

**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    )  
the Kansas Universal Service Fund, Effective    )  
March 1, 2025.    )  
Docket No. 25-GIMT-141-GIT

**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:

**I. Background**

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.<sup>1</sup>

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

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<sup>1</sup>Direct Testimony of Steve Garrett, p. 3 (Dec. 13, 2024).

reduction, and each RLEC's resulting annual KUSF support.<sup>2</sup> Additionally, Mr. Garrett outlined 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.

## **II. Adjustments Resulting from 25-MTLT-161-KSF**

5. On March 13, 2025, the Commission issued an Order in Docket No. 25-MTLT-161-KSF which increased Mutual Telephone Company's annual KUSF support by \$412,991 effective April 1, 2025, subject to any pro-rata reduction mandated by K.S.A. 66-2008(e)(3).

6. On April 10, 2025, the Commission issued an Order Adopting KUSF Pro-Rata Support Reductions, adopting revised amounts each RLEC would receive as a result of the adjustment made to Mutual Telephone Company's annual KUSF Support.

## **III. Adjustments Resulting from 25-CNHT-185-KSF and 22-UTAT-519-CCS**

7. On April 3, 2025, the Commission issued an Order in Docket No. 25-CNHT-185-KSF which increased Cunningham Telephone Company's (Cunningham) annual KUSF support by \$714,504 effective May 1, 2025, subject to any pro-rata reduction mandated by K.S.A. 66-2008(e)(3).

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<sup>2</sup>*Id.* at 9-10; Attachment A, p. 2.

8. Additionally, during January and February of 2025, United Telephone Association Inc. (United) received all federal and state approvals for the sale of United's South Englewood, Oklahoma exchange to Panhandle Telephone Cooperative, Inc. As a result, pursuant to a Commission Order in Docket No. 22-UTAT-519-CCS, United's annual KUSF support shall be reduced by \$16,951, prior to the revised pro-rata reductions required by K.S.A. 66-2008(e)(3).

9. On April 18, 2025, Staff filed a Report and Recommendation and calculations to recalculate the RLECs' KUSF support levels to recognize the increase in Cunningham's support and still maintain the \$30 million dollar cap as required by K.S.A. 66-2008(e)(3).<sup>3</sup> Staff recommended the Commission adopt the revised RLEC-KUSF pro-rata support calculations.<sup>4</sup>

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

11. 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 April 18, 2025.

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

**THEREFORE, THE COMMISSION ORDERS:**

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).<sup>5</sup>

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<sup>3</sup>Notice of Filing of Staff's Report and Recommendation, Exhibit A (Mar. 26, 2025).

<sup>4</sup>Staff's R&R at Exhibit A.

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

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

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 05/20/2025



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Celeste Chaney-Tucker  
Executive Director

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## 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 05/20/2025.

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/S/ KCC Docket Room

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