

**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 Co. Filing Tariff Revisions to its) Docket No. 21-FCMT-304-TAR
Residential Access Line and Bundle Rate)
Increases)

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 reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On February 12, 2021, Consolidated Communications of Missouri Company (Consolidated) filed an Application to increase its residential access line rate by \$1.50 per month, its Home Phone Standard Service Package by \$2.50 per month, and its Voice Advantage and Voice Advantage II bundles by \$2.50 per month (comprised of a residential access line rate increase of \$1.50 per month and an intrastate long distance minutes rate increase of \$1.00 per month). Consolidated also provided a copy of the bill insert that was sent to customers with respect to its filing on February 24, 2021. Consolidated requested a June 16, 2021, effective date consistent with K.S.A. 66-2007(b).

2. K.S.A. § 66-2007(b) states:

(b) 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. Commission Staff (Staff) submitted a Report and Recommendation regarding the Application on May 20, 2021, attached hereto as Exhibit A and made a part hereof by reference. Staff found that Consolidated properly provided notice to its subscribers pursuant to K.S.A. § 66-2007(b) and that one (1) customer filed a complaint. Therefore, as Staff noted, Consolidated'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 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, its affordable residential rate under K.S.A. 66-2005(e) would be \$6.00 above the statewide affordable rate should it seek Kansas Universal Service Fund (KUSF) high-cost support.

4. 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's tariff revisions filed February 12, 2021, are 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: 05/25/2021



Lynn M. Retz
Executive Director

MRN

¹K.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: May 20, 2021

RE: Docket No. 21-FCMT-304-TAR
In the Matter of Consolidated Communication of Missouri Company Filing Tariff
Revisions to Residential Access Line and Bundles Increases

EXECUTIVE SUMMARY:

On February 12, 2021, 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 filed a clarification in the Docket, stating the bill messages would go out to customers starting March 16, 2021, to allow ample time for Staff to review the filing after reviewing the public comments. Staff recommends approval of the Application.

Commission action on this matter is required no later than **Saturday, June 12, 2021.**

BACKGROUND:

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

- Residential access line rate will increase by \$1.50 (Current access line rate is \$16.50 increasing to \$18.00)
- Home Phone Standard Service Package will increase by \$2.50
- Voice Advantage and Voice Advantage II bundles will increase by \$2.50 (residential 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 Friday, May 15, 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 one comment 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. 21-GIMT-095-GIT, the Commission adopted a statewide target affordable rate of \$18.50 for residential 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 residential 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 they are in compliance with K.S.A. 66-2007(b). Consolidated Missouri's customers filed one written complaint 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, \$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); plus the \$1.50/line increase approved in this Docket.

Attachment A

1500 SW Arrowhead Road
Topeka, KS 66604-4027

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



Phone: 785-271-3100
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<http://kcc.ks.gov/>

Laura Kelly, Governor

MEMORANDUM

To: Lynn Retz
Executive Director

From: Linda Berry, Director
Public Affairs and Consumer Protection

Date: May 18, 2021

Re: Docket 21-FCMT-304-TAR
In the Matter of Consolidated Communications of Missouri Co. Filing Tariff Revisions to
its Residential Access Line and Bundle Rate Increases.

The Office of Public Affairs and Consumer Protection received one customer comment between March 16, 2021 and May 15, 2021 regarding the rate increase proposed in Docket 21-FCMT304-TAR.

A copy of the comment is attached.

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

cc. Kelly Mabon
Senior Telecommunications Analyst

KANSAS CORPORATION COMMISSION



Division of Public Affairs

1500 SW Arrowhead Road
Topeka, KS 66604-4027

Filed

05/10/2021

3100

(785) 271-
Investigator

Complaint ID **116858**

Date

SEISENBA

Account Information

Account No

Notified KCC by **P**

Consumer Class **R**

Name **VIRGINIA BROWN**

Home Phone

Cell Phone

Business

Work Phone

ext

Street Address

Fax #

Mailing Address

Email Address

City **GREELY COUNTY**

State **KS** Zip Code

Docket Opinion

Company ID

Docket Number

Consumer Opinion

Number of Petitions
Signatures

FCMT

21-FCMT-304-TAR

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Narrative

05/10/2021 \$1.50 DOES NOT SEEM LIKE A LOT, BUT IT IS WHEN YOU CONSIDER OTHER RATES THAT ARE INCREASING. WE NEED PHONES IN RURAL AREAS.

CERTIFICATE OF SERVICE

21-FCMT-304-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 05/25/2021.

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