 and \$19.25 rates should reflect a monthly rate increase up to the \$2.00 maximum. Companies with rates above the preliminary affordable rates are not required to complete Attachment B. Any rural LEC that is not receiving KUSF support will not file Attachment B, unless a rate increase is necessary based on a company-specific audit or access revenue changes approved in Docket 792; in which case the rate increase will be based upon the amount necessary to offset the related KUSF support. And, for those companies with a unified residential and business rate, the unified rates or affordable rates will be adjusted to allow them to recover an amount of revenue equal to what would be recovered if such a rate was not in effect. Further, pursuant to K.S.A. 2009 Supp. 66-2007, companies that implemented the \$1.50 rate increases after February 2002 will need to increase their rates \$1.50 above the affordable rates.

This approach will allow Staff to finalize the affordable rate calculations and incorporate the results in its KUSF Year 15 testimony and calculations. To the extent that the affordable rates change from the preliminary calculations, Staff will work with the companies to incorporate the appropriate adjustments.

RECOMMENDATION:

Staff recommends the Commission open one docket to address both the affordable rates for rate-of-return regulated companies and the KUSF Year 15 assessment rate. Staff recommends that the rural LECs utilize the \$16.25 and \$19.25 preliminary affordable residential and single-line business rates, respectively, to complete Attachment B. SWBT and CenturyLink should provide line count and rate information for rate groups 1 through 3 on Attachment B.