

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Shari Feist Albrecht, Chairman
 Jay Scott Emler
 Pat Apple

In the Matter of a General Investigation Into)
the Adjustment of Intrastate Switched Access) Docket No. 15-GIMT-068-GIT
Charges for Rural Telephone Companies in)
Compliance with K.S.A. 2013 Supp. 66-)
2005(c) and FCC Reforms.)

**ORDER OPENING DOCKET; REQUIRING RLEC DATA FILINGS; PROCEDURAL
SCHEDULE; DISCOVERY ORDER; PROTECTIVE ORDER; GENERAL SERVICE
MATTERS**

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:

I. Rural Local Exchange Carrier Intrastate Switched Access Adjustments

1. K.S.A. 66-2005(c) states that “[e]ach rural telephone company shall adjust its intrastate switched access rates on March 1 of each odd-numbered year to match its interstate switched access rates...” Additionally, K.S.A. 66-2005(c)(1) provides that “[a]ny reduction of a rural telephone company’s cost recovery due to reduction of its intrastate access revenue, except such revenue recovered from another support mechanism, shall be recovered from the KUSF.”

2. On November 18, 2011, the Federal Communications Commission (FCC) released its *Report and Order and Further Notice of Proposed Rulemaking* (November 2011 Order).¹ The Commission has determined in Docket Nos. 12-GIMT-170-GIT and 13-GIMT-004-GIT that the November 2011 Order pre-empts the Commission’s authority with respect to

¹Connect America Fund, 26 F.C.C.R. 17663 (Fed. Comm. Comm’n November 18, 2011) (Report and Order and Further Notice of Proposed Rulemaking).

intrastate terminating access rates and accompanying Kansas Universal Service Fund (KUSF) adjustments.²

3. Commission Staff (Staff) submitted a Report and Recommendation (R&R) to the Commission on August 15, 2014, attached hereto and made a part hereof by reference. The R&R contains a recitation of the relevant Commission and FCC rulings to date with respect to intrastate access charge and KUSF adjustments.

4. Staff notes that because of the November 2011 Order, the Commission may only facilitate the adjustment of Rural Local Exchange Carrier (RLEC) intrastate access rates and accompanying KUSF adjustments under K.S.A. 66-2005(c) with respect to originating switched end office and traffic sensitive transport.³ However, consistent with FCC clarifications, RLECs concurring in the National Exchange Carrier Association (NECA) tariff may increase their intrastate terminating rates for traffic sensitive transport Rate Band 1 and dedicated transport services as the rates would have been at parity absent the NECA pool changes. Additionally, the adjustment should not be recognized as an adjustment to the RLECs' KUSF support.

5. Staff also notes that K.S.A. 66-2005(c) requires RLECs to adjust their intrastate access rates to parity on March 1st of each odd-numbered year. However, the FCC's reforms require adjustments on July 1st of each year. In the past, the Commission determined that for ease of administration, it would require the K.S.A. 66-2005(c) adjustments to coincide with the FCC's reforms. Staff recommends that the 2015 adjustments also coincide with the FCC's adjustment date, currently July 1st, 2015.⁴

²The final Orders in these dockets are currently on appeal to the Kansas Court of Appeals. The final Orders were upheld by the Washington County District Court in Case No. 2013 CV 07.

³Exhibit 1, pg. 6.

⁴Exhibit 1, pg. 7.

6. To aid in facilitating the RLEC's adjustments to intrastate originating switched end office and traffic sensitive transport rates, Staff recommends that the RLECs be required to file certain information contained in Attachment 1 to Staff's R&R in the Docket by September 16, 2014, and e-mail a Microsoft Excel version of the same information to Staff at h.baumhardt@kcc.ks.gov, with a copy to s.reams@kcc.ks.gov by the same date. Reported minutes of use (MOU) should be for the twelve-month period ending June 30, 2014, and rates used to determine parity should be those in effect as of July 1, 2014. Staff will use the filed data to confirm the appropriate access rates for the carriers, as well as the adjustments to KUSF distributions under K.S.A. 66-2005(c)(1). Staff notes that RLECs may designate MOU as confidential, but both the intrastate and interstate access rates are publicly available and should not be marked confidential. KUSF adjustments are also publicly available and should not be marked confidential.

II. Procedural Schedule

7. Staff proposes a procedural schedule to govern this docket as follows:

<u>Date</u>	<u>Event</u>
September 16, 2014	RLECs file calculation of access reductions using Attachment 1 in the docket and e-mail a Microsoft Excel version of data to Staff at s.reams@kcc.ks.gov.
October 28, 2014	Staff files Direct Testimony on impact of reductions.
November 11, 2014	Parties file Rebuttal Testimony.
December 3, 2014	Evidentiary Hearing, if necessary.
January 4, 2014	Commission Order.
July 1, 2015	Implement adjustments to access and KUSF support.

III. Commission's Adoption of Staff's Recommendations

8. The Commission finds Staff's recommendations to be reasonable and hereby adopts the same. Companies shall file their information in the Docket utilizing the form provided by Staff referenced above, and shall adhere to the procedural schedule adopted herein.

Companies shall submit electronic versions of the filed information, in Microsoft Excel format, to Staff at h.baumhardt@kcc.ks.gov, with a copy to s.reams@kcc.ks.gov.

IV. Procedural Matters Regarding Electronic Service and Entries of Appearance

9. The Commission finds that all RLECs, and CURB, should be parties to this Docket.

10. The Commission anticipates the number of carriers or entities that will want to be actively involved in this proceeding will be fewer than all carriers or entities being served with this Order. Active parties are those carriers or entities that desire to be involved in litigating issues that will be identified and explored in this general investigation. Only those entities that participate as active parties in this Docket will be served with pleadings, testimony, briefs, and procedural orders as this proceeding progresses; only active parties will be given notice of and allowed to participate in hearings scheduled in this proceeding. Those entities that desire to participate as an active party in this proceeding shall file an Entry of Appearance within fifteen (15) days of the issuance of this Order. Any carrier or entity that is served with this Order, and chooses not to participate as an active party, will not be served with pleadings, testimony, briefs, and procedural orders during litigation of this Docket. If a carrier or entity does not file an Entry of Appearance in this proceeding but later desires to become an active party, that carrier or entity may do so by submitting a Late Filed Entry of Appearance and state whether it is willing to receive electronic service and, if so, provide an email address for service, as discussed above and below. All entities being served with this Order will be served with any Commission decision that is a final Order. Upon receipt of a Commission final Order, an entity that chose not to actively participate in this Docket will be allowed to petition for reconsideration, but the entity

will not be allowed to introduce new issues inasmuch as it was given notice of the adjudicative proceeding with service of this Order but chose not to participate.

11. The Commission urges entities that are involved as active parties to this proceeding to consent to receipt of pleadings, testimony, briefs, and orders by electronic service without a hard-copy follow-up as required by K.A.R. 82-1-216(a)(6). A party may note its consent on its Entry of Appearance. Testimony, briefs, and other pleadings must be served electronically by 3:00 p.m. on the date due, without requiring service among the parties of a follow-up hard copy. However, the original and at least seven paper copies of testimony, briefs, and other pleadings must still be filed in the Commission's docket room by close of business on the date of the deadline. K.A.R. 82-1-215(a).⁵ Any electronic service of Commission or Prehearing Officer Orders without follow-up hard copies will specifically state in the electronic message serving the Order that the electronic message constitutes service of the attached Order and that a hard copy will not follow. Parties are directed to maintain accurate, current lists of electronic service email addresses based on information contained within the Commission's orders.

V. Discovery Order

12. The Commission finds that formalizing discovery procedures and clarifying the obligations of the parties will help ensure a full and efficient investigation of the issues in this Docket. This Discovery Order will govern the conduct of discovery until further order of the Commission. Parties may request modified or additional discovery procedures or may request that the Commission schedule a discovery pre-hearing conference.

⁵This does not apply to parties who file using E-Filing EXPRESS. See 14-GIMX-280-MIS.

13. General procedures. Discovery in Commission proceedings is limited to matters that are “clearly relevant.”⁶ After a docket is opened, any party may serve upon any other party written discovery or data requests. These data requests shall identify with reasonable particularity the information or documents sought. Data requests must be designed to elicit material facts within the knowledge of the parties. Data requests that require conclusions of law or answers to hypothetical questions are generally not permitted. Cross-examination through the use of data requests is not appropriate. Copies of data requests shall be served upon all other active parties to the proceeding, unless a party requests otherwise. Data requests and responses may be served by facsimile transmittal or electronic mail if agreed to by the parties. Data requests that are sent by a party after 3:00 p.m. shall be deemed to have been received the following business day.

14. Data Request Responses. Data request responses shall be served only upon the party making such request. Responses to Staff data requests are due within seven days, not counting Saturdays, Sundays, or legal holidays. Responses to all other data requests are due within 10 days, not counting Saturdays, Sundays, or legal holidays. In computing the period of time for responding, the day on which the data request was issued is not counted. Parties may agree to extensions or reductions of time in which to respond or object to a data request. Responses to data requests shall be verified and shall identify the person(s) who actually prepared the response and can answer additional questions relating to the response. Each data request shall be answered separately and preceded by the request to which the answer pertains. Responses shall be clearly identified and, if consisting of several pages, shall be labeled and organized in a manner that makes review of the pages convenient. Parties are under a continuing duty to supplement their discovery responses upon learning that the information disclosed is

⁶ K.A.R. 82-1-234a(a).

incomplete or incorrect in any material respect. If a response to a data request requires the duplication of voluminous material or of material that is not easily copied because of its binding or size, a party may require that any party other than Commission Staff review the voluminous material on its own premises. If duplication of voluminous material can be accomplished without undue burden, the voluminous material may be copied at the expense of the requesting party. Voluminous material is defined as documents comprised of 500 pages or more.

15. Objections to Data Requests. If a party objects to answering a particular data request, the party shall object in writing within five days of receipt of the data request, not counting Saturdays, Sundays or legal holidays. The written objection shall specifically explain all grounds relied upon for objecting to each data request. Any objections not provided at this time will be considered to be waived. If an objection pertains only to part of a question, that part shall be clearly identified and the responding party shall provide any non-objectionable information covered by the remainder of the data request. Parties shall negotiate in good faith to resolve discovery disputes. If resolution is not possible, the party seeking discovery may file a motion to compel with the Commission. Motions to compel must have the data request and response at issue attached. Motions to compel are required to be served by hand delivery, facsimile, or next-day delivery service. Responses to motions to compel are to be filed within three days after the motion is received, not counting Saturdays, Sundays, or legal holidays. The Commission may act immediately on motions to compel if necessitated by time constraints or the procedural schedule in the docket.

16. Limitations on Discovery. The Commission may limit discovery to protect a party against unreasonable, cumulative, or duplicative discovery requests; to prevent undue delay in the proceeding; to avoid unnecessary burden, expense, or harassment; or to otherwise maintain

the orderly and efficient progress of the proceeding. Upon finding that a party has abused the discovery process, the Commission may deny the right to continue discovery.

17. Sanctions. A motion for sanctions for discovery violations may be filed at any time during the proceeding, or may be initiated by the Commission. A motion is to contain sufficient factual allegations to detail the violation and must specify the relief requested. Motions for sanctions are required to be served by hand delivery, facsimile, or next-day delivery service. Responses to motions for sanctions are to be filed within 10 days, not counting Saturdays, Sundays, or legal holidays.

a. The Commission will consider any relevant factors when reviewing a motion for sanctions, including whether discovery has been conducted in bad faith or for an improper purpose such as causing unnecessary delay or needless increase in the cost of the proceeding; whether the discovery process has been abused in seeking or resisting discovery; and whether parties have failed to obey Commission Orders.

b. Sanctions imposed by the Commission may include limiting or disallowing further discovery; holding that designated facts be deemed admitted for purposes of the proceeding; refusing to allow a party to support or oppose a claim or defense or prohibiting the party from introducing designated matters in evidence; disallowing in whole or in part requests for relief by the offending party and excluding evidence in support of such requests; striking pleadings or testimony; staying further proceedings until an order is obeyed; disallowing a party's right to participate in the proceeding; dismissing the application or filing with or without prejudice; requiring the offending party to pay the reasonable expenses, including attorney's fees, incurred by other parties because of the sanctionable behavior; and imposing any other sanction or remedy available to the Commission by law.

VI. Protective Order

18. K.S.A. 66-1220a and K.A.R. 82-1-221a set forth requirements for the designation and treatment of information deemed confidential in Commission proceedings. The Commission finds it is appropriate to issue this Protective Order in order to establish procedures relating to confidential data and information.

19. K.S.A. 66-1220a limits disclosure of trade secrets or confidential commercial information of regulated utilities. Under K.S.A. 66-1220a(a)(4), the Commission is to consider alternatives to disclosure that will serve the public interest and protect the regulated entity. This Protective Order provides an interim procedure under K.S.A. 66-1220a(a)(4) to facilitate the prompt and orderly conduct of this case. This Protective Order will govern the treatment and handling of confidential information until further order of the Commission.

20. A party may designate as confidential any information that it believes, in good faith, to be a trade secret or other confidential commercial information. The party designating the information as confidential must provide a written statement of the specific grounds for the designation at the time the designation is made.⁷ The party claiming confidentiality has the burden of proving the confidential status of the information. Designating information as confidential does not establish that the information will not be subject to disclosure after review by the Commission.⁸

21. The provisions of this Protective Order apply to all parties to the docket. The provisions also apply to Staff, except that Staff is not required to sign nondisclosure certificates or view voluminous materials on site and is not required to return or destroy confidential information upon request at the conclusion of a proceeding. Outside experts and consultants used by Staff shall have access to information and voluminous materials on the same basis as Staff, except that outside Staff experts and consultants are required to read this Protective Order and to sign nondisclosure certificates as contained in Appendix A. Parties who do not sign a non-disclosure certificate will not be granted access to confidential information filed in this docket.

⁷ K.A.R. 82-1-221a(a)(5).

⁸ See K.S.A. 2011 Supp. 66-1220a.

22. The following definitions shall apply:

Information: “Information” refers to all documents, data, including electronic data, studies and other materials furnished pursuant to requests for information or other modes or discovery, or any other information or documents that are otherwise a part of the Commission record.

Confidential Information: “Confidential information” refers to information which, if disclosed, would likely result in harm to a party’s economic or competitive interests or which would result in harm to the public interest, generally, and which is not otherwise available from public sources. “Confidential information” may include, but is not limited to: (1) material or documents that contain information relating directly to specific customers; (2) employee-sensitive information; (3) marketing analyses or other market-specific information relating to services offered in competition with others; (4) reports, work papers or other documentation related to work produced by internal or external auditors or consultants; (5) strategies employed, to be employed, or under consideration; (6) contract negotiations; and, (7) information concerning trade secrets, as well as private technical, financial, and business information.

23. A party designating information as confidential shall make the confidential information available to parties seeking access or discovery under the restrictions in this Protective Order, if such disclosure is not otherwise privileged or objectionable on other evidentiary grounds. Disclosure of confidential information shall be made to attorneys of record and to authorized representatives, including outside experts, who are consulting with parties or intend to file testimony in this proceeding. Attorneys or authorized representatives seeking access to confidential information shall first read this Protective Order and sign a nondisclosure certificate as provided in Appendix A. In cases in which a utility’s rates are being reviewed, attorneys and representatives of the utility whose rates are being reviewed are not required to sign nondisclosure certificates in order to receive copies of documents containing the utility’s own confidential information. The nondisclosure certificate shall contain the signatory’s name, permanent address, title or position, date signed, and an affirmation that the signer is acting on behalf of a party to this proceeding. The nondisclosure certificate shall be filed in the docket.

The party claiming confidentiality shall provide legible copies of the confidential information to requesting parties by serving one copy upon counsel for the requesting party. The requesting party may copy the confidential information and make it available to its authorized representatives who have signed and filed nondisclosure certificates. If a response to a discovery request requires the duplication of voluminous material, or the material is not easily copied because of its binding or size, the furnishing party may require that the voluminous material be viewed on its own premises. If duplication of voluminous material can be accomplished without undue burden on the party disclosing the information, the voluminous material may be copied at the expense of the requesting party. Voluminous material shall include documents or materials comprised of 500 pages or more.

24. A party may designate prefiled testimony and exhibits as confidential pursuant to this Protective Order. The specific grounds for the confidential designation shall be stated in writing at the time the designation is made or the testimony filed. Any party obtaining confidential information may use or refer to such information in prefiled or oral testimony provided that the confidentiality is maintained, unless otherwise ordered by the Commission.

25. If information to be disclosed in response to a data request contains confidential information designated by another party in this docket, the furnishing party shall maintain the confidential status by marking the information as confidential and only provide response to parties that have signed nondisclosure certificates. If information that a party intends to use in this proceeding or that would be disclosed in response to a data request contains confidential information obtained from a source outside of this proceeding, the party intending to use or provide the confidential information must notify the original source which claimed confidential status to allow that entity to decide whether to claim confidentiality in this proceeding.

26. When pleadings, prefiled testimony, or exhibits include confidential information, the parties are to follow these procedures⁹:

- a. File seven copies of the complete document, including all confidential information. The cover is to clearly state "CONFIDENTIAL VERSION." Confidential pages shall be stamped "CONFIDENTIAL," and the specific confidential information shall be identified by being underlined.
- b. File one copy with the confidential portions redacted, for use as a public document. The cover is to clearly state "PUBLIC VERSION."
- c. File one copy of the pages that contain confidential information in a separate envelope marked "CONFIDENTIAL." This filing will be maintained in the docket room file under seal. If there are multiple pages with confidential information and it is impracticable to separate the pages with the confidential information, the party may file instead one copy of the entire document that is stamped "CONFIDENTIAL."

27. Confidential testimony may be offered or subject to cross-examination at hearings. Parties have the right to object to the admissibility of confidential information on standard evidentiary grounds such as relevance. Confidential information that is received into evidence will be kept under seal. Confidential information shall be discussed only after the hearing is closed to all persons except the Commission, its Staff, hearing examiners, court reporters, attorneys of record and individuals to whom the designated information is available under the terms of this Protective Order. Parties shall make every effort at hearings to ask and answer questions in such a way as to preserve the confidentiality of the information without the need to close the hearing. The transcript of live testimony or oral argument disclosing confidential information shall be kept under seal and copies provided only to persons entitled to access to confidential information. Neither the parties nor their attorneys shall disclose or provide copies of the contents of such transcripts to anyone other than those who may have access to the designated information under the terms of this Protective Order.

⁹This does not apply to parties who file using E-Filing EXPRESS. *See* 14-GIMX-280-MIS.

28. If a party disagrees with a claim that information is confidential or should not be disclosed, the parties shall first attempt to resolve the dispute on an informal basis. If the parties cannot resolve the dispute informally, the party contesting the confidential treatment may file a motion with the Commission. Commission Staff should also be prepared to challenge a confidential designation when Staff believes that the information does not meet the definition of confidential information. When a dispute concerning the confidentiality is brought before the Commission, the Commission will review the matter to determine (1) if the party claiming confidentiality has met its burden of establishing the confidential designation is proper, and (2) whether disclosure is warranted under K.S.A. 66-1220a. The contested information shall not be disclosed pending the Commission's ruling.

29. All persons who are afforded access to confidential information under the terms of this Protective Order shall neither use nor disclose such information for purposes of business or competition or any other purpose other than the purpose of preparation for and litigation of this proceeding. During the course of this proceeding, parties shall keep confidential information secure in accordance with the purposes and intent of this order. At the conclusion of this proceeding, including judicial review, a party claiming that information was confidential may require that other persons in possession of its confidential information return or destroy all such confidential information and all notes, tapes, documents, and any other medium containing, summarizing, or otherwise embodying such confidential information. If the party claiming confidentiality requests destruction, the person destroying the information shall certify its destruction. Counsel shall be entitled to retain memoranda or pleadings including or embodying confidential information to the extent reasonably necessary to preserve a file on this proceeding.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. This Docket is opened for the purposes stated above.

B. All RLECs and CURB are made parties to this docket. However, parties wishing to become active parties as discussed above shall enter their appearance within fifteen (15) days of the issuance of this Order. Parties that enter their appearance shall also provide an e-mail address and indicate their consent to electronic service.

C. The Commission adopts the procedural schedule referenced in Paragraph 7, above.

D. RLECs shall file in this Docket the data contained in Attachment 1 to Staff's R&R by September 16, 2014. RLECs shall also e-mail a Microsoft Excel version of the same information to Staff by the same date, attention Hal Baumhardt: h.baumhardt@kcc.ks.gov, with a copy to Sandy Reams: s.reams@kcc.ks.gov. The Commission waives the requirements of K.A.R. 82-1-216 with respect to Attachment 1 filings. An RLEC not submitting the data in a timely manner may be subject to penalty, pursuant to K.S.A. 66-138.

E. The Commission adopts the Protective Order, and Discovery Order, as explained above. As noted by Staff in its R&R, only MOU may be marked confidential in the Attachment 1 filings.

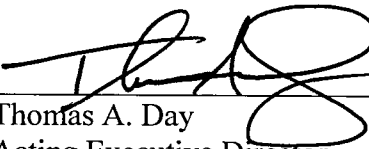
F. Parties have 15 days, plus three days if service is by mail, from the date this Order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 77-529(a)(1).

G. The Commission retains jurisdiction over the subject matter and parties for the purpose of issuing such further order, or orders, as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: AUGUST 26, 2014



Thomas A. Day
Acting Executive Director

MRN

APPENDIX A

Docket No. 15-GIMT-068-GIT

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

NONDISCLOSURE CERTIFICATE

I, _____, have been presented a copy of the Protective Order issued in Docket No. 15-GIMT-068-GIT on the ____ day of _____, 20__.

I have requested review of confidential information produced in the above-mentioned docket on behalf of _____.

I hereby certify that I have read the above-mentioned Protective Order and agree to abide by its terms and conditions.

Dated this _____ day of _____, 20__.

Printed name and title

Signature

Party/Employer

Address (City, State and ZIP)

Telephone

Facsimile

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chair Shari Feist Albrecht
Commissioner Jay Scott Emler
Commissioner Pat Apple

FROM: Sandy Reams, Assistant Chief of Telecommunications
Hal Baumhardt, Senior Telecommunications Analyst
Christine Aarnes, Chief of Telecommunications
Jeff McClanahan, Director of Utilities

DATE: August 15, 2014

SUBJECT: Docket No. 15-GIMT-068-GIT
In the Matter of a General Investigation Into the Adjustment of Intrastate Switched Access Charges for Rural Telephone Companies in Compliance with K.S.A. 66-2005(c) and FCC Reforms.

EXECUTIVE SUMMARY:

Pursuant to K.S.A. 66-2005(c), each rural local exchange carrier (RLEC) shall adjust its intrastate switched access rates to interstate levels on March 1st of each odd-numbered year. A RLEC's annual Kansas Universal Service Fund (KUSF) support is adjusted by an amount equal to the increase or decrease in the company's intrastate originating switched access revenue, except that KUSF support is not provided for reductions in intrastate terminating access revenues.¹ The main purpose of this Docket is to determine the intrastate originating access rates, effective July 1, 2015, and the impact of adjusting such rates to parity with the corresponding interstate rates will have on an RLEC's intrastate originating access revenue and KUSF support.

Staff recommends the Commission issue an Order opening a Docket to address the intrastate switched access rate adjustments pursuant to K.S.A. 66-2005(c) in a manner consistent with the Federal Communications Commission's (FCC) intercarrier compensation (ICC) reforms.² Staff recommends that the RLECs be directed to complete

¹ Docket No. 12-GIMT-170-GIT (Docket 12-170), May 29, 2013, Order; and Docket No. 13-GIMT-004-GIT (Docket 13-004), September 14, 2012, Order; April 10, 2013, Order; April 17, 2013, Order; May 22, 2013, Order; and June 26, 2013, Order. The Washington County District Court affirmed the Commission's Orders, Case No. 2013 CV 07, Dated July 31, 2014.

² *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Mobility Fund; WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN*

Attachment 1 based on the switched access rates in effect as of July 1, 2014, and Minutes of Use (MOU) for the twelve-month period ended June 30, 2014. Staff recommends that the RLECs be required to provide an electronic copy of the completed Attachment 1, in Excel format, to Staff and file Attachment 1 in the Docket. Staff further recommends that the Commission adopt Staff's proposed procedural steps and schedule and issue a Protective Order.

BACKGROUND:

I. Biennial Intrastate Access Adjustments - K.S.A. 66-2005(c)

Kansas statute, K.S.A. 66-2005(c)(1) states:

(c) Subject to the commission's approval, all local exchange carriers shall reduce intrastate access charges to interstate levels as provided herein. Rates for intrastate switched access, and the imputed access portion of toll, shall be reduced over a three-year period with the objective of equalizing interstate and intrastate rates in a revenue neutral, specific and predictable manner. The commission is authorized to rebalance local residential and business service rates to offset the intrastate access and toll charge reductions. Any remaining portion of the reduction in access and toll charges not recovered through local residential and business service rates shall be paid out from the KUSF pursuant to K.S.A. 66-2008, and amendments thereto. Each rural telephone company shall adjust its intrastate switched access rates on March 1 of each odd-numbered year to match its interstate switched access rates, subject to the following:

- (1) Any reduction of a rural telephone company's cost recovery due to reduction of its intrastate access revenue, except such revenue recovered from another support mechanism, shall be recovered from the KUSF;
- (2) any portion of rural telephone company reductions in intrastate switched access rates which would result in an increase in KUSF recovery in a single year which exceeds .75% of intrastate retail revenues used in determining sums which may be recovered from Kansas telecommunications customers pursuant to subsection (a) of K.S.A. 66-2008, and amendments thereto, shall be deferred until March 1 of the next following odd-numbered year; and
- (3) no rural company shall be required at any time to reduce its intrastate switched access rates below the level of its interstate switched access rates.

The interstate access rates used for parity purposes are those in effect as of July 1st of the prior even-numbered year, with the rates based on the RLEC's interstate access revenue requirement. The National Exchange Carrier Association (NECA) pools reflect the costs and usage of all pool participants. NECA has different Rate Bands for access rate

elements to allow companies with higher costs to recover their costs through higher Rate Band rates and those with lower costs to recover their costs through lower Rate Band rates. Thus, although Kansas statute requires the RLECs' intrastate access rates be adjusted to parity with their interstate access rates every March in odd-numbered years, the rates are no longer at parity once the carriers' interstate access rates are revised the following July. All RLECs except Columbus Communications Services, LLC (Columbus) and LaHarpe Telephone Company, Inc. (LaHarpe) participate in the NECA access pools and concur in the NECA tariff.³ Columbus and LaHarpe maintain their own interstate access tariffs.

For intrastate access purposes, the RLECs that participate in the NECA interstate tariff concur in Blue Valley Telecommunications' intrastate access tariff (Blue Valley tariff). Columbus and LaHarpe maintain their own intrastate access tariffs.

Pursuant to K.S.A. 66-2005(c), the initial RLEC access reductions occurred on March 1, 1997. In 2000, the Commission opened Docket No. 01-GIMT-081-GIT (Docket 01-081) to address the RLEC intrastate access reductions to occur on March 1, 2001. Unlike prior years, the RLECs participating in the NECA access pools began to experience a decline in their MOU, causing the NECA interstate access rates to increase. Due to this change, the Commission determined that a RLEC's intrastate switched access rates would increase or decrease to maintain rate parity⁴ and the RLEC's KUSF support would be adjusted by an equal amount, whether the company experienced an access revenue increase or decrease.

The Commission most recently addressed the RLECs' intrastate access rate and revenue adjustments in Docket 13-GIMT-004-GIT (Docket 13-004). The intrastate access rate adjustments became effective July 2, 2013, to coincide with the FCC reforms.

II. Federal Communications Commission (FCC) Reforms

In an Order released November 18, 2011, the FCC (November 2011 Order), the FCC determined it would reform the ICC regime and that it would begin such reforms by requiring all LECs to transition their interstate and intrastate terminating switched access rates to a bill-and-keep methodology. The FCC capped all interstate originating and terminating switched access rates and reciprocal compensation rates for rate-of-return carriers as of December 29, 2011. The FCC also capped intrastate terminating access rates, but not intrastate originating access rates, for rate-of-return carriers. The first phase of the FCC's reforms included bringing a LEC's interstate and intrastate switched access, and certain transport element, rates, rate structures, and revenues into parity. This was achieved in two phases, effective July 2012⁵ and July 2013.⁶

³ Pioneer Communications (Pioneer) concurs, in part, in the NECA tariff and maintains its own interstate tariff for rates in which Pioneer does not concur in the NECA tariff. Pioneer concurs, in part, in the Blue Valley Tariff, and for rates in which it does not concur, maintains company-specific exception rates.

⁴ Docket No. 01-GIMT-081-GIT, January 4, 2001, Order, pp. 2-11.

⁵ *In the Matter of July 3, 2012, Annual Access Charge Tariff Filings*, WC Docket No. 12-07, Order, rel. March 28, 2012.

On June 5, 2012, the FCC released an Order to clarify several directives in the November 2011 Order. The FCC clarified that carriers required to transition their intrastate access revenues, rates, and rate structure to interstate parity, could increase certain intrastate access rates or add new elements to their rate structure to meet the parity requirement.⁷

On March 27, 2013, the Wireline Competition Bureau (WCB) released an Order that, amongst other issues, modified the interstate access rate structure and rates for parity purposes (March 2013 Order).⁸ The March 2013 Order recognized that the December 29, 2011, NECA interstate access rates did not reflect that RLECs had left or joined the NECA pools and therefore, the December 29, 2011, interstate rates would have been different had the NECA pool changes been taken into account. The access rules were also modified to recognize that a NECA participant with intrastate access rates that would have been at parity in 2013, absent the pool changes, should increase or decrease its intrastate rates to maintain parity with the modified NECA pool rates. The FCC, however, maintained its rule that the intrastate access rate should not increase if the intrastate rate is lower than the corresponding interstate rate. As a result of the March 27th Order, NECA recalculated its interstate rates, with such rates replacing the prior December 29, 2011, rates. The revised interstate rates were effective January 1, 2013, and implemented for intrastate purposes, effective July 2013.

In a March 31, 2014, Order (March 2014 Order),⁹ the WCB determined that LECs could maintain separate terminating switched access rate elements or charge “a single per minute rate element for terminating end office access in both their interstate and intrastate tariffs that is no greater than the target terminating end office access rate for the year in question.”¹⁰ The Order reiterated that the “terminating intrastate end office access rates are further constrained in that the carrier may not increase any existing intrastate rate during this transition,”¹¹ and clarified,

To ensure the maximum rate parity, intrastate terminating end office rates will be set at the interstate rate level for the comparable rate element unless the intrastate rate for that rate element is lower, in which case the lower rate will be used. As terminating end office rates decrease, intrastate terminating end office rates that are below comparable interstate rates will begin to be reduced when rate parity is reached.¹²

Effective July 1, 2014, the FCC began to transition the rate-of-return LECs’ interstate and intrastate terminating switched end office access rates towards a Target Rate of \$0.005

⁶ *In the Matter of July 2, 2013, Annual Access Charge Tariff Filings*, WC Docket No. 13-76, Order, rel. March 26, 2013.

⁷ On June 12, 2012, the FCC released an Erratum to the June 5, 2012, Order to replace the Appendix to the June 5, 2012, Order. The Erratum contained modified certain rules based on the June 5, 2012, Order.

⁸ *In the Matter of Connect America Fund*, WC Docket 10-90, Order, rel. March 27, 2013 (March 2013 Order).

⁹ *In the Matter of Connect America Fund*, WC Docket 10-90 and *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, Order, rel. March 31, 2014 (March 2014 Order), ¶ 7 - 9.

¹⁰ *Ibid.*, ¶ 6.

¹¹ *Ibid.*, ¶ 10.

¹² *Ibid.*, ¶ 5.

(Target Rate).¹³ The transition will occur over three years through an annual reduction equal to one-third of the differential between the LEC's current rate and the Target Rate.

The Commission addressed the implementation of the July 2012 intrastate access reforms in Docket 12-170. In this phase, LECs with intrastate access revenue exceeding their interstate access revenue began to transition their intrastate switched access and certain transport, rates, revenues, and rate structures to parity with their interstate access rates, revenues, and rate structures. A majority of the RLECs' intrastate switched access and transport rates were lower than the corresponding interstate access rates and, therefore, were maintained.¹⁴ The Blue Valley tariff was modified to reduce the rates for Rate Band 1 transport services and includes a new Rate Band for dedicated transport access services. Columbus modified its intrastate access tariff to add access rate elements to mirror the elements contained in its interstate access tariff. LaHarpe withdrew from the Blue Valley tariff and filed its own intrastate access tariff.

The Commission addressed the July 2013 reforms for the RLECs in tandem with the statutory provisions of K.S.A. 66-2005(c) in Docket 13-004. The Commission determined that, consistent with the FCC's reforms, a RLEC's intrastate originating rates could be increased or decreased to be in parity with its interstate originating rates. The Commission further determined that intrastate terminating rates could only be reduced to parity.¹⁵ Docket 13-004 resulted in the RLECs increasing their originating switched access rates to parity with the corresponding interstate rates.¹⁶ The majority of the RLECs' intrastate terminating switched access rates were lower than the corresponding interstate rate and, therefore, retained.

The Commission addressed the July 1, 2014, intrastate terminating access reductions in Docket No. 14-GIMT-446-GIT.¹⁷ The RLECs combined their interstate and intrastate terminating local switching and information surcharge rates into a single, composite end office local switching rate. All of the RLECs' terminating premium and non-premium intrastate end office local switching rates were adjusted to parity, with the exception of the Blue Valley tariff Rate Bands 1 through 4 for terminating non-premium end office local switching, as shown in Attachment 2. These rates will be adjusted to parity, pursuant to the FCC's reforms, July 1, 2015.

III. Impact of FCC Reforms on Kansas Biennial Requirement

The FCC's reforms have created conflict with the requirements in K.S.A. 66-2005(c), as follows:

¹³ *In the Matter of July 1, 2014, Annual Access Charge Tariff Filings*, WC Docket No. 14-48, Order, rel. March 25, 2014.

¹⁴ Docket 12-170, Staff's June 20, 2012, Report and Recommendation.

¹⁵ Docket 13-004, September 14, 2012, Order Implementing Intrastate Switched Access Adjustments for Rural Local Exchange Carriers.

¹⁶ Intrastate originating switched access rates increased to parity; intrastate terminating switched rates were limited to reductions to parity; and dedicated transport rates were adjusted to parity, unless the corresponding intrastate rate was lower.

¹⁷ Docket No. 14-GIMT-446-GIT, June 10, 2014, Order.

1. K.S.A. 66-2005(c) requires the RLECs to adjust their intrastate access rates to parity on March 1st of every odd-numbered year. In comparison, the FCC's reforms are implemented each July 1st. The Commission previously recognized that it would be administratively burdensome to implement the intrastate access rate and KUSF support adjustments pursuant to K.S.A. 66-2005(c) on March 1st and then revise the rates and KUSF support on July 1st pursuant to the FCC's reforms;¹⁸
2. K.S.A. 66-2005(c) does not differentiate between originating and terminating access rates; however, the FCC is transitioning interstate and intrastate terminating access rates to a bill-and-keep methodology. The Commission determined that a RLEC's intrastate originating access rates may increase or decrease to parity with its interstate originating access rates and that a RLEC may only reduce intrastate terminating access rates to parity. Consistent with FCC clarifications, the RLECs concurring in the NECA tariff should be permitted to increase the intrastate terminating rates for rates that would have been at parity absent the NECA pool changes. The clarifications impact traffic sensitive transport Rate Band 1 and certain dedicated transport rates; and
3. K.S.A. 66-2005(c)(1) allows the RLECs to recover a reduction in intrastate access revenues from the KUSF, "except such revenue recovered from another support mechanism" The Commission has determined that any resulting increase or reduction in a RLEC's intrastate originating access revenue due to adjusting its intrastate originating rates to parity will result in an equal adjustment to the carrier's KUSF support. The Commission also determined that any reduction in a RLEC's intrastate terminating access revenue resulting from an adjustment in its intrastate terminating access rates will not be recovered from the KUSF.

To assist the Commission, Staff created a summary of the RLECs' intrastate and interstate originating and terminating switched end office local switching and transport access rates in effect as of July 1, 2014. Staff's summary is attached to this Report as Attachment 2.

Procedural Steps

Staff suggests the following procedural steps to implement K.S.A. 66-2005(c) in a manner consistent with the FCC's reforms:

- the RLECs' intrastate originating access rates should be adjusted to parity with the interstate originating access rates, with an equal adjustment to the RLECs' KUSF support;
- the RLECs' intrastate terminating access rates should be limited to adjustments to reduce the rates to parity, unless the rate would have been in parity absent changes in the NECA pool rates, consistent with the FCC's clarifications. The

¹⁸ Docket 13-004, September 14, 2012, Order Implementing Intrastate Switched Access Adjustments for Rural Local Exchange Carriers.

corresponding adjustment in intrastate terminating access revenue should not be recognized as an adjustment to the RLECs' KUSF support;

- the RLECs' intrastate access rate adjustments should be based on the interstate access rates in effect as of July 1, 2014;
- the RLECs' intrastate access rates and revenues should be based on the MOU for the twelve-months ended June 30, 2014; and
- the adjustments to the RLECs' intrastate access rates and revenues, and the corresponding adjustment to its KUSF support, should be effective July 1, 2015, to coincide with the implementation of the next phase of the FCC's reforms.

The main purpose of this Docket is to determine the intrastate originating access rates to be effective July 1, 2015,¹⁹ and the impact the adjustment of such rates to parity will have on an RLEC's intrastate originating access revenue and KUSF support. The total net impact to the KUSF from this Docket will be recognized in Staff's testimony and calculations to support the KUSF assessment rate, effective March 1, 2015. Staff's testimony and calculations are filed in the annual KUSF assessment rate docket in December; therefore, Staff proposes the following procedural schedule for this Docket:

<u>Procedural Schedule</u>	<u>Date</u>
RLECs file calculation of access adjustments	September 16, 2014
Staff files direct testimony	October 28, 2014
Parties file rebuttal testimony	November 11, 2014
Evidentiary Hearing	December __, 2014
Commission Order	January __, 2014
Implement adjustments to rates and KUSF support	July 1, 2015

After Staff reviews a RLEC's information, it will contact the Company regarding questions and/or calculation discrepancies in an effort to resolve any issues that arise. Staff will file direct testimony regarding the calculations and the impact to the KUSF. After Staff files its testimony, parties should be permitted to file rebuttal testimony.

In the past, some RLECs have filed their data as proprietary; consequently, the Commission should issue a Protective Order. Such confidentiality should be limited solely to the MOU as the interstate and intrastate access rates are publicly available and the resulting revenues will be used as a reduction to a Company's KUSF support, which is also made public.

RECOMMENDATION:

Staff recommends the Commission open a Docket to address the intrastate switched access rate adjustments pursuant to K.S.A. 66-2005(c) in a manner consistent with the FCC's reforms. Staff recommends that the RLECs be directed to complete Attachment 1

¹⁹ The July 1, 2015, interstate terminating access rates will be determined in the spring of 2015, in accordance with the FCC's reforms.

based on their intrastate originating and terminating switched access rates in effect as of July 1, 2014, and Minutes of Use (MOU) for the twelve-month period ended June 30, 2014. Staff recommends that the companies be directed to provide an electronic copy of the completed Attachment 1, in Excel format, to Staff and file Attachment 1 in the Docket. Staff further recommends that the Commission adopt the proposed procedural steps and schedule, as shown later in this Report, and issue a Protective Order.

Attachments

TELEPHONE COMPANY: Company Name Here

Contact Name: _____

Contact Phone No.: _____

Contact Email: _____

**** Based on Volumes for Twelve Months July 1, 2013 through June 30, 2014 ****

INTRASTATE SUMMARY - ORIGINATING & TERMINATING ACCESS

Information on this Page will automatically update when the Originating and Terminating Worksheets are completed.

RATE ELEMENT (A)	CURRENT STATE REVENUE (B)	EQUIVALENT STATE REV @ INTERSTATE (C)
<u>ORIGINATING:</u>		
1 Local Switching	\$ -	\$ -
2 Local Transport	-	-
3 Local Transport - Other	-	-
4 Info Surcharge	-	-
5 Other Switched Access	-	-
6 Total Originating Access Revenue	<u>\$ -</u>	<u>\$ -</u>

KUSF SUPPORT ADJUSTMENT DETERMINATION - Originating Only:		
7 Annual IntraState Originating Access Revenues (col. B, line 6)		\$ -
8 LESS: Interstate Originating Revenues (col. C, line 6)		-
9 Annual Net KUSF Support Adjustment (line 8 less 7)		<u>\$ -</u>
10 Monthly Net KUSF Support Adjustment (line 9 / 12)		<u>\$ -</u>

<u>TERMINATING</u>		
11 End Office Local Switching	\$ -	\$ -
12 Local Transport	-	-
13 Local Transport - Other	-	-
14 Other Switched Access	-	-
15 Total Terminating Access Revenue	<u>\$ -</u>	<u>\$ -</u>

IMPACT OF ADJUSTMENT - Terminating Only:		
16 Annual IntraState Terminating Access Revenues (col. B, line 15)		\$ -
17 LESS: Interstate Originating Revenues (col. C, line 20)		\$ -
18 Annual Net Impact (Line 16 less 17)		<u>\$ -</u>
19 Monthly Net Impact (line 28 / 12)		<u>\$ -</u>

TOTAL COMPANY IMPACT:			
	Annual	Monthly	
20 KUSF Support Adjustment - Originating (line 12)	\$ -	\$ -	-
21 Access Revenue Impact - Terminating (line 19)	\$ -	\$ -	-
22 Total Company Impact	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

TELEPHONE COMPANY:

Company Name Here

*** Use Volumes for Twelve Months July 1, 2013 through June 30, 2014 ***

INTRASTATE - ORIGINATING MOU & RATES ONLY

RATE ELEMENT	ANNUAL UNITS	STATE RATE AS OF 7/1/2014	INTERSTATE RATE AS OF 7/1/2014	CURRENT STATE REVENUE (B x C)	EQUIVALENT STATE REV @ INTERSTATE RATES (B x D)
(A)	(B)	(C)	(D)	(E)	(F)
1 Local Switching		0.000000	0.000000	\$ -	\$ -
2 Local Transport		0.000000	0.000000	0	0
3 Local Transport - Other		0.000000	0.000000	0	0
4 Info Surcharge		0.000000	0.000000	0	0
5 Other Switched Access		0.000000	0.000000	0	0
6 Total Access Revenue				\$ -	\$ -
7 Diff Curr State (E) Less Inter (F)					\$ -

CROSSCHECK TO BOOKED REVENUE

8 BOOKED REVENUE FOR SWITCHED INTRASTATE ORIGINATING ACCESS	\$ -
9 CALCULATED ORIGINATING REVENUE (E6)	0
10 DIFFERENCE *	\$ -

* IF THE DIFFERENCE IS GREATER THAN \$5,000, PLEASE EXPLAIN BELOW.

RESIDUAL KUSF SUPPORT IMPACT:

11 Annualized Switched Originating Access Revenues (col. E, line 6)	\$ -
12 LESS: Interstate Originating Revenues (col. F, line 6)	0
13 Net KUSF Support Adjustment (11 less 12)	\$ -

LOCAL TRANSPORT DETAIL

Instructions: Provide supporting detail to understand the Local Transport Revenue Changes. Complete this information or furnish comparable workpapers that show the LT calculations. The LT- Other does not automatically update to the revenues in Columns (E) & (F). Please post them from the lines below.

RATE ELEMENT	ANNUAL UNITS	STATE RATE AS OF 7/1/2014	INTERSTATE RATE AS OF 7/1/2014	CURRENT REVENUE (B x C)	EQUIVALENT STATE REV @ INTERSTATE RATES (B x D)
(A)	(B)	(C)	(D)	(E)	(F)
Usage Sensitive Rate Elements					
14 LT Termination		0.000000	0.000000	\$ -	\$ -
15 LT Facility Per Min-Mile		0.000000	0.000000	\$ -	0
16 Tandem Switching		0.000000	0.000000	\$ -	0
17 List other Usage Sensitive Rate Elements in 17 to 19	0	0	0	0	0
18	0	0	0	0	0
19	0	0	0	0	0
List Major Monthly Recurring Charge Rate Elements in 20 to 23 (Note 1)					
20	0	0	0	0	0
21	0	0	0	0	0
22 Other MRC Rate Elements	0	0	0		
23 Total Local Transport Revenues				\$ -	\$ -

Ref. EXPLANATIONS:

- B Use Minutes of Use/volumes for 12 months ending June 30, 2014.
- C&D Use rates in effect July 1, 2014.
- 3 Provide Staff the backup calculations including each local transport rate element using p. 2 of Attachment 1-Orig.
- 4 The formula in (E) & (F) uses a rate that is expressed in per 100 MOU.
- 5 B&C was not repriced. Show same amount for E and F.
- 5 Please specify any significant others: _____
- 15 It is expected that this would be the summary for the company, grouping together the many exchanges even though they may have different LT miles.
- 17-19 If there are more usage sensitive rate elements, please insert rows and number them 19b, 19c, etc. to list the additional usage sensitive items with rate changes.
- Line 22 - can be used to summarize all the other Monthly Recurring elements whose rates changed. If you prefer, you can insert rows and number them 28b, 28c, etc. to list the additional MRCs with rate changes.
- 20-23 "Major" means those items that had a rate change that will cause the largest revenue change.

TELEPHONE COMPANY: Company Name Here

*** Use Volumes for Twelve Months July 1, 2013 through June 30, 2014 ***

INTRASTATE - TERMINATING MOU & RATES ONLY

RATE ELEMENT	ANNUAL UNITS	STATE RATE AS OF 7/1/2014	INTERSTATE RATE AS OF 7/1/2014	CURRENT STATE REVENUE (B x C)	EQUIVALENT STATE REV @ INTERSTATE RATES (B x D)
(A)	(B)	(C)	(D)	(E)	(F)
1 End Office Switching		0.000000	0.000000	\$ -	\$ -
2 Local Transport		0.000000	0.000000	-	-
3 Local Transport - Other		0.000000	0.000000	-	-
4 Other Switched Access		0.000000	0.000000	-	-
5 Total Access Revenue				<u>\$ -</u>	<u>\$ -</u>
6 Diff Curr State (E) Less Inter (F)					<u>\$ -</u>

CROSSCHECK TO BOOKED REVENUE

7 BOOKED REVENUE FOR SWITCHED INTRASTATE TERMINATING ACCESS	\$ 87,938
8 CALCULATED TERMINATING REVENUE (E8)	-
9 DIFFERENCE *	<u>\$ 87,938</u>

* IF THE DIFFERENCE IS GREATER THAN \$5,000, PLEASE EXPLAIN BELOW.

RESIDUAL REVENUE IMPACT:

10 Annualized Switched Terminating Access Revenues (col. E, line 8)	\$ -
11 LESS: Interstate Terminating Revenues (col. F, line 8)	-
12 Net Impact (line 10 less 11)	<u>\$ -</u>

LOCAL TRANSPORT DETAIL

Instructions: Provide supporting detail to understand the Local Transport Revenue Changes. Complete this information or furnish comparable workpapers that show the LT calculations. The LT- Other does not automatically update to the revenues in Columns (E) & (F). Please post them from the lines below.

RATE ELEMENT	ANNUAL UNITS	STATE RATE AS OF 7/1/2014	INTERSTATE RATE AS OF 7/1/2014	CURRENT REVENUE (B x C)	EQUIVALENT STATE REV @ INTERSTATE RATES (B x D)
(A)	(B)	(C)	(D)	(E)	(F)
Usage Sensitive Rate Elements					
13 LT Termination		0.000000	0.000000	\$ -	\$ -
14 LT Facility Per Min-Mile		0.000000	0.000000	-	0
15 Tandem Switching		0.000000	0.000000	-	0
List other Usage Sensitive Rate Elements in 17 to 19					
16				-	0
17				-	0
18				-	0
List Major Monthly Recurring Charge Rate Elements in 19 to 21					
19				-	0
20				-	0
21 Other MRC Rate Elements				-	0
22 Total Local Transport Revenues				<u>\$ -</u>	<u>\$ -</u>

Ref. EXPLANATIONS:

- B Use Minutes of Use/volumes for 12 months ending June 30, 2014.
- C&D Use rates in effect July 1, 2014.
- 3 Provide Staff the backup calculations including each local transport rate element using p. 2 of Attachment 1-Orig.
- 4 B&C was not repriced. Show same amount for E and F.
- 4 Please specify any significant others: _____
- 14 It is expected that this would be the summary for the company, grouping together the many exchanges even though they may have different LT miles.
- 16-18 If there are more usage sensitive rate elements, please insert rows and number (a), (b), (c), etc. to list the additional usage sensitive items with rate changes.
- 19-21 "Major" means those items that had a rate change that will cause the largest revenue change.

**RLEC Intrastate and Interstate
Originating End Office Switched Access Rate Summary**

Attachment 2

Description	LEC Intrastate Rate (7/1/14) A	LEC Interstate Rate (7/1/14) B	Difference C = B - A	LEC Intrastate Rate (7/1/15) D
Blue Valley Telecommunications				
Tandem Switched Facility				
RB 1	\$ 0.000195	\$ 0.000198	\$0.000003	\$ 0.000198
RB 2	\$ 0.000418	\$ 0.000424	\$0.000006	\$ 0.000424
Tandem Switched Termination				
RB 1	\$ 0.001017	\$ 0.001032	\$0.000015	\$ 0.001032
RB 2	\$ 0.002171	\$ 0.002202	\$0.000031	\$ 0.002202
Tandem Switching				
RB 1	\$ 0.002564	\$ 0.002601	\$0.000037	\$ 0.002601
RB 2	\$ 0.005476	\$ 0.005554	\$0.000078	\$ 0.005554
Local Switching - Premium				
RB 1	\$ 0.013992	\$ 0.014192	\$0.000200	\$ 0.014192
RB 2	\$ 0.018658	\$ 0.018925	\$0.000267	\$ 0.018925
RB 3	\$ 0.023322	\$ 0.023655	\$0.000333	\$ 0.023655
RB 4	\$ 0.027986	\$ 0.028386	\$0.000400	\$ 0.028386
RB 5	\$ 0.032650	\$ 0.033117	\$0.000467	\$ 0.033117
RB 6	\$ 0.037315	\$ 0.037848	\$0.000533	\$ 0.037848
RB 7	\$ 0.041980	\$ 0.042580	\$0.000600	\$ 0.042580
RB 8	\$ 0.046644	\$ 0.047311	\$0.000667	\$ 0.047311
Local Switching - Non-premium				
RB 1	\$ 0.006296	\$ 0.006386	\$0.000090	\$ 0.006386
RB 2	\$ 0.008396	\$ 0.008516	\$0.000120	\$ 0.008516
RB 3	\$ 0.010495	\$ 0.010645	\$0.000150	\$ 0.010645
RB 4	\$ 0.012594	\$ 0.012774	\$0.000180	\$ 0.012774
RB 5	\$ 0.014693	\$ 0.014903	\$0.000210	\$ 0.014903
RB 6	\$ 0.016792	\$ 0.017032	\$0.000240	\$ 0.017032
RB 7	\$ 0.018891	\$ 0.019161	\$0.000270	\$ 0.019161
RB 8	\$ 0.020990	\$ 0.021290	\$0.000300	\$ 0.021290
Information Surcharge				
Premium (per 100)	\$ 0.051300	\$ 0.052000	\$0.000700	\$ 0.052000
Non-premium (per 100)	\$ 0.023100	\$ 0.023400	\$0.000300	\$ 0.023400

**RLEC Intrastate and Interstate
Originating End Office Switched Access Rate Summary**

Attachment 2

Description	LEC Intrastate Rate (7/1/14) A	LEC Interstate Rate (7/1/14) B	Difference C = B - A	LEC Intrastate Rate (7/1/15) D
<u>Pioneer Telephone Assoc., Inc. -Exception Rates</u>				
Tandem Switched Facility	\$ 0.000153	\$ 0.0001530	\$ -	\$ 0.0001530
Tandem Switched Termination	\$ 0.000795	\$ 0.0007950	\$ -	\$ 0.0007950
Tandem Switching	\$ 0.002012	\$ 0.0020120	\$ -	\$ 0.0020120
End Office Local Switching	\$ 0.021683	\$ 0.0216830	\$ -	\$ 0.0216830
Information Surcharge	\$ 0.027913	\$ 0.0279130	\$ -	\$ 0.0279130
<u>Columbus Communications</u>				
Tandem Switched Facility	\$ 0.001151	\$ 0.001151	\$ -	\$ 0.0011510
Tandem Switched Termination	\$ 0.013471	\$ 0.013471	\$ -	\$ 0.0134710
Tandem Switching	\$ 0.013471	\$ -	\$ (0.013471)	\$ -
End Office Local Switching	\$ 0.010186	\$ 0.011131	\$ 0.000945	\$ 0.0111310
Information Surcharge	\$ 0.004506	\$ 0.0003390	\$ (0.004167)	\$ 0.0003390
<u>LaHarpe Telephone</u>				
Tandem Switched Facility	\$ -	\$ -	\$ -	\$ -
Tandem Switched Termination	\$ -	\$ -	\$ -	\$ -
Tandem Switching	\$ -	\$ -	\$ -	\$ -
End Office Local Switching	\$ 0.038484	\$ 0.038484	\$ -	
Information Surcharge	\$ 0.002506	\$ 0.0025060	\$ -	\$ -

**RLEC Intrastate and Interstate
Terminating End Office Switched Access Rate Summary**

Description	(Rates in Effect for Dec. 2011)			
	Blue Valley Tariff (07/03/2012)	NECA Tariff (1/1/2013)	Lower Rate (A or B)	Met 2013 Parity (Yes/ No)
	(A)	(B)	(C)	(C)
Tandem Switched Facility				
RB 1	\$ 0.000198	\$ 0.000195	\$ 0.000195	Yes
RB 2	\$ 0.000237	\$ 0.000418	\$ 0.000237	No
Tandem Switched Termination				
RB 1	\$ 0.001029	\$ 0.001017	\$ 0.001017	Yes
RB 2	\$ 0.001232	\$ 0.002171	\$ 0.001232	No
Tandem Switching				
RB 1	\$ 0.002605	\$ 0.002564	\$ 0.002564	Yes
RB 2	\$ 0.003117	\$ 0.005476	\$ 0.003117	No
Description	LEC Intrastate Rate (7/1/14)	LEC Interstate Rate (7/1/14)	Difference C = B - A	Est. LEC Intrastate Rate (7/1/15)
	A	B	C = B - A	E
Blue Valley Telecommunications				
Tandem Switched Facility				
RB 1	\$ 0.000193	\$ 0.000198	\$ 0.000005	\$ 0.000198
RB 2	\$ 0.000237	\$ 0.000424	\$ 0.000187	\$ 0.000237
Tandem Switched Termination				
RB 1	\$ 0.001004	\$ 0.001032	\$ 0.000028	\$ 0.001032
RB 2	\$ 0.001232	\$ 0.002202	\$ 0.000970	\$ 0.001232
Tandem Switching				
RB 1	\$ 0.002537	\$ 0.002601	\$ 0.000064	\$ 0.002601
RB 2	\$ 0.003117	\$ 0.005554	\$ 0.002437	\$ 0.003117
End Office Local Switching (Subject to FCC Phase-Down to Target Rate)				
Premium				
RB 1	\$ 0.011475	\$ 0.011475	-	\$ 0.003237
RB 2	\$ 0.014630	\$ 0.014630	-	\$ 0.004815
RB 3	\$ 0.017783	\$ 0.017783	-	\$ 0.006392
RB 4	\$ 0.020937	\$ 0.020937	-	\$ 0.007969
RB 5	\$ 0.024091	\$ 0.024091	-	\$ 0.009546
RB 6	\$ 0.027245	\$ 0.027245	-	\$ 0.011123
RB 7	\$ 0.030400	\$ 0.030400	-	\$ 0.012700
RB 8	\$ 0.033554	\$ 0.033554	-	\$ 0.014277
End Office Local Switching (Subject to FCC Phase-Down to Target Rate)				
Non-premium				
RB 1	\$ 0.005212	\$ 0.006080	\$ 0.000868	\$ 0.000540
RB 2	\$ 0.006873	\$ 0.007500	\$ 0.000627	\$ 0.001250
RB 3	\$ 0.008533	\$ 0.008919	\$ 0.000386	\$ 0.001960
RB 4	\$ 0.010194	\$ 0.010339	\$ 0.000145	\$ 0.002669
RB 5	\$ 0.011758	\$ 0.011758	-	\$ 0.003379
RB 6	\$ 0.013177	\$ 0.013177	-	\$ 0.004089
RB 7	\$ 0.014597	\$ 0.014597	-	\$ 0.004798
RB 8	\$ 0.016016	\$ 0.016016	-	\$ 0.005508
Information Surcharge	N/A	N/A		

**RLEC Intrastate and Interstate
Terminating End Office Switched Access Rate Summary**

Description	LEC		Difference C = B - A	Est. LEC	
	Intrastate Rate (7/1/14) A	Interstate Rate (7/1/14) B		Intrastate Rate (7/1/15) E	
<u>Pioneer Telephone Assoc., Inc. - Exception Rates</u>					
Tandem Switched Facility	\$ 0.000153	\$ 0.000153	\$ -	\$ 0.000153	
Tandem Switched Termination	\$ 0.000795	\$ 0.000795	\$ -	\$ 0.000795	
Tandem Switching	\$ 0.002012	\$ 0.002012	\$ -	\$ 0.002012	
End Office Local Switching	\$ 0.016308	\$ 0.016308	\$ -	\$ 0.010654	
Information Surcharge	\$ -	\$ -	\$ -	\$ -	
<u>Columbus Communications</u>					
Tandem Switched Facility	\$ 0.000479	\$ 0.001151	\$ 0.000672	\$ 0.001151	
Tandem Switched Termination	\$ 0.001304	\$ 0.013471	\$ 0.012167	\$ 0.013471	
Tandem Switching	\$ -	\$ -	\$ -	\$ -	
End Office Local Switching	\$ 0.009087	\$ 0.009087	\$ 0.000000	\$ 0.007045	
Information Surcharge	\$ -	\$ -	\$ -	\$ -	
<u>LaHarpe Telephone</u>					
Tandem Switched Facility	\$ -	\$ -	\$ -	\$ -	
Tandem Switched Termination	\$ -	\$ -	\$ -	\$ -	
Tandem Switching	\$ -	\$ -	\$ -	\$ -	
End Office Local Switching	\$ 0.027339	\$ 0.027339	\$ -	\$ 0.016170	
Information Surcharge	\$ -	\$ -	\$ -	\$ -	

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
CANDACE WRIGHT, CFO BLUE VALLEY TELE-COMMUNICATIONS, INC. 1559 PONY EXPRESS HWY HOME, KS 66438		
JACK KUHLMANN, PRESIDENT & GENERAL MANAGER BLUESTEM TELEPHONE COMPANY, INC. 908 FRONTVIEW PO BOX 199 DODGE CITY, KS 67801-0199		
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
C. STEVEN RARRICK, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
SHONDA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD RD TOPEKA, KS 66604 ***Hand Delivered***		
PATRICIA CARROLL, GENERAL MANAGER COLUMBUS TELEPHONE CO. INC. 224 S KANSAS AVE COLUMBUS, KS 66725		

ORDER MAILED **AUG 27 2014**

The Docket Room hereby certified that on this _____ day of _____, 20_____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.

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NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
DALE JONES, GENERAL MANAGER COUNCIL GROVE TELEPHONE COMPANY PO BOX 299 COUNCIL GROVE, KS 66846		
CRAIG WILBERT, GENERAL MANAGER CRAW-KAN TELEPHONE COOPERATIVE, INC. 200 N OZARK PO BOX 100 GIRARD, KS 66743		
BRENT CUNNINGHAM, VICE PRESIDENT & GENERAL MANAGER CUNNINGHAM TELEPHONE COMPANY, INC. 220 W MAIN PO BOX 108 GLEN ELDER, KS 67446		
RELINDA SHOOK ELKHART TELEPHONE COMPANY, INC. 610 S COSMOS PO BOX 817 ELKHART, KS 67950		
PATRICK L. MORSE, SR VP - GOV AFFAIRS FAIRPOINT COMMUNICATIONS MISSOURI, INC. 908 W FRONTVIEW PO BOX 199 DODGE CITY, KS 67801		
BEAU REBEL, GENERAL MANAGER GOLDEN BELT TELEPHONE ASSOCIATION. 103 LINCOLN ST PO BOX 229 RUSH CENTER, KS 67575		
MICHAEL J. MURPHY, PRESIDENT & MANAGER GORHAM TELEPHONE COMPANY 100 MARKET PO BOX 235 GORHAM, KS 67640		
ROBERT A. KOCH, PRESIDENT/GEN MGR H&B COMMUNICATIONS, INC. 108 N MAIN PO BOX 108 HOLYROOD, KS 67450		

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NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
<p>SUE A LEPPERT, ASSISTANT ACCOUNTANT HAVILAND TELEPHONE COMPANY, INC. 106 N MAIN PO BOX 308 HAVILAND, KS 67059</p>		
<p>RICHARD BALDWIN, ACTING CEO HOME TELEPHONE COMPANY, INC. 211 S MAIN ST BOX 8 GALVA, KS 67443</p>		
<p>GENE MORRIS, PRESIDENT/GENERAL MGR. J.B.N. TELEPHONE COMPANY, INC. PO BOX 111 HOLTON, KS 66436</p>		
<p>GREG ALDRIDGE, CEO/GENERAL MANAGER KANOKLA TELEPHONE ASSN., INC. 100 KANOKLA AVE PO BOX 111 CALDWELL, KS 67022</p>		
<p>MICHAEL DUENES, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***</p>		
<p>MICHAEL NEELEY, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD RD TOPEKA, KS 66604-4027 ***Hand Delivered***</p>		
<p>HARRY J. LEE, JR., PRESIDENT/GENERAL MANAGER LAHARPE TELEPHONE COMPANY, INC. D/B/A LAHARPE LONG DISTANCE 109 W 6TH ST PO BOX 100 LA HARPE, KS 66751</p>		

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NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
Shana Rains MADISON TELEPHONE LLC 117 N THIRD PO BOX 337 MADISON, KS 66860-0337		
DEBBIE NOBELS, VP REGULATORY AFFAIRS MOKAN DIAL, INC. 505 PLAZA CIR STE 200 ORANGE PARK, FL 32073		
HARRY M. WEELBORG, VICE PRESIDENT MOUNDRIDGE TELEPHONE COMPANY 109 N CHRISTIAN AVE PO BOX 960 MOUNDRIDGE, KS 67107		
BECKY ERICKSON, OFFICE MANAGER/ACCOUNTANT MUTUAL TELEPHONE COMPANY 365 MAIN ST PO BOX 338 LITTLE RIVER, KS 67457		
KATHY BILLINGER, CEO/GENERAL MANAGER PEOPLES TELECOMMUNICATIONS, LLC 208 N BROADWAY PO BOX 450 LA CYGNE, KS 66040		
CATHERINE MOYER, GENERAL MANAGER & CEO PIONEER TELEPHONE ASSN., INC. D/B/A PIONEER COMMUNICATIONS 120 W KANSAS AVE PO BOX 707 ULYSSES, KS 67880-0707		
JAMES LEDNICKY, GENERAL MANAGER RAINBOW TELECOMMUNICATIONS ASSOCIATION, INC. 608 MAIN ST PO BOX 147 EVEREST, KS 66424-0147		

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NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
RHONDA S GODDARD, COO-REGULATED RURAL TELEPHONE SERVICE COMPANY, INC. D/B/A Nex-Tech 145 N MAIN PO BOX 158 LENORA, KS 67645		
JANET BATHURST, GENERAL MANAGER S&A TELEPHONE COMPANY, INC. 413 MAIN ST PO BOX 68 ALLEN, KS 66833		
STEVE RICHARDS, GENERAL MANAGER S&T TELEPHONE COOPERATIVE ASSOCIATION, INC. 320 KANSAS AVE PO BOX 99 BREWSTER, KS 67732		
ZACK ODELL, GENERAL MANAGER SOUTH CENTRAL TELEPHONE ASSN. INC. 215 S ILIFF PO BOX B MEDICINE LODGE, KS 67104		
KENDALL S. MIKESELL, PRESIDENT SOUTHERN KANSAS TELEPHONE COMPANY, INC. 112 S LEE ST PO BOX 800 CLEARWATER, KS 67026-0800		
ANN HUGHES, DIRECTOR-REGULATORY SOUTHWESTERN BELL TELEPHONE CO. D/B/A AT&T KANSAS 220 SE 6TH AVE RM 515 TOPEKA, KS 66603-3596		
JACK KUHLMANN, DIRECTOR OF OPERATIONS SUNFLOWER TELEPHONE COMPANY, INC. D/B/A FAIRPOINT COMMUNICATIONS PO BOX 199 DODGE CITY, KS 67801-0199		

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NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
MARK M. GAILEY, PRESIDENT & GENERAL MANAGER TOTAH COMMUNICATIONS, INC. 101 MAIN ST PO BOX 300 OCHELATA, OK 74051-0300		
DALE JONES, GENERAL MANAGER TRI-COUNTY TELEPHONE ASSOCIATION, INC. 1568 S 1000 RD PO BOX 299 COUNCIL GROVE, KS 66846		
ADAM GLENDENING TWIN VALLEY TELEPHONE, INC. 22 SPRUCE PO BOX 395 MILTONVALE, KS 67466		
CRAIG MOCK, GENERAL MANAGER UNITED TELEPHONE ASSN., INC. 1107 MCARTOR RD PO BOX 117 DODGE CITY, KS 67801		
STEVE SACKRIDER, PRESIDENT WAMEGO TELECOMMUNICATIONS COMPANY, INC. 1009 LINCOLN PO BOX 25 WAMEGO, KS 66547-0025		
CARRIE LOOS, ACCOUNTING ADMINISTRATOR WHEAT STATE TELEPHONE COMPANY, INC. PO BOX 320 UDALL, KS 67146		
BRIAN BOISVERT, GENERAL MANAGER WILSON TELEPHONE COMPANY, INC. 2504 AVE D PO BOX 190 WILSON, KS 67490-0190		
KATHY PRICE, GENERAL MANAGER ZENDA TELEPHONE COMPANY, INC. 208 N MAIN PO BOX 128 ZENDA, KS 67159		

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