

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

Before Commissioners:                    Andrew J. French, Chairperson  
   Dwight D. Keen  
   Annie Kuether

In the Matter of An Investigation to Determine    )  
the Annual Assessment Rate for the Twenty-    )            Docket No. 24-GIMT-229-GIT  
Eighth Year of the Kansas Universal Service    )  
Fund, Effective March 1, 2024.                    )

**ORDER ADOPTING KUSF ASSESSMENT RATE**

This 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 October 12, 2023, the Commission opened this Docket to determine the Kansas Universal Service Fund (KUSF) Year 28 Assessment Rate, effective March 1, 2024, through February 28, 2025, (Year 28) pursuant to K.S.A. 66-2008(a) and Docket No. 94-GIMT-478-GIT.

2.        On January 5, 2024, Steve Garrett filed direct testimony with several attachments on behalf of Commission Staff (Staff). Mr. Garrett’s pre-filed testimony recommended that the Commission adopt an assessment rate of 11.69% for KUSF Year 28.<sup>1</sup>

3.        Mr. Garrett testified that the assessment rate is comprised of two budgeted components: (1) the projected KUSF Obligations or amounts to be paid from the KUSF; and (2) the projected Revenue Base, or the revenue carriers are projected to report to the KUSF for funding purposes. The KUSF FY 28 total KUSF Obligations of \$37.1 million are reduced by the projected \$3.8 million Reserve and increased by \$2.5 million for the Contingency Fund Allowance, resulting

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<sup>1</sup>Direct Testimony of Steve Garrett, p. 2 (Jan. 5, 2024).

in the \$35.8 million net KUSF Obligations to be collected from a Revenue Base of \$306.1 million. Garrett proposed the Commission adopt its resulting 11.69% assessment rate for KUSF FY 28.<sup>2</sup>

4. Garrett explained Staff's calculation of each KUSF obligation, including \$30 million for the Rural Local Exchange Carriers (RLECs), the resulting pro-rata KUSF support reduction, and each RLEC's resulting annual KUSF support.<sup>3</sup> Garrett further explained these calculations will change based on the Commission's decision in Docket No. 24-SCNT-131-KSF (24-131 Docket) where South Central Telephone Association, Inc., (South Central) seeks an additional \$2,139,562 of annual KUSF support.<sup>4</sup> Garrett recommended the Commission direct Staff to file a Report and Recommendation in this Docket to provide the revised annual KUSF support reductions and each RLEC's pro-rata KUSF support after the Commission issues an order in the 24-131 Docket.<sup>5</sup>

5. On January 17, 2024, Staff filed a Motion to cancel the hearing scheduled in this Docket for January 24, 2024, and requesting a Commission decision based upon the pre-filed testimony filed in this Docket.

6. On January 23, 2024, the Commission granted Staff's request to cancel the hearing.

7. The Commission has issued orders to implement the \$30 million cap as provided for in K.S.A. 66-2008(e). The Commission has also issued orders providing direction regarding the KUSF Reserve and adopting a Contingency Fund Allowance.<sup>6</sup> Staff's calculations comply with those Orders.

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<sup>2</sup> *Id.* at 4.

<sup>3</sup> *Id.* at 5, Attachment A, p. 2.

<sup>4</sup> *Id.* at 5.

<sup>5</sup> *Id.* at 5–6.

<sup>6</sup> *Order No. 5 Establishing Carrier Assessment Rate for Year 2000 KUSF Contributions*, ¶35, Docket No. 00-GIMT-236-GIT, Jan. 19, 2000 (Jan. 2000 Order, Docket 00-236).

8. Having reviewed the pre-filed testimony in this Docket, the Commission adopts the assessment rate of 11.69% proposed by Staff for the KUSF Year 28. The Commission directs Staff to submit revised KUSF support calculations after the Commission issues an order in the 24-131 Docket, and to include the adjusted pro-rata KUSF support reduction and resulting support for each RLEC.

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

A. The Assessment Rate for KUSF Year 28, effective March 1, 2024, through February 28, 2025, shall be 11.69%.

B. Staff is directed to file a Report and Recommendation, along with the adjusted pro-rata KUSF support reductions and annual KUSF support for each RLEC in this Docket after issuance of a final Commission order in Docket 24-131.

C. 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>7</sup>

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

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 01/30/2024



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Lynn M. Retz  
Executive Director

BWB

<sup>7</sup>K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

## CERTIFICATE OF SERVICE

24-GIMT-229-GIT

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 01/30/2024.

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**CERTIFICATE OF SERVICE**

24-GIMT-229-GIT

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