

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

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

In the Matter of Consolidated Communications )  
of Missouri Company Filing Tariff Revisions ) Docket No. 23-FCMT-622-TAR  
to Increase Residential Rate. )

**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 residential local service rates \$1.50 per month pursuant to K.S.A. 66-2007(b). Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On February 16, 2023, Consolidated Missouri filed an Application with the Commission to approve a tariff revision, specifically to increase their residential access line rate by \$1.50.

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.

3. 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. Consolidated Missouri filed revised tariff on May 19, 2023, to include Total Bundle Rates for non-regulated long distance services excluded from the local components rate of the bundle.

4. In a Report and Recommendation dated May 19, 2023, attached hereto and made a part hereof by reference, Commission Staff (Staff) found that Consolidated Missouri properly provided notice to its subscribers pursuant to K.S.A. 66- 2007(b). The Staff referenced a Memo from the Commission's Public Affairs and Consumer Protection Office indicating no complaints had been filed to cause a formal investigation to proceed. Therefore, as Staff concluded, Consolidated Missouri's proposed rate increases are presumed reasonable, not subject to Commission investigation and review, and the requirements of K.S.A. 66- 2007(b) were met. Thus, Staff recommended approval of the requested rate increase.

5. Staff explained that the projected annual revenue increase from residential customers as result of the rate increases is \$1,224, which includes \$810 from stand-alone access line increases and \$414 from access line increases in the voice bundles. The Company also

anticipates it will receive an additional \$276 in intrastate and interstate long distance revenue resulting from the increases to bundled services.

6. As part of the Staff's review, it made a corresponding analysis of the impact of the proposed rate increases in conjunction with a determination regarding target affordable rates that are redetermined every two years from March 1, 2007, as provided in K.S.A. 66-2005(e)(1)(C). Citing Docket No. 23-GIMT-261-GIT, the Staff states the statewide target affordable rates are \$18.75 for residential service. The affordable rate determination is then applied consistent with K.S.A. 66-2005(e)(2), which requires that a rural local exchange carrier that increases local service rates after February 20, 2002, pursuant to K.S.A. 66-2007(b), will have affordable rates increased by amounts corresponding to the rates increased under the expedited statutory procedure for the purpose of evaluating universal service support. 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) will be \$9.00 above the statewide affordable rate upon approval of the additional increase in this Docket, if it were to seek Kansas Universal Service Fund (KUSF) high-cost support.

7. Staff recommended that the Commission approve Consolidated Missouri's Application. 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).<sup>1</sup>

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

Duffy, Chair; Keen, Commissioner; French, Commissioner

Dated: 05/25/2023



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Lynn M. Retz  
Executive Director

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<sup>1</sup> K.S.A. 66-118b; K.S.A. 77-053(c); K.S.A. 77-531(b).

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

Laura Kelly, Governor

## **REPORT AND RECOMMENDATION UTILITIES DIVISION**

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

**From:** Steve Garrett, Senior Telecommunications Analyst  
Sandra K. Reams, Assistant Chief of Telecommunications  
Bryan Seamans, Chief of Telecommunications  
Jeff McClanahan, Director of Utilities

**Date:** May 19, 2023

**Subject:** Docket No. 23-FCMT-622-TAR  
In the Matter of Consolidated Communication of Missouri Company Filing Tariff  
Revisions to Increase Residential Rate.

### **EXECUTIVE SUMMARY:**

On February 16, 2023, Consolidated Communications of Missouri Company (Consolidated Missouri) filed an Application pursuant to K.S.A. 66-2007(b), requesting permission to raise its residential local service rates \$1.50 per month. Consolidated Missouri stated bill messages would be sent to customers starting with the March 16, 2023, billing cycle. Pursuant to K.S.A. 66-2007(b), the 60-day comment period ended May 15, 2023. Consolidated Missouri filed revised tariff for Section 15, sheets 9 and 22, on May 19, 2023, to include Total Bundle Rates. Staff recommends approval of the Application.

Commission action on this matter is required no later than **Friday, June 16, 2023.**

### **BACKGROUND:**

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

- Residential access line rate will increase by \$1.50 per month, from \$19.50 to \$21.00;
- Home Phone Standard Service Package rate will increase \$2.50 per month, from \$36.45 to \$38.95; and
- Voice Advantage and Voice Advantage II bundles will increase by \$2.50, comprised of a residential access line rate increase of \$1.50 and intrastate long distance minutes' rate

increase of \$1.00, from \$21.47 to \$22.97 per month. Revised tariff sheets filed on May 19, 2023 reflect the non-regulated IntraLATA and InterLATA long distance services that are excluded from the local components rate of the bundle. New Total Bundle Rates were incorporated into the bundled service packages:

- Voice Advantage Bundles for Voice Advantage Basic at \$39.99 and Voice Advantage Unlimited at \$49.99.
- Voice Advantage II Bundles for Voice Advantage II Basic at \$37.99, Voice Advantage II 600 at \$42.99 and Voice Advantage II Unlimited at \$47.99.

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" (Customer Notice) 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 Monday, May 15, 2023. The Commission is required to approve aggregate increases of \$1.50 or less per line in a one-year period 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 a target affordable residential local service rate, 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. 23-GIMT-261-GIT, the Commission adopted a statewide target affordable rate of \$18.75 for residential service.<sup>1</sup>

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.<sup>2</sup> The Company previously increased its local service rates under K.S.A. 66-2007(b) in numerous dockets, the most recent being Docket No. 22-FCMT-401-TAR.<sup>3</sup> Based on the total amount of the increases in these dockets, its affordable residential rate would be \$9.00 above the statewide affordable rate upon approval of the additional increase in this Docket, if it were to seek KUSF high-cost support.

The Company anticipates additional annual residential customer revenue of \$1,224, comprised of \$810 from stand-alone access line increases and \$414 from access line increases in the voice bundles. The Company also anticipates it will receive an additional \$276 in intrastate and interstate long distance revenue resulting from the increases to bundled services.

### **RECOMMENDATION:**

The evaluation of Consolidated Missouri's Application and Customer Notice shows they are in compliance with K.S.A. 66-2007(b). Consolidated Missouri's customers filed no written complaint with the Commission's Public Affairs and Consumer Protection Office; therefore, Staff recommends the Commission approve the Company's Application to increase its rates in the aggregate in any one year of up to \$1.50 per access line per month.

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<sup>1</sup> *Order Adopting KUSF Year 27 Assessment Rate and Affordable Rates*, Docket No. 23-GIMT-261-GIT, January 17, 2023.

<sup>2</sup> *Order Approving Stipulated Settlement Agreement*, Docket No. 05-GIMT-094-GIT, May 3, 2006.

<sup>3</sup> *Order Approving Rate Increase*, Docket No. 12-FCMT-622-TAR, June 5, 2012 (residential, \$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, \$1.50); *Order Approving Rate Increases*, Docket No. 20-FCMT-327-TAR, April 30, 2020 (residential, \$1.50); *Order Approving Rate Increases*, Docket No. 21-FCMT-304-TAR, May 25, 2021 (residential, \$1.50); *Order Approving Rate Increases*, Docket No. 22-FCMT-401-TAR, June 2, 2022 (residential, \$1.50); plus the \$1.50/line increase approved in this Docket.

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

Laura Kelly, Governor

## MEMORANDUM

To: Lynn Retz  
Executive Director

From: Linda Berry, Director  
Public Affairs and Consumer Protection

Date: May 16, 2023

Re: Docket 23-FCMT-622-TAR  
In the Matter of Consolidated Communication of Missouri Company Filing Tariff  
Revisions to Increase Residential Rate.

The Office of Public Affairs and Consumer Protection received no customer comments between March 1, 2023 and May 16, 2023 regarding the rate increase proposed in Docket 23-FCMT-622-TAR.

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

cc. Steve Garrett  
Senior Telecommunications Analyst

Sandy Reams  
Assistant Chief of Telecommunications



## **CERTIFICATE OF SERVICE**

23-FCMT-622-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 05/25/2023.

WALKER HENDRIX, LITIGATION COUNSEL  
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/S/ KCC Docket Room

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