

**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 Affordable Local Service Rates for Rate-)
of-Return Regulated Carriers and the Annual)
Assessment Rate for the Twenty-Ninth Year of) Docket No. 25-GIMT-141-GIT
the Kansas Universal Service Fund, Effective)
March 1, 2025.)

ORDER ADOPTING KUSF PRO-RATA SUPPORT REDUCTIONS

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

1. On September 17, 2024, the Commission opened this Docket to determine the Kansas Universal Service Fund (KUSF) Year 29 Assessment Rate, effective March 1, 2025, through February 28, 2026, (Year 29) pursuant to K.S.A. 66-2008(a) and Docket No. 94-GIMT-478-GIT.

2. On December 13, 2024, Steve Garrett, Deputy Chief of Telecommunications, filed direct testimony on behalf of Commission Staff (Staff). Mr. Garrett’s pre-filed testimony recommended that the Commission adopt an assessment rate of 12.15% for KUSF Year 29.¹

3. Mr. 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.² Additionally, Mr. Garrett outlined

¹Direct Testimony of Steve Garrett, p. 3 (Dec. 13, 2024).

²*Id.* at 9-10; Attachment A, p. 2.

the amount of KUSF support each RLEC would receive subject to the \$30 million cap mandated by K.S.A. 66-2008(e)(3), which were attached to his testimony.

4. K.S.A. 66-2008(e)(3) caps the amount of annual KUSF support distributed to all local exchange carriers operating under traditional rate of return regulation at \$30 million. In 2016, the Legislature added language to K.S.A. 66-2008(e)(3) to clarify that once the cap is met, each carrier's KUSF support shall be pro-rated by the Commission based on the amount of support each such carrier would have received absent the cap. The levels of support recommended by Staff is subject to change dependent on the outcome of future support adjustments.

5. On May 1, 2025, the Commission issued an Order in Docket No. 25-MRGT-222-KSF which adjusted Moundridge Telephone Company's (Moundridge) annual KUSF support to \$1,012,411, effective June 1, 2025, subject to any pro-rata reduction mandated by K.S.A. 66-2008(e)(3).

6. On May 27, 2025, Staff filed a Report and Recommendation and calculations to recalculate the RLECs' KUSF support levels to recognize the change in Moundridge's support and still maintain the \$30 million dollar cap as required by K.S.A. 66-2008(e)(3).³ Staff recommended the Commission adopt the revised RLEC-KUSF pro-rata support calculations.⁴

7. No party filed a response to Staff's Report and Recommendation disputing the recalculated levels of the RLECs' KUSF support levels.

8. The Commission adopts as findings Staff's KUSF pro-rata support calculations as set forth in Exhibit A to Staff's Report & Recommendation, filed on May 27, 2025.

9. The Commission concludes Staff's recommendations are just and reasonable.

THEREFORE, THE COMMISSION ORDERS:

³Notice of Filing of Staff's Report and Recommendation, Exhibit A (May 27, 2025).

⁴Staff's R&R at Exhibit A.

A. Staff's calculations of the RLECs' revised pro-rata KUSF support reductions and resulting KUSF support, attached as Exhibit A to Staff's Report and Recommendation, are adopted.

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). ⁵

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 06/17/2025



Celeste Chaney-Tucker
Executive Director

AAL

⁵K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

25-GIMT-141-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 06/17/2025.

JOSEPH R. ASTRAB, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
joseph.astrab@ks.gov

MARK DOTY
GLEASON & DOTY CHTD
401 S MAIN ST STE 10
PO BOX 490
OTTAWA, KS 66067-0490
doty.mark@gmail.com

WENDY HARPER, USF SERVICES MANAGER
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE, SUITE B
SPRINGFIELD, IL 62704
wendy.harper@vantagepnt.com

JOHN R. IDOUX, DIRECTOR KANSAS GOVERNMENTAL
AFFAIRS
BRIGHTSPEED OF EASTERN KANSAS, LLC
1120 TRYON STREET
SUITE 700
CHARLOTTE, NC 28203
john.idoux@brightspeed.com

COLLEEN JAMISON
JAMISON LAW, LLC
P O BOX 128
TECUMSEH, KS 66542
colleen.jamison@jamisonlaw.legal

JOHN LaPENTA, COUNSEL - STATE REGULATORY
BRIGHTSPEED OF SOUTHERN KANSAS, INC
1120 SOUTH TRYON STREET
SUITE 700
CHARLOTTE, NC 28203
john.lapenta@brightspeed.com

AHSAN LATIF, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
ahsan.latif@ks.gov

TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
todd.love@ks.gov

MOLLY E MORGAN, ATTORNEY
FOULSTON SIEFKIN LLP
1551 N. Waterfront Parkway
Suite 100
Wichita, KS 67206
mmorgan@foulston.com

BRUCE A. NEY, AVP -SENIOR LEGAL COUNSEL
AT&T SERVICES, INC.
816 CONGRESS AVE
SUITE 1100
AUSTIN, TX 78701-2471
bruce.ney@att.com

CERTIFICATE OF SERVICE

25-GIMT-141-GIT

SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
shonda.rabb@ks.gov

PAMELA SHERWOOD, SENIOR REGULATORY AND
COMPLIANCE COUNSEL
BRIGHTSPEED OF KANSAS, LLC
1120 SOUTH TRYON STREET
SUITE 700
CHARLOTTE, NC 28203
pamela.sherwood@brightspeed.com

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
della.smith@ks.gov

JAMES P ZAKOURA, ATTORNEY
FOULSTON SIEFKIN LLP
7500 COLLEGE BOULEVARD, STE 1400
OVERLAND PARK, KS 66201-4041
jzakoura@foulston.com

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