

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

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

In the Matter of Blue Valley Tele-    )  
Communications Filing Tariff Revisions to its    ) Docket No. 22-BLVT-225-TAR  
General Exchange Service Charges.                    )

**ORDER APPROVING REVISED TARIFF**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and records, and being duly advised in the premises, the Commission finds and concludes as follows:

1.       On November 16, 2021, Blue Valley Tele-Communications, Inc. (Blue Valley) filed an Application requesting to make changes to its General Exchange Tariff.

2.       Staff requested the filing be suspended to allow sufficient time for review. An Order granting the extension of time was issued December 9, 2021, extending the deadline for action on this docket to July 14, 2022.

3.       The Commission derives its authority to review Local Exchange Carrier tariffs from K.S.A. 66-117(d), which reads 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.

K.S.A. 66-1,190 provides in part 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...the 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...

The Commission must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189. Further, K.S.A. 66-1,189 requires the Commission to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

3. On January 25, 2022, Commission Staff (Staff) submitted its Report and Recommendation, attached hereto and made a part hereof, recommending the Commission grant Blue Valley’s Application and approve the company’s proposed tariff, effective upon the date of the Commission’s order.

4. Staff stated that on January 11, 2022, Blue Valley filed a replacement tariff page after discussions with Staff. The changes to the General Exchange Tariff after the filing of the replacement page include:

- Increasing the charge for Bad Check/Bank Draft from \$25.00 to \$30.00.
- Adding to Special Charges; Change of Service for \$7.50; a Phone Move for \$15.00.
- Increasing the Service Order Charge from \$8.00 to \$15.00
- Increasing the Central Office Line Connection Charge from \$8.00 to \$15.00.
- Increasing the flat fee of \$30.00 Maintenance Service Charge to a \$45.00 Trip Charge during regular office hours and \$90.00 per hour after the first 30 minutes; and outside office hours, the Trip Charge will be \$45.00 and \$120.00 per hour, with a minimum ½ hour charge.

5. Staff compared these rates with the rates charged by similarly situated local exchange carriers and found they align with rates charged by those companies.

7. Staff recommended the Commission approve Blue Valley’s tariff revisions.

8. The Commission finds Staff's recommendation to be reasonable and hereby adopts the same.

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

A. Blue Valley Telephone Company, Inc.'s Application is hereby granted and its revised General Exchange 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).<sup>1</sup>

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

Keen, Chair; Duffy, Commissioner; French, Commissioner

Dated: 02/03/2022



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Lynn M. Retz  
Executive Director

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

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

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

**FROM:** Brooke Tibbits, Telecommunications Analyst  
Kelly Mabon, Senior Telecommunications Analyst  
Sandy Reams, Assistant Chief of Telecommunications  
Bryan Seamans, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**DATE:** January 25, 2022

**SUBJECT:** Docket No. 22-BLVT-225-TAR

In the Matter of Blue Valley Tele-Communications Filing Tariff Revisions to its  
General Exchange Service Charges.

### **EXECUTIVE SUMMARY**

On November 16, 2021, Blue Valley Tele-Communications (BLVT) filed an Application to make changes to its General Exchange Tariff.

Staff requested the filing be suspended to allow sufficient time for review. An Order granting the extension of time was issued on December 9, 2021. Therefore, the Commission action date is **July 14, 2022**.

### **BACKGROUND**

The 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.

The Commission derives its authority to supervise telecommunications public utilities from K.S.A. 66-1,188. K.S.A. 66-1,190 requires all telecommunications public utilities doing business in Kansas to “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 shall furnish the commission copies of all rules and regulations and contracts between such telecommunications public utilities pertaining to any and all jurisdictional services to be rendered by such telecommunications public utilities.”

The KCC must review rates and terms for jurisdictional telecommunications services to ensure they are “just and reasonable” pursuant to K.S.A. 66-1,189. Further, K.S.A. 66-1,189 requires the KCC to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

Because telecommunications providers must constantly adapt to consumer needs, the KCC determined in Docket No. 04-GIMT-1080-GIT that rate changes made by telecommunications providers would not be audited for their justness and reasonableness unless the changes result in the provider receiving “materially greater revenue” than its rate-of-return would necessitate.<sup>1</sup>

## **ANALYSIS**

In its original filing on November 16, 2021, BLVT proposed:

- Increasing the charge for Bad Check/Bank Draft from \$25.00 to \$30.00.
- Adding to Special Charges; Change of Service for \$7.50; a Phone Move for \$15.00; and a Reconnect Fee of \$75.00 after disconnection for non-payment.
- Increasing the Service Order Charge from \$8.00 to \$15.00
- Increasing the Central Office Line Connection Charge from \$8.00 to \$15.00.
- Increasing the flat fee of \$30.00 Maintenance Service Charge to a \$45.00 Trip Charge during regular office hours and \$90.00 per hour after the first 30 minutes; and outside office hours, the Trip Charge will be \$45.00 and \$120.00 per hour, with a minimum ½ hour charge.

Staff compared these rates with the rates charged by similarly situated local exchange carriers and finds they align with the rates charged by those companies.

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<sup>1</sup> Prior to 2004, if a rate of return carrier asked for an increase in revenue outside a rate case, the Commission policy was to adjust the amount received for an increased rate by a corresponding decrease in draw from the KUSF, pursuant to K.S.A. 66-2005(d). However, in *Rural Telephone Service Co. v. Kansas Corporation Commission*, 31 Kan. App. 2d 760, 72 P.3d 937 (2003), the Kansas Court of Appeals held that the Commission did not have statutory authority to reduce Rural's KUSF distribution in response to increased revenue from modifications to tariff filings (Docket No. 02-RRLT-875-TAR). The Court reversed the Order reducing Rural's KUSF support, but it remanded the matter to enable the Commission to determine the reasonableness of the proposed tariff changes in light of the Court's decision to disallow a contemporaneous reduction of KUSF support, 31 Kan. App. 2d at 770. On June 4, 2004, the Commission opened a generic docket to address Staff's proposal to address tariff increases between KUSF audits. In an Order dated September 28, 2004, in that Docket (04-GIMT-1080-GIT), the Commission stated, “Staff will continue to conduct an individual evaluation of any proposed tariff revision made by a rate-of-return regulated company affecting its revenues to determine the reasonableness of the proposed rates . . . if Staff evaluates information indicating that a rate-of-return regulated carriers is receiving materially greater revenue than its authorized cost recovery and rate of return would necessitate, the Commission will consider whether to conduct an audit.”

During its review, Staff issued two sets of Data Requests and the responses were filed confidentially. Subsequently, Staff had a discussion with the Company regarding the addition of a proposed \$75.00 Reconnection Fee after disconnection for non-payment, noting the Company currently charges a 3% Late Notice Charge. As a result of the discussion, the Company filed a replacement page on January 11, 2022, which removed the \$75.00 Reconnection Fee after disconnection for non-payment.

The Company estimated increased annual revenue of \$8,000 prior to removing the \$75 fee from its proposed changes.

### **RECOMMENDATION**

The potential revenue generated by these changes is not materially greater than the Company's authorized cost recovery and rate of return. Staff recommends the Commission grant approval of this filing effective upon the date of the Commission Order.

## **CERTIFICATE OF SERVICE**

22-BLVT-225-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 02/03/2022.

AHSAN LATIF, LITIGATION COUNSEL  
KANSAS CORPORATION COMMISSION  
1500 SW ARROWHEAD RD  
TOPEKA, KS 66604  
a.latif@kcc.ks.gov

TOM MAURER, DIRECTOR  
TELCOM SUPPORT SERVICES  
2708 ST CHRISTOPHER CIRCLE  
MANHATTAN, KS 66502-2216  
tmaurer@tssks.com

CANDACE WRIGHT, CEO/GM  
BLUE VALLEY TELE-COMMUNICATIONS, INC.  
1559 PONY EXPRESS HWY  
HOME, KS 66438  
cwright@bluevalleyinc.net

/S/ DeeAnn Shupe  
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DeeAnn Shupe