

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Susan K. Duffy

In the Matter of Consolidated Communications)
of Missouri Company Filing Tariff Revisions) Docket No. 21-FCMT-422-TAR
to Increase Business Rates.)

ORDER APPROVING TARIFF REVISIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) on the Application of Consolidated Communications of Missouri Company (Consolidated Missouri), which requested permission to raise its business local service rates \$1.50 per month. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On May 17, 2021, Consolidated Missouri filed an Application with the Commission to approve a tariff revision, specifically to increase their business access line rate by \$1.50 and increase its ExspansionPAK II bundles by \$2.50.

2. K.S.A. 66-2007(b) states:

The commission shall approve, upon not more than 120 days' notice, any basic local exchange price increases that in the aggregate in any one year are \$1.50 or less per access line per month, that are proposed by any rural telephone company which is subject to traditional rate of return regulation and that comply with the requirements of this section. Any such proposed price increases shall be presumed reasonable and not subject to commission investigation and review if the rural telephone company has followed the notice requirements set forth below. However, the commission shall initiate an investigation if more than 15% of the subscribers subject to the rate increase request such an investigation within 60 days of the date of distribution of the notice of the proposed change.

Upon filing such an application for a rate increase, any rural telephone company seeking expedited approval of the proposed rate under this section shall send a

notice to its subscribers by regular mail, which may be included with regular subscriber mailings. Such mailings shall include the name, mailing address and telephone number of the commission. The notice shall include a schedule of the proposed local exchange rates, the effective date of the rates and a description of the procedures by which the subscribers can petition the commission to determine the reasonableness of the proposed rates, including a provision specifically stating that protest by 15% or more of subscribers subject to the proposed rate increase would require the commission to initiate an investigation concerning the reasonableness of the proposed rate increase.

Consolidated Missouri provided a copy of the "Notice of Proposed Rates" the Company sent to its customers. The Customer Notice stated that a customer could petition the Commission regarding the reasonableness of the rate increase and that the Commission would be required to initiate an investigation if more than fifteen percent (15%) of the Company's subscribers protest the rate increase. The Company also provided updated tariff pages to reflect the proposed rate increases.

3. On August 16, 2021, Commission Staff (Staff) submitted its Report and Recommendation, attached hereto and made a part hereof by reference. Staff found that Consolidated Missouri properly provided notice to its subscribers pursuant to K.S.A. § 66- 2007(b) and that no customer filed a comment or complaint. Therefore, as Staff noted, Consolidated Missouri's proposed rate increases are presumed reasonable, not subject to Commission investigation and review, and Staff recommended their approval. For informational purposes, Staff noted that the projected annual revenue increase from residential customers as a result of the rate increases is \$21,600, which includes \$10,300 from stand-alone access lines and \$11,300 from access line increases in the voice bundles. Furthermore, based upon historical usage of K.S.A. 66-2007(b) by Consolidated Missouri, its affordable residential rate under K.S.A. 66-2005(e) would be \$6.00 above the statewide affordable rate upon approval of the additional increase in this Docket, should it seek Kansas Universal Service Fund (KUSF) high-cost support.

4. Staff recommended that the Commission approve Consolidated Missouri's filing.

5. 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. Consolidated Communications of Missouri Company's Application is hereby granted and its revised tariff is hereby approved.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 08/24/2021



Lynn M. Retz
Executive Director

AAL

¹ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairperson Andrew J. French
Commissioner Dwight D. Keen
Commissioner Susan K. Duffy

FROM: Kelly Mabon, Senior Telecommunications Analyst
Sandra K. Reams, Assistant Chief of Telecommunications
Bryan Seamans, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: August 16, 2021

RE: Docket No. 21-FCMT-422-TAR
In the Matter of Consolidated Communications of Missouri Company Filing
Tariff Revisions to Increase Business Rates.

EXECUTIVE SUMMARY:

On May 17, 2021, Consolidated Communications of Missouri Company (Consolidated Missouri) filed an Application pursuant to K.S.A. 66-2007(b), requesting permission to raise its business local service rates \$1.50 per month. Staff recommends approval of the Application.

Commission action on this matter is required no later than **Tuesday, September 14, 2021.**

BACKGROUND:

The Company requests approval to increase the following access line rates:

- Business access line rate will increase by \$1.50 (Current access line rate is \$19.50 increasing to \$21.00)
- ExpansionPAK II (EPAK II) bundles will increase by \$2.50 (business access line rate increase of \$1.50 and intrastate long distance minutes rate increase of \$1.00)

K.S.A. 66-2007(b) states:

The commission shall approve, upon not more than 120 days' notice, any basic local exchange price increases that in the aggregate in any one year are \$1.50 or less per access line per month, that are proposed by any rural telephone company which is subject to traditional rate of return regulation and that comply with the requirements

of this section. Any such proposed price increases shall be presumed reasonable and not subject to commission investigation and review if the rural telephone company has followed the notice requirements set forth below. However, the commission shall initiate an investigation if more than 15% of the subscribers subject to the rate increase request such an investigation within 60 days of the date of distribution of the notice of the proposed change.

Upon filing such an application for a rate increase, any rural telephone company seeking expedited approval of the proposed rate under this section shall send a notice to its subscribers by regular mail, which may be included with regular subscriber mailings. Such mailings shall include the name, mailing address and telephone number of the commission. The notice shall include a schedule of the proposed local exchange rates, the effective date of the rates and a description of the procedures by which the subscribers can petition the commission to determine the reasonableness of the proposed rates, including a provision specifically stating that protest by 15% or more of subscribers subject to the proposed rate increase would require the commission to initiate an investigation concerning the reasonableness of the proposed rate increase.

Consolidated Missouri provided a copy of the "Notice of Proposed Rates" the Company sent to its customers. The Customer Notice stated that a customer could petition the Commission regarding the reasonableness of the rate increase and that the Commission would be required to initiate an investigation if more than fifteen percent (15%) of the Company's subscribers protest the rate increase. The Company also provided updated tariff pages to reflect the proposed rate increases.

ANALYSIS:

Staff evaluated Consolidated Missouri's Customer Notice and finds it is appropriate and in compliance with K.S.A. 66-2007. Pursuant to K.S.A. 66-2007(b), the statutorily required comment period is 60 days from customer notice. Thus, comments were due to the Commission's Public Affairs and Consumer Protection Office by Thursday, August 12, 2021. The Commission is required to approve aggregate increases of \$1.50 or less per line per year pursuant to K.S.A. 66-2007(b), unless at least 15% of Consolidated Missouri's subscribers comment or object. Attachment A is a memorandum from the Commission's Public Affairs and Consumer Protection Office stating it received no comments regarding Consolidated Missouri's proposed rate increase.

K.S.A. 66-2005(e)(1)(C) required the Commission to determine the target affordable residential and single-line business local service rates, effective March 1, 2007, and every two-years thereafter for those entities that receive Kansas Universal Service Fund (KUSF) high-cost support. In Docket No. 21-GIMT-095-GIT, the Commission adopted a statewide target affordable rate of \$18.50 for residential service and \$21.50 for business service.

K.S.A. 66-2005(e)(5) requires that a rural LEC that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have an affordable rate that is increased by an equal amount of the rate increase under K.S.A. 66-2007(b).

The Company has not received KUSF high-cost support since May 3, 2006.¹ The Company previously increased its local service rates under K.S.A. 66-2007(b) in numerous dockets, the most recent being Docket No. 20-FCMT-327-TAR.² Based on the total amount of the increases in these dockets, its affordable business rate would be \$6.00 above the statewide affordable rate upon approval of the additional increase in this Docket, if it were to seek KUSF high-cost support.

In response to a Data Request from Staff, the Company states it anticipates additional annual residential customer revenue of \$21,600, which includes \$10,300 from stand-alone access lines and \$11,300 from access line increases in the voice bundles.

RECOMMENDATION:

The evaluation of Consolidated Missouri's Application and Customer Notice shows it is in compliance with K.S.A. 66-2007(b). Consolidated Missouri's customers filed no complaints with the Commission's Public Affairs and Consumer Protection Office; therefore, the Company's Application to increase its rates in aggregate in any one year up to \$1.50 per access line per month, as stated in its Application, should be approved.

Staff recommends that the Commission approve Consolidated Missouri's filing.

¹ *Order Approving Stipulated Settlement Agreement*, Docket No. 05-GIMT-094-GIT, May 3, 2006.

² *Order Approving Rate Increase*, Docket No. 12-FCMT-622-TAR, June 5, 2012 (residential and business, \$1.50); *Order Approving Local Rate Increases Pursuant to K.S.A. § 66-2007(b)*, Docket No. 13-FCMT-642-TAR, July 9, 2013 (residential and business, \$1.50); *Order Approving Rate Increases*, Docket No. 20-FCMT-327-TAR, April 30, 2020 (residential, \$1.50); plus the \$1.50/line increase approved in this Docket.

Attachment A

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Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Susan K. Duffy, Commissioner

Laura Kelly, Governor

MEMORANDUM

TO: Lynn Retz
Executive Director

FROM: Linda Berry, Director
Public Affairs and Consumer Protection

DATE: August 13, 2021

RE: Docket No. 21-FCMT-422-TAR
In the Matter of Consolidated Communications of Missouri Company Filing Tariff
Revisions to increase Business Rates.

The Office of Public Affairs and Consumer Protection received no customer comments between June 13, 2021 and August 12, 2021 regarding the rate increase proposed in Docket 21-FCMT- 422-TAR.

I request the Telecommunications Division of the Kansas Corporation Commission file this memo into the docket.

cc. Kelly Mabon
Senior Telecommunications Analyst

CERTIFICATE OF SERVICE

21-FCMT-422-TAR

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 08/24/2021.

KEVIN KASTOR, DIRECTOR - GOVERNMENT AFFAIRS
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/S/ DeeAnn Shupe
DeeAnn Shupe