

... 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 KCC to ensure that all classifications, rules, and regulations regarding the services are not unduly discriminatory or preferential.

3. According to Staff, S&T’s filing removes all information and rates related to the Ethernet Transport and Hosted PBX service offerings in Section 4; pages 13-21, and removes those Services where indicated in the Table of Contents.

4. Staff has reviewed the filing and does not have any concerns.

5. The Commission adopts Staff’s analysis and recommendation of May 1, 2018, as stated in its Report and Recommendation and finds that S&T’s Application should be granted and the requested tariff revisions approved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. S&T Telephone Cooperative Association, Inc.’s Application is hereby granted and its revised General Exchange Tariff is hereby approved and shall become effective June 1, 2018.

B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2017 Supp. 77-529.

C. The Commission retains jurisdiction over S&T Telephone Cooperative Association, Inc. and the subject matter of this docket for the purpose of entering such further order, or orders, as it deems necessary.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Keen, Commissioner

Dated: 05/10/2018



Lynn M. Retz
Secretary to the Commission

AAL

STATE OF KANSAS



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TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Dwight D. Keen

FROM: Paula Artzer, Senior Telecommunications Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: May 1, 2018

SUBJECT: Docket No. 18-S&TT-471-TAR
In the Matter of S&T Telephone Cooperative Association Filing Tariff Revisions
to Remove Ethernet Transport Service and Hosted PBX Service.

EXECUTIVE SUMMARY:

On April 25, 2018, S&T Telephone Cooperative Association, Inc. (S&T) filed a request to make tariff revisions to a certain section of its General Exchange Tariff removing Ethernet Transport and Hosted PBX service from the tariff. S&T removed the service offerings from the tariff as they are not regulated.

The Commission action date is Friday, May 25, 2017.

ANALYSIS:

The Kansas Corporation Commission (KCC or Commission) derives its authority to review General 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.

In addition, K.S.A. 66-1,190 requires every public utility doing business in Kansas over which the Commission has control 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. The Commission has the 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 as the Commission determines reasonable and appropriate.

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.¹

This filing makes changes to Sections 4 of the tariff. Per the Company, the changes are to remove non-regulated services, Ethernet Transport and Hosted PBX.

The changes are as listed:

- Remove all information and rates related to the Ethernet Transport and Hosted PBX service offerings in Section 4; pages 13-21, and remove those Services where indicated in the Table of Contents.

The Company indicated no revenue change to report as the service is non-regulated.

Staff has reviewed the filing and does not have any concerns with the filing. S&T does receive KUSF support. The Company’s last tariff filing was in September of 2017 to reduce the fee for Connection Charges.

RECOMMENDATION:

Staff recommends the Commission approve the replacement tariff sheets provided by S&T. Removing non-regulated services from the tariff that are not under Commission control is acceptable to the Commission. The Company requests the tariff to become effective June 1, 2018.

¹ 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.”

CERTIFICATE OF SERVICE

18-S&TT-471-TAR

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

first class mail/hand delivered on 05/11/2018.

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