

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

In the Matter of An Investigation to Determine)
the Assessment Rate for the Twenty-Fourth Year) Docket No. 20-GIMT-086-GIT
of the Kansas Universal Service Fund, Effective)
March 1, 2020.)

DIRECT TESTIMONY

OF

SANDY REAMS

ON

BEHALF OF THE

KANSAS CORPORATION COMMISSION STAFF

December 13, 2019

1 **Q. Please state your name and business address.**

2 A. My name is Sandra (Sandy) Reams. My business address is: Kansas Corporation
3 Commission (Commission), 1500 S.W. Arrowhead Road, Topeka, Kansas 66604.

4 **Q. What is your position at the Commission?**

5 A. I am the Assistant Chief of Telecommunications for the technical staff (Staff) of the
6 Commission. I became employed by the Commission in December 1996 as a Utility
7 Regulatory Auditor and, in June 1997, was promoted to Senior Utility Regulatory Auditor.
8 In February 1998, I changed positions to Telecommunications Auditor and, in April 2002,
9 I was promoted to Managing Auditor. I maintained that position until promoted to my
10 current position in October 2011.

11 **Q. What is your educational background?**

12 A. I received a Bachelor of Arts in Accounting from Buena Vista University, Storm Lake,
13 Iowa, and hold Iowa Certified Public Accountant Certificate No. 9487. During my
14 employment with the Commission, I have attended various regulatory and
15 telecommunications related courses. I have served as the Chair of the National Association
16 of Regulatory Utility Commissioners' (NARUC) Staff Subcommittee on State Universal
17 Service Fund Administrators Subcommittee since August 2010 and been a member of the
18 Subcommittee since 2002. I also serve as the State Staff Chair and as an at-large Staff
19 member for the Federal-State Joint Board on Jurisdictional Separations. I previously
20 served as the State Staff Chair for the Federal-State Joint Conference on Accounting
21 Issues and as a member of the Federal-State Joint Oversight Team for the audits of
22 Southwestern Bell Telephone Company's (SWBT) compliance with Section 272 of the

1 1996 Federal Telecommunications Act.

2 **Q. Have you previously testified before the Commission?**

3 A. Yes. I have provided written and oral testimony about the Kansas Universal Service Fund
4 (KUSF) assessment rate and other KUSF-related issues, local service affordable rates,
5 intrastate access rates, inter-LATA dialing parity and related cost recovery mechanisms,
6 intrastate revenue requirement cost of service components, and Eligible
7 Telecommunications Carrier (ETC) issues. Prior to joining the telecommunications
8 section, I testified on tax-related issues, shared service agreements, and acquisition
9 premiums in gas industry proceedings.

10 **Q. Please provide a brief background of this Docket.**

11 A. On August 29, 2019, the Commission issued an *Order Opening Docket; Protective Order*
12 *Applicable to CURB; Requiring Entries of Appearance to Actively Participate and*
13 *Establishing Procedural Schedule* (Opening Order) to determine the KUSF assessment
14 rate for the twenty-fourth year of the KUSF, effective March 1, 2020, through February
15 28, 2021 (FY 24). The Commission directed the United Telephone Companies of Kansas
16 d/b/a CenturyLink (CenturyLink)¹ to file certain data and supporting documentation in
17 this Docket and provide an electronic copy of the data to Staff by October 18, 2019. Staff
18 was directed to file direct testimony and its calculation of the KUSF FY 24 assessment
19 rate by December 13, 2019.

¹ The United Telephone Companies of Kansas include Embarras Missouri, United Telephone Company of Kansas, United Telephone Company of Eastern Kansas, and United Telephone Company of Southcentral Kansas.

1 **I. TESTIMONY SUMMARY**

2 **Q. Please summarize your testimony and recommendations.**

3 A. My testimony contains three parts: (1) testimony summary; (2) the components and
4 calculation of the proposed KUSF FY assessment rate; and (3) KUSF policy
5 recommendations. My testimony supports the following recommendations for the
6 Commission:

- 7 1. adopt a 9.40% assessment rate for KUSF FY 24;
- 8 2. clarify the process to implement the \$30 million cap required by K.S.A. 66-
9 2008(e)(3) for the Rural Local Exchange Carriers (RLECs) operating under
10 rate-of-return regulation;
- 11 3. clarify the criteria for a carrier to change its annual KUSF reporting election;
- 12 4. affirm the Commission's authority to assess KUSF administrative penalties on
13 its own; and
- 14 5. adopt KUSF penalty guidelines for non-compliance with KUSF obligations
15 similar to those adopted by the Commission for Kansas Lifeline Service
16 Program obligations.²

17 **Q. What should a party do if it identifies a computational error in Staff's calculations?**

18 A. The Opening Order, ordering clause D, directs a party to notify Staff as soon as possible to
19 allow Staff time to determine if the error has a material effect on the KUSF assessment rate
20 calculation and, if necessary, file revised calculations.

21 **Q. Is it likely the actual March 1, 2019, through February 29, 2020, (FY 23) and FY 24**
22 **operating results will be different than Staff's projections?**

23 A. Yes. My testimony relies on information available at this time and, therefore, it is likely

² Order Assessing Penalties against AT&T, Docket No. 14-GIMT-105-GIT, Nov. 20, 2014 (14-105 Order).

1 the actual KUSF FY 23 and FY 24 operational results will vary from Staff's projections.

2 My testimony reflects rounded numbers. My calculations reflect that the KUSF operates
3 one month in arrears, meaning revenue reported and KUSF disbursements to companies
4 and supported programs for one calendar month are recognized the following month. For
5 example, November 15, 2019, was the due date to report revenue and pay the KUSF
6 assessments for October 2019. The KUSF disbursements for October 2019 occurred on or
7 before December 1, 2019.

8 **Q. Please identify the supporting documentation filed with your testimony.**

9 A. Exhibit SKR-1 and Attachments A through L are filed with my testimony to support the
10 calculation of the proposed 9.40% KUSF FY 24 assessment rate. Exhibit SKR-1, page 1,
11 identifies each KUSF Obligation, the Reserve, the Contingency Fund Allowance, and the
12 resulting net KUSF Obligations. Page 2 includes the projected KUSF FY 24 Revenue Base
13 for each carrier and/or carrier category and the calculation of the 9.40% assessment rate.
14 Attachments A through L contain supporting documentation for each budgeted KUSF
15 Obligation and the projected Revenue Base.

16 **Q. Does your testimony or supporting documentation include confidential information?**

17 A. My testimony does not include any confidential information, however, Exhibit SKR-1,
18 page 2, Attachments B, and Attachments G through K include confidential information.
19 I am, therefore, filing both a redacted and a confidential set of Exhibit SKR-1 and
20 Attachments A through L with my testimony. Since companies may review their own
21 information and the only party to receive all confidential information is the Citizens'

1 Utility Ratepayer Board,³ Staff is providing aggregated and public data to the extent
2 possible to allow parties to review its calculations.

3 **II. KUSF FY 24 ASSESSMENT RATE**

4 **Q. What components are included in the assessment rate calculation?**

5 A. The proposed assessment rate includes the following components:

- 6 • total KUSF Obligations of \$ 39.6 million;
- 7 • a projected \$1.4 million KUSF balance, or Reserve, as of February 29, 2020;
- 8 • a \$2.9 million Contingency Fund Allowance; and
- 9 • an intrastate net retail revenue base (Revenue Base) of \$437.7 million from
10 which to collect the KUSF monies.

11 Table 1 includes a comparison of the current FY 23 and projected FY 24 Obligations and
12 Revenue Base, and the impact on the KUSF:

13 **Table 1: KUSF Funding (In Millions)**

Description	FY 23	FY 24	Impact on KUSF
Gross KUSF Obligations	\$ 38.9	\$ 39.6	\$ 0.7
Less: Reserve	5.5	1.4	4.1
Plus: Contingency Allowance	2.5	2.9	0.4
Net KUSF Obligations	\$ 35.9	\$ 41.1	\$ 5.2
Revenue Base	\$ 522.1	\$ 437.7	\$ (84.4)
Percentage Assessment Rate	6.88%	9.40%	2.52%

14 **Q. Please summarize the gross KUSF Obligation components.**

³ Order: (1) Granting CMT Partners Petition for Reconsideration and/or Clarification to the Extent that the Protective Order Issued in This Docket is Amended; (2) Granting CURB's Petition for Reconsideration and/or Clarification to the Extent that the Commission Clarifies its Intent for CURB to Have Access to Same Information as Staff; and (3) Granting Staff's Motion for Clarification and Clarifies its Intent on the Auditing Procedures and the Future Calculation of the Assessment Rate, ¶¶12 – 17, Docket No. 94-GIMT-478-GIT (Docket 94-478), Dec. 11, 1998.

1 A. The \$39.6 million gross KUSF Obligations components include \$38.1 million of annual
2 KUSF support for the RLECs and CenturyLink, \$1.0 million to fund the Kansas Lifeline
3 Service Program (KLSP), Telecommunications Relay Service (TRS) Program, and
4 Telecommunications Access Program (TAP), and \$0.5 million to fund administrative and
5 audit expenses. Reducing the gross KUSF Obligations by the \$1.4 million Reserve and
6 increasing this amount by the \$2.9 million Contingency Fund Allowance⁴ results in net
7 KUSF Obligations of \$41.1 million to be collected from the projected KUSF FY 24
8 Revenue Base of \$437.7 million.

9 **A. KUSF OBLIGATIONS**

10 **Q. Please explain how the \$30.0 million annual KUSF support for the RLECs was**
11 **calculated.**

12 A. Please refer to Attachment A, pages 1 and 2, for Staff's calculations. Seven RLECs do not
13 receive KUSF support.⁵ For the RLECs that do receive KUSF support, Staff's calculation
14 starts with the annual KUSF support for each RLEC as of December 1, 2019. The annual
15 December 2019 KUSF support includes the following adjustments that have occurred since
16 March 1, 2019:

- 17 1. effective July 1, 2019, the RLECs increased their annual intrastate access
18 revenues \$105,292, with their KUSF support reduced an equal amount. This
19 means that for the eight-month period of July 2019 through February 2020, the
20 RLECs KUSF support was reduced, in total, \$70,194;⁶ and
21 2. effective December 2019, S&T Telephone Cooperative, Inc.'s annual KUSF

⁴ *Id.*, ¶ 28.

⁵ Columbus Communications Services, LLC; Consolidated Communications of Kansas; Consolidated Communications of Missouri; Haviland Telephone Company, Inc.; LaHarpe Telephone Company, Inc.; MoKan Dial, Inc.; and Moundridge Telephone Company.

⁶ Order Adopting Revised Intrastate Access Rates, Revenues, and KUSF Adjustments, Docket No. 19-GIMT-006-GIT, Oct. 18, 2018; and Order Adopting Revised Intrastate Access Rates and KUSF Adjustment for Twin Valley, June 4, 2019.

1 support is reduced \$17,872 per year, or approximately \$1,500 a month, to
2 recognize the Company has fully recovered its audit expense.⁷

3 **Q. Do Staff's calculations include other adjustments?**

4 A. Yes. Staffs calculations also include the following adjustments:

- 5 1. Golden Belt Telephone Association, Inc. (Golden Belt) filed an Application
6 seeking \$2.6 million of additional annual KUSF support.⁸ On October 11,
7 2019, Staff filed testimony supporting a \$1.2 million increase in the Company's
8 annual KUSF support. On November 6, 2019, the parties filed a Stipulated
9 Agreement recommending an increase of \$1.2 million in Golden Belt's annual
10 KUSF support, effective the first of the month following a Commission Order.
11 An Order is due in January 2020. For KUSF FY 24 budget purposes, Staff
12 assumed the Commission will issue an Order approving the Stipulated
13 Agreement in January 2020, with Golden Belt receiving additional KUSF
14 support of \$102,667 for February 2020.
- 15 2. United Telephone Association, Inc. (UTA) filed an Application seeking an
16 additional \$2.3 million annual KUSF support.⁹ Staff's testimony supports an
17 annual KUSF support increase of \$1.1 million.¹⁰ Since UTA's audit expense
18 will be updated to reflect its total costs and to ensure sufficient monies are
19 available in the KUSF, Staff included an additional \$1.2 million annual KUSF
20 support for UTA. Staff assumes any increase to UTA's KUSF support will be
21 effective for April 2020 since settlement discussions are scheduled in January
22 2020 and a Commission Order is due in March 2020.¹¹ This means that the total
23 estimated KUSF support for UTA is approximately \$1.4 million for April 2019
24 through February 2021.
- 25 3. Blue Valley Tele-Communications, Inc. (Blue Valley) filed an Application on
26 November 8, 2019, to seek an increase in its annual KUSF support of \$2.5
27 million.¹² A Commission Order is due in July 2020.¹³ For KUSF FY 24 budget
28 purposes, Staff assumed the Company will be awarded one-half of the requested
29 increase - \$1.2 million - and that the increase is likely to be effective for August
30 2020. For the months of August 2020 through February 2021, Staff estimated
31 Blue Valley may receive approximately \$1.4 million of KUSF support.
- 32 4. Twin Valley Telephone, Inc. was authorized to recover \$42,496 of audit

⁷ Order Granting Joint Motion for Approval of the S&T Telephone Cooperative Inc.'s Cost-Based KUSF Support, Docket No. 14-S&TT-525-KSF, Nov. 20, 2014.

⁸ Application and Request of The Golden Belt Telephone Association, Inc. for an Increase in its Cost-Based Kansas Universal Service Fund Support, Docket No. 19-GNBT-505-KSF, June 5, 2019.

⁹ Application and Request of United Telephone Association, Inc. for an Increase in its Cost-Based Kansas Universal Service Fund Support, Docket No. 20-UTAT-032-KSF (Docket 20-032), July 24, 2019

¹⁰ *Id.*, Direct Testimony of Andria Jackson, Dec. 13, 2019.

¹¹ *Id.*, Order Adopting Joint Procedural Schedule, Sept. 26, 2019.

¹² Testimony of Stacey Brigham on behalf of Blue Valley Telecommunications, Inc. for an Increase in its Cost-Based Kansas Universal Service Fund Support, p. 3., Docket No. 20-BLVT-218-KSF (Docket 20-218), Nov. 8, 2019.

¹³ *Id.*, Suspension Order: July 6, 2020, Nov. 21, 2019.

1 expense annually.¹⁴ Effective December 2021, the Company will fully
2 recover its audit expense. Staff, therefore, reduced the Company's monthly
3 KUSF support approximately \$3,500 for January and February 2021.

4 **Q. Does the \$30 million budgeted for the RLECs mean the \$30 million statutory cap will**
5 **be implemented during KUSF FY 24?**

6 A. Not necessarily. Staff does not know the exact timing or amount of any additional KUSF
7 subsidies the Commission may award to Golden Belt, UTA, or Blue Valley and, therefore,
8 can only estimate the RLECs' FY 24 support. Attachment A, pages 1 and 2 show the
9 additional KUSF support subsidy requests by Golden Belt, UTA, and Blue Valley may
10 result in the Commission needing to implement the \$30 million cap during FY 24. More
11 specifically, page 2, which includes each RLEC's monthly and cumulative annual KUSF
12 FY 24 support, indicates the RLEC cap will likely be reached with the February 2021
13 disbursements.

14 **Q. Has the Commission adopted a process to implement the RLEC cap?**

15 A. Yes. The Commission determined the RLECs' annual KUSF support will be pro-rated on
16 a KUSF FY basis:

17 [T]he Commission elects to rely on Staff's recommendation to pro-rate ROR
18 carrier support, similar to the FCC's cap on CETC support. As Staff
19 explains, pro-rating support appears to be the fairest approach as it: (1) does
20 not lock out any carriers from recovering costs once the cap is reached and
21 (2) allows ROR carriers to compensate for reduced KUSF revenue resulting
22 from the cap by increasing rates for other services, such as call management
23 services or increasing local rates.

24 The Commission also adopts Staff's recommendation that the annual cap
25 on KUSF support should coincide with the KUSF fiscal year, which runs
26 from March – February.¹² Staff will track monthly ROR carrier support as
27 well as the cumulative amount of support received throughout the KUSF
28 fiscal year. Upon granting a new request for KUSF support, the

¹⁴ Order Approving Partial Stipulation and Agreement, Oct. 27, 2015, Docket No. 15-TWVT-213-AUD and Order on Additional KUSF Support and Additional Audit Expenses, Dec. 10, 2015.

1 Commission and its Staff will adjust the reduction factor accordingly to
2 ensure the cumulative KUSF support received does not exceed the \$30
3 million cap for the KUSF fiscal year. Under this approach, the Commission
4 may set a new reduction factor at the beginning of each KUSF fiscal year,
5 and adjust it throughout the year to reflect changes to ROR carrier support
6 made during the KUSF fiscal year.¹⁵

7 **Q. Was the Commission's process to implement the cap codified in the statute?**

8 A. Yes. Pursuant to K.S.A. 66-2008(e)(3),

9 Notwithstanding any other provision of law, the total KUSF distributions,
10 not to include KUSF support for Kansas lifeline service program purposes,
11 pursuant to K.S.A. 66-2006, and amendments thereto, made to all local
12 exchange carriers operating under traditional rate of return regulation
13 pursuant to K.S.A. 66-2005(b), and amendments thereto, shall not exceed
14 an annual \$30,000,000 cap. In any year that the total KUSF support for
15 such carriers would exceed the annual cap, each carrier's KUSF support
16 shall be proportionately based on the amount of support each such carrier
17 would have received absent the cap. A waiver of the cap shall be granted
18 based on a demonstration by a carrier that such carrier would experience
19 significant hardship due to force majeure or natural disaster as determined
20 by the commission.

21 **Q. Does Staff have additional recommendations with regard to the \$30 million cap?**

22 A. Yes. Staff recommends the Commission clarify the implementation process to ensure the
23 process is clear to the RLECs and contributors to the KUSF. Consistent with the
24 Commission's Order, Staff will monitor the monthly and cumulative KUSF FY 24 support
25 disbursed to the RLECs. Once it appears that the cumulative support disbursements will
26 result in the cap being reached, Staff plans to file a Report and Recommendation in the
27 applicable KUSF annual Docket. Staff intends to include the following information in its
28 Report: (1) the month the RLEC cap will likely need to be implemented; (2) the pro-rated
29 KUSF support reduction for each RLEC; and (3) each RLEC's pro-rated monthly KUSF
30 support distribution. Thus, Staff recommends the Commission clarify that Staff is to file a

¹⁵ Order, ¶ 13 - 14, Docket No. 13-GIMT-736-GIT, Dec. 3, 2013.

1 Report and Recommendations in the applicable annual KUSF Docket and provide the
2 information identified in (1) through (3) above. Staff also recommends the Commission
3 clarify it will issue an Order implementing the \$30 million cap at the appropriate time.

4 **Q. Please explain the calculation of the \$8.1 million KUSF support for CenturyLink,**
5 **shown on Exhibit SKR-1, page 1, line 2.**

6 A. CenturyLink's annual KUSF support is governed by K.S.A. 66-2008(c), which caps
7 CenturyLink's annual KUSF support at \$11.4 million¹⁶ and requires the gross cost-based
8 KUSF support available to the Company be based on the high-cost model adopted by the
9 Commission.¹⁷ This amount must be reduced by the Company's Connect America Fund
10 II (CAF II) support receipts "for the same household, if feasible, or for the same census
11 block." K.S.A. 66-2008(c)(2) is moot since CenturyLink has not requested or been granted
12 price deregulation in any exchange. CenturyLink's KUSF support also includes recovery
13 of intrastate access revenue, on a revenue-neutral basis, from the KUSF.¹⁸

14 **Q. How was CenturyLink's gross cost-based KUSF support determined?**

15 A. Confidential Attachment B shows the cost model used to calculate CenturyLink's annual
16 KUSF support includes 112 high-cost wire centers disaggregated into two zones.¹⁹
17 Monthly KUSF support ranges from \$0.15 to \$243.23 per line, dependent upon the wire

¹⁶ CenturyLink received \$13,279,541 annual KUSF support for the fiscal year ended February 2013. The 90% limit results in \$11,951,587, which exceeds \$11.4 million and, therefore, the cap is \$11.4 million.

¹⁷ Order No. 10: Order Adopting a Forward Looking Cost Methodology for Purposes of Determining KUSF Support and Selecting the FCC's Proxy Cost Model, Sept. 30, 1999; Order No. 16: Order Determining the Kansas-Specific Inputs to the FCC Cost Proxy Model to Establish a Cost-Based Kansas Universal Service Fund, Dec. 29, 1999, Docket No. 99-GIMT-326-GIT.

¹⁸ Order Setting Embarq's Intrastate Access Rates to Parity and Providing for Rebalancing Through the KUSF, Docket No. 08-GIMT-1023-GIT (Docket 08-1023), March 10, 2010, and Order on Second Petition for Reconsideration, June 4, 2010 (Rate Order and Order on Reconsideration, respectively).

¹⁹ Order 6: Addressing Zone Targeting and Remaining Implementation Issues for Year 2000 KUSF Distributions, Docket No. 00-GIMT-236-GIT (Docket 00-236), Feb. 14, 2000.

1 center and zone in which service is provided. CenturyLink's number of lines in service
2 and eligible for KUSF support as of September 30, 2019, were input into the cost model,
3 resulting in CenturyLink qualifying to receive \$9.9 million of gross cost-based KUSF
4 support. The \$9.9 million gross cost-based KUSF support was reduced \$2.2 million for
5 the estimated CAF II support CenturyLink will receive during KUSF FY 24,²⁰ with the
6 Company qualifying to receive approximately \$7.7 million of net cost-based KUSF
7 support.

8 **Q. How was the revenue-neutral access revenue recovery amount determined?**

9 A. The access revenue component is based on the actual access usage for the twelve-month
10 period ended September 30, 2019, multiplied by the rate differential between
11 CenturyLink's interstate and intrastate access rates as of December 30, 2009.²¹ Attachment
12 B, page 5, shows CenturyLink qualifies to recover \$467,000 revenue-neutral access
13 support, reduced by an approximate \$58,000 true-up to account for the amount
14 CenturyLink recovered (but did not qualify for) during FY 23. This means CenturyLink
15 will recover approximately \$409,000 access revenue, on a revenue-neutral basis, during
16 FY 24.

17 **Q. Please explain how the \$323,000 for TRS funding was determined.**

18 A. The calculation of the TRS funding is included in Attachment C. TRS includes three
19 components: (1) actual relay service; (2) TRS administration; and (3) an annual true-up.

²⁰ CenturyLink's CAF II support and KUSF support are subject to true-up which entails Staff mapping the reported KUSF and CAF II supported locations to verify each line was reported in the correct KUSF exchange and zone. If line or location corrections occur, the amount of support paid to CenturyLink will be adjusted. Order Adopting Staff's Report and Recommendation, Docket No. 16-GIMT-511-GIT, Oct. 11, 2016.

²¹ 08-1023 Rate Order and Order on Reconsideration.

1 Effective January 2019, Sprint Communications Company, LP (Sprint) provides the
2 TRS.²² Based on the monthly TRS disbursements to Sprint for March through October
3 2019, Staff calculated a monthly average cost of \$22,000, or an annualized cost of
4 \$267,000 for KUSF FY 23. Pursuant to the TRS contract, a 13% per minute rate increase
5 will occur next year. Applying the 13% increase to the \$267,000 estimated FY 23 costs
6 results in an estimated \$301,000 for Sprint to provide TRS next year.

7 TRS administration cost is addressed in the Commission's contract with Assistive
8 Technologies for Kansans (ATK). The contract authorizes \$20,000 for administration
9 costs during KUSF FY 24.²³ The last TRS cost component is a true-up allowance. The
10 KUSF FY 22 true-up, disbursed during FY 23, was approximately \$2,000. Staff assumes
11 the KUSF FY 23 true-up will be a similar amount and included a \$2,000 true-up allowance
12 for FY 23 to be paid in FY 24.

13 **Q. How did Staff calculate the \$240,000 to fund TAP?**

14 A. TAP also includes three components – administration, equipment cost, and a true-up
15 allowance. The Commission's contract with ATK for the administration of TAP provides
16 a maximum administration fee of \$167,000 to cover direct and indirect costs (salaries,
17 benefits, training, etc.), ATK's purchase of cell phones and iPads, and an allowance related
18 to ATK's purchases.²⁴ The second TAP cost component is the cost of equipment purchased
19 from third-party vendors. The average vendor cost for the months of March through
20 October 2019 was approximately \$4,100 monthly, \$49,000 annually. The third TAP cost

²² Viewable at: https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000045640.

²³ Contract viewable at:
https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000046051.

²⁴ *Id.*

1 component is a true-up allowance. Staff included a true-up allowance of \$24,000, the same
2 amount as the TAP true-up for FY 22 that was paid in FY 23.

3 **Q. Please explain Staff's calculation of the \$455,000 KLSP funding.**

4 A. As shown in Attachment D, Staff determined the average monthly KLSP credits disbursed
5 for the months of March through October 2019 - \$38,000. By annualizing this amount,
6 Staff calculated \$455,000 annual KLSP funding. Monthly KLSP disbursements continue
7 to trend downward and, therefore, Staff calculated the following: (1) an average monthly
8 KLSP credit of \$34,000 for the six-month period of May through October 2019; and (2) an
9 average monthly KLSP credit of \$29,000 for the three-month period of August through
10 October 2019. Annualizing each average results in estimated funding of \$411,000 and
11 \$343,000, respectively, for KLSP.

12 To determine if these amounts are reasonable and a reasonable level of funding for FY 24,
13 Staff analyzed both the KLSP funding and subscribership for the KUSF years ended
14 February 2017 through 2019. For the year ended February 2018, the annual KLSP
15 disbursements decreased approximately 3.5%, or \$48,000, with 513 fewer KLSP
16 participants. For the year ended February 2019, annual KLSP funding decreased over
17 \$571,000, or almost 43%, due to a reduction of approximately 6,100 KLSP participants.
18 Given the annual reductions, and the monthly averages Staff calculated, KLSP
19 subscribership and funding, Staff budgeted \$455,000 for KLSP based on the 8-month
20 average and did not apply a growth factor.

21 **Q. Please explain how Staff calculated the \$524,000 for administration and audit**
22 **expenses?**

1 A. Staff's calculation and documentation, included in Attachment E, include the following:

- 2 1. KUSF daily administration expense: The Commission's contract with GVNW
3 Consulting, Inc. (GVNW) to administer the KUSF provides \$204,872 for the
4 day-to-day administration of the KUSF for March 2020 through February
5 2021.²⁵ The KUSF has incurred additional administration and legal expense
6 for two KUSF-related court cases²⁶ that are anticipated to continue through
7 KUSF FY 24. For March through October 2019, the KUSF has incurred
8 approximately \$21,000 of additional administration and legal expense, an
9 average of approximately \$3,500 per month. Assuming this amount is incurred
10 monthly, for November 2019 through February 2020, Staff estimates the KUSF
11 will incur a total of \$35,000 during KUSF FY 23. Staff, thus, assumed this same
12 level of costs for additional administration and legal costs for KUSF FY 24.
- 13 2. KUSF carrier audit expense: Staff included approximately \$261,000 for
14 GVNW to perform sixteen carrier audits, the maximum amount GVNW can
15 earn to perform these audits during KUSF FY 24.²⁷
- 16 3. KUSF third-party audit expense: In April 2019, the Commission entered into a
17 contract with CliftonLarsonAllen LLP (CLA) to perform an annual KUSF
18 financial audit and an Agreed-Upon-Procedure (AUP) review of GVNW's
19 internal controls.²⁸ The contractual not-to-exceed cost for CLA to perform the
20 KUSF FY 23 financial audit is \$19,000 and \$12,000 for the AUP, thus, Staff
21 included \$31,000 total for third-party audit expense.

22 **B. KUSF RESERVE**

23 **Q. How was the \$1.4 million KUSF Reserve calculated?**

24 A. The KUSF Reserve, applied as a reduction to the monies to be collected in the KUSF, is
25 calculated in Attachment F.²⁹ The calculation of the Reserve, or estimated KUSF account
26 balance as of February 29, 2020, begins with the February 29, 2019, balance of \$5.4

²⁵ Contract viewable at:

https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000044383.

²⁶ *In RE TAG Mobile, LLC Debtor*, United States Bankruptcy Court for the Northern District of Texas, Dallas Division, Case No.17-33791 -11SGJ; and *Virgin Mobile USA, L.P., Plaintiff, v. Pat Apple et al., Commissioners of the Kansas Corporation Commission, Defendants*, Case No 2:17-cv-02524, United States District Court for the District of Kansas.

²⁷ Contract viewable at:

https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000044383.

²⁸ Contract viewable at:

https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000046308.

²⁹ Order 5: Establishing Carrier Assessment Rate for Year 2000 KUSF Contributions, Docket 00-236, Jan. 19, 2000 (Order 5).

1 million. Then, the actual receipts and disbursements recorded for March through October
2 2019 are added, as are the projected receipts and disbursements for November 2019
3 through February 2020.

4 The projected receipts are based on the revenue projected to be reported by each carrier for
5 the months of November 2019 through February 2020, shown in confidential Attachments
6 G (RLECs, SWBT, and CenturyLink); H (wireless providers); I (Interconnected VoIP
7 providers); and J (interexchange (IXC) and other providers). Projections were not
8 developed for smaller companies that report revenue and pay assessments on an annual or
9 semi-annual basis since they have reported their revenues and paid their assessments for
10 FY 23. No projections were developed for companies that just began operations in October
11 since they have only reported one month of revenue. Companies that report quarterly are
12 required to report their fourth quarter revenue for December 2019 through February 2020
13 in December 2019. Staff projects these carriers will report the same amount of revenue
14 that was reported for the third quarter period of September through November 2019.

15 Most carriers report revenue on a monthly basis. Consistent with its revenue projection
16 approach for the past thirteen years, Staff employed the "lower or average" methodology³⁰
17 for each company that reports monthly to recognize when a company experiences revenue
18 growth or declines or its revenues have remained fairly steady. This means that for each
19 company, the average monthly revenue was calculated based on the actual revenue reported
20 for the months of March through October 2019. The average monthly revenue was then
21 compared to the actual revenue the carrier reported for the months of August, September,

³⁰ This methodology was first employed in the Direct Testimony of Sandra K. Reams, Docket No. 07-GIMT-276-GIT, Dec. 20, 2006.

1 and October 2019. When the average monthly revenue exceeded the reported revenue for
2 two of the three months, the average monthly revenue was included in Staff's projections.
3 Alternatively, when the average monthly revenue was lower than the revenue reported for
4 two of the three months, the lowest month's revenue was recognized. For example,
5 Company A reported \$850,000 for March through October 2019, an average of \$106,250
6 each month. Company A reported \$105,000 for August, \$107,500 for September, and
7 \$104,500 for October. Since the August and October revenue were less than the \$106,250
8 monthly average revenue, the lowest month's revenue - \$104,500 for October - was
9 included as Staff's projection.

10 **Q. What is included in the miscellaneous revenue included in the Reserve?**

11 A. Miscellaneous revenue includes out of period adjustments, late penalties, account write-
12 offs, and interest income. Staff's projection of miscellaneous revenue recognizes the
13 approximate monthly average revenue of \$11,000.

14 **Q. How were the November 2019 through February 2020 monthly disbursements**
15 **determined?**

16 A. Staff relied on the actual disbursements for March through October 2019, adjusted as
17 follows:

- 18 1. High-cost support disbursed to companies for October 2019 is recognized for
19 the November 2019 through February 2020 monthly disbursements, adjusted
20 for:
- 21 a. an approximate \$1,500 monthly reduction in S&T's monthly KUSF support
22 as a result of it fully recovering its audit expense effective December 1,
23 2019; and

- 1 b. an increase of approximately \$103,000 for Golden Belt's KUSF support for
2 February 2020.³¹ If the Commission issues an Order in December, the
3 January 2020 disbursement would also increase and the KUSF Reserve will
4 be impacted by an equal amount.
- 5 2. TRS and TAP disbursements reflect the approximated average monthly
6 expense of \$23,000 and \$15,000, respectively.
- 7 3. KLSP disbursements reflect the average monthly disbursement of
8 approximately \$38,000.
- 9 4. KUSF administration-related expense includes the average monthly day-to-day
10 administration, other administration and legal expense, and bank fees, a total of
11 approximately \$20,000 per month.
- 12 5. Audit expense is limited to the \$254,000 maximum GVNW can earn
13 conducting carrier audits. GVNW has been paid \$92,000, meaning GVNW can
14 earn another \$162,000, approximately, for performing carrier audits. Staff
15 reflected this disbursement as occurring in February 2020.

16 **Q. Please explain the "TAG Mobile Liability" shown in Attachment F, pages 3 - 4 and**
17 **why it was not included in Staff's calculation of the Reserve.**

18 A. On October 19, 2017, the Commission revoked TAG Mobile, LLC's (TAG) ETC
19 designation and directed the Company to repay \$942,298.98 of KLSP credits to the
20 KUSF.³² In October 2017, an involuntary Chapter 7 bankruptcy was filed against TAG.
21 In February 2018, the case was converted to a Chapter 11 proceeding. The Commission
22 entered into a Settlement Agreement with the Trustee. On September 11, 2019, the U.S.
23 Bankruptcy Court for the N.D. of Texas granted the Trustee's Motion to Approve
24 Settlement Agreement with Kansas Entities. Under the approved Settlement Agreement,
25 the Chapter 11 Trustee will pay the KCC and GVNW (jointly) 10% of the net proceeds of
26 the sale of TAG's assets. The timing and outcome of a sale or amount of monies, if any,
27 may not be known for some time. Thus, Staff was conservative and excluded all monies

³¹ Golden Belt's KUSF support will not change unless/until the Commission issues an Order approving a change.

³² Order Revoking TAG Mobile's State and Federal ETC Designation, Docket No. 16-TAGC-323-SHO, Oct. 19, 2017.

1 related to this claim from the KUSF Reserve.

2 **C. KUSF CONTINGENCY ALLOWANCE**

3 **Q. Please explain how the \$2.9 million Contingency Fund Allowance was calculated.**

4 A. The Contingency Fund Allowance is equal to 7.5% of the \$38.3 million adjusted KUSF
5 funding obligations, consistent with Commission Order.³³

6 **D. KUSF REVENUE BASE**

7 **Q. Please explain the calculation of the \$437.7 million Revenue Base.**

8 A. The \$437.7 million Revenue Base for KUSF FY 24 is comprised of: LECs/Electing Carrier
9 - \$111.7 million; wireless - \$172.0 million; VoIP - \$18.8 million; and IXC/Others - \$135.2
10 million. To determine the projected KUSF FY 24 revenues, Staff started with the revenue
11 projected for each carrier for KUSF FY 23, as discussed previously. Staff then analyzed
12 the revenue reported by carrier and/or carrier category for the years ended February 2017
13 through February 2019, as well as that projected through February 2020 to determine the
14 annual and two-year average revenue percentage increase or decline, as shown in
15 confidential Attachment K. Based on this analysis, Staff determined a revenue adjustment
16 factor for each carrier and/or carrier category. The revenue adjustment factors take into
17 consideration employing the lower or average methodology to project the KUSF FY 23
18 revenue, each carrier's reported revenue, and the revenue change each has experienced.

19 **Q. What impact does applying revenue adjustment factors have on the Revenue Base?**

³³ Order 5, Docket 00-236.

1 A. Confidential Attachment K shows Staff's projected FY 23 Revenue Base is \$72.6 million
2 less than the KUSF FY 22 Revenue Base, an overall industry revenue decline of 12.8%.
3 Staff considered this reduction, as well as the prior year's 8.1%, or approximately \$50
4 million, reduction to develop its revenue adjustment factors. By applying revenue
5 adjustment factors, the Revenue Base is projected to be \$57 million, or 11.5%, less for
6 KUSF FY 24.

7 **Q. Please explain Staff's analysis of the revenues reported by the RLECs, CenturyLink,**
8 **and SWBT.**

9 A. As shown in confidential Attachment K, the RLECs' revenues declined between 0.16%
10 and 7.38% annually, with a recent annual decline of 4.66% and a two-year average annual
11 decline of 6.02%. Staff, therefore, applied a 4.75% reduction to the RLECs' revenue, or
12 a reduction of \$1.0 million, resulting in projected revenue of \$20.6 million for FY 24 for
13 the RLECs.

14 Confidential Attachment K shows CenturyLink annual revenue reported to the KUSF
15 assessment continues to decline - ranging from 9.9% to 20.9% annually. Based on this
16 decline and the current two-year average, Staff applied a 16.5% revenue reduction factor
17 for CenturyLink.

18 SWBT also continues to report an annual reduction in its KUSF assessable revenues as
19 shown on confidential Attachment K. Based on the 7.6% to 9.0% annual revenue decline
20 reported by the Company and the recent two-year average decline of 8.9%, Staff applied
21 an 8.5% revenue reduction factor for SWBT.

22 **Q. Please explain the revenue adjustment factor Staff applied for the wireless carriers.**

1 A. The wireless industry has reported annual revenue declines, including a current projected
2 FY 23 decline of approximately \$51.8 million, or 19.7%. The industry annual revenue
3 decline ranges from 11.1% to 19.7%, with a current two-year average decline of 15.4%.
4 Because customers continue to use more data and, less voice, services, Staff applied an
5 18.5% revenue reduction factor for the wireless industry.

6 For the first time since March 2016, the VoIP industry reported a decline in its revenues
7 to the KUSF. The VoIP industry also appears to be on track to report a decline in its
8 revenues - \$1.3 million, or 6.4%, for FY 23. This contrasts with the VoIP industry's
9 previous annual revenue growth ranging from 2.4% to 3.95%. This projected decline in
10 revenue impacts the two-year average revenue for a reduction of 1.2%. Staff, therefore,
11 applied a 3.0% reduction factor for the VoIP industry.

12 Finally, like the other carriers, IXC/other carriers also reported a decline in their annual
13 revenues subject to the KUSF. The annual revenue reduction ranges from 0.92% to
14 8.8%., with a projected KUSF FY 23 decline of \$9.0 million, or 6.3%, and a current two-
15 year average decline of 3.6%. Staff applied a 4.75% reduction factor for the IXC/other
16 carriers.

17 **Q. Has Staff analyzed the accuracy of its prior revenue projections?**

18 A. Yes. Attachment L includes a comparison the projected FY 22 Revenue Base (March 2018
19 through February 2019) to the actual FY 22 reported Revenue Base. Staff used the KUSF
20 FY 22 data since it is the most current KUSF FY for which complete data is available.
21 The projected KUSF FY 22 Revenue Base was \$549.9 million compared to the actual
22 reported Revenue Base reported of \$567.3 million - \$17.4 million more than projected.

1 Staff's comparison of its originally projected \$522.1 million KUSF FY 23 Revenue Base,
2 used to set the KUSF FY 23 assessment rate of 6.88%, to its current projection of the FY
3 23 Revenue Base of \$494.6 million, shows a \$27.5 million difference. If Staff's current
4 projected FY 23 Revenue Base could be used to set the FY 23 assessment rate, the rate
5 would be 7.38%, an increase of .38% to the current 6.88% assessment rate.

6 Lastly, Attachment L includes a comparison of Staff's current projected KUSF FY 23
7 Revenue Base to the projected FY 24 Revenue Base. By applying the revenue adjustment
8 factors, the overall Revenue Base is reduced \$57.5 million, resulting in a 1.08% increase
9 to the calculated FY 24 assessment rate - from 8.32% to 9.40%.

10 **III. KUSF POLICY RECOMMENDATIONS**

11 **Q. What are the KUSF policy modifications Staff recommends the Commission adopt?**

12 A. Staff recommends that the Commission: 1) clarify its reporting election criteria that a
13 carrier must meet prior to changing its KUSF reporting and assessment payment election
14 (reporting election); 2) clarify the Commission has authority to assess KUSF
15 administrative penalties under its own authority; and 3) adopt guidelines for levying
16 penalties pursuant to K.S.A. 66-138 for non-compliance with KUSF obligations.

17 **Q. Why is Staff recommending that the Commission clarify its reporting election**
18 **criteria?**

19 A. GVNW has advised Staff that several smaller carriers that have elected to report revenue
20 and pay assessments more frequently than they are required to have attempted to change

1 their reporting elections after being assessed KUSF administrative penalties.³⁴ To provide
2 some background on this issue, each KUSF contributor must submit an Identification and
3 Operations form each year. This form includes a section in which the company identifies
4 the level of annual revenue it expects to earn and report during the next KUSF Fiscal Year
5 and selects which of the following options it will report revenue and pay assessments to
6 the KUSF:

- 7 1. a carrier with less than \$10,000 in annual revenues may file and pay annually;
- 8 2. a carrier with annual revenue between \$10,000 and \$25,000 may file and pay
9 semi-annually;
- 10 3. a carrier with annual revenue between \$25,000 and \$50,000 may file and pay
11 quarterly; and
- 12 4. a carrier with annual revenue above \$50,000 are required to file and pay
13 monthly.³⁵

14 The form must be signed by an officer of the company.³⁶ A carrier may elect to file more,
15 but not less, frequently than allowed by the criteria. A carrier may change its election free
16 of charge once during a KUSF year, with any subsequent reporting election change subject
17 to a \$100 change fee. I note that when a company makes a reporting election and revenue
18 reported during the KUSF year exceeds the selected threshold, the company is *required* to
19 change its filing frequency election. Staff's recommendations, therefore, do not apply to
20 those situations.

21 **Q. How have carriers attempted to use the reporting election process to avoid penalties?**

22 A. The KUSF penalties include a Late Filing Penalty (LFP) of 1.0 % per month (12% per

³⁴ Order Modifying Kansas Universal Service Fund Penalties, Docket No. 18-GIMT-084-GIT (Docket 18-084), Sept. 27, 2018 (Penalty Order) and Order Granting Petition of Southwestern Bell Telephone Company for Clarification and/or Reconsideration of Order Modifying Kansas Universal Service Fund Penalties (Clarification Order).

³⁵ Order Setting the Kansas Universal Service Fund Assessment Rate For Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, Jan. 23, 2006.

³⁶ *Id.*, ¶ 12.

1 annum) of the assessment due or \$100.00, whichever is greater, for any filing received by
2 the KUSF administrator after the due date, with certain exceptions.³⁷ The LFP for filing a
3 reporting election late is \$100.00 per month. The KUSF Late Payment Penalty (LPP) is
4 also 1% per month (12% per annum) and applies whenever additional monies are owed to
5 the KUSF and are received by the bank after the due date.³⁸ The Commission has not
6 specifically adopted criteria that require a carrier be current with *all* KUSF obligations,
7 including payment of penalties, prior to changing its reporting election.

8 This has resulted in several carriers that elected to file more frequently than required to
9 submit a reporting election change after being assessed KUSF penalties and claiming the
10 previously assessed penalties do not apply. To provide context, assume a company earns
11 \$24,000 a year and is required to report at least semi-annually, but elects to report monthly.
12 The company timely files one month's report, but is late submitting its reports for the next
13 two months. GVNW assesses a \$100 LFP each month, for total LFP penalties of \$200.
14 Instead of paying the penalties, the company submits a reporting election change, for free,
15 electing to report quarterly. The company then claims it is required to file one quarterly
16 report (and payment) and, therefore, is not subject to any LFP or, alternatively, only one
17 LFP, not two. Then assume the company remits its next quarterly report late and is assessed
18 a third \$100 LFP penalty. Instead of paying the \$300 of total LFPs, the company pays the
19 \$100 reporting election change fee, submits a new reporting election to file annually, and
20 claims that only one LFP applies. I note the company is also subject to LPPs for any

³⁷ The LFP does not apply when: (1) a wireless or VoIP provider registers with the KUSF and states it is not generating any Kansas intrastate retail revenue; or (2) a filing does not result in any additional monies owed to the KUSF or results in a credit owed to the provider.

³⁸ Docket 18-084, Penalty Order and Order on Reconsideration.

1 assessment payment received by the bank after the due date.

2 **Q. What are Staff's recommendations regarding the KUSF reporting election criteria?**

3 A. The reporting election criteria allow smaller carriers flexibility for administrative purposes,
4 but should not be used to minimize or avoid any appropriately assessed KUSF penalties.
5 Staff has, therefore, advised GVNW that no carrier should be allowed to change its
6 reporting election on a retroactive basis to avoid penalties and if the carrier disagrees, it
7 may file a pleading with the Commission. To avoid this situation, Staff recommends the
8 Commission clarify the KUSF election reporting criteria to allow a company to change its
9 reporting election during a KUSF year only when the carrier is in compliance with *all*
10 KUSF obligations, including payment of penalties based on its current reporting election.
11 This means any reporting election change would be effective *prospectively*.

12 **Q. Why is Staff recommending the Commission reiterate its authority to assess KUSF**
13 **penalties under its own authority?**

14 A. In general, KUSF penalties are levied by GVNW and the Commission levies penalties
15 under K.S.A. 66-138. When the Commission levies penalties under K.S.A. 66-138, the
16 penalties are ultimately remitted to the State General Fund and do not benefit the KUSF or
17 KUSF contributors even when the KUSF is negatively impacted. There may be a situation
18 when a KUSF penalty is appropriate, but the KUSF penalty structure does not allow
19 GVNW to know if, or when, a penalty should apply. These situations would likely arise
20 from a carrier audit or company-specific show cause proceeding before the Commission.
21 For example, GVNW identifies a reporting variance, provides written notification to a
22 carrier about the variance, and requests any necessary revisions be submitted within 30

1 calendar days. The carrier provides an explanation of the variance and states a revision is
2 not necessary. During a subsequent company-specific audit or show cause proceeding, it
3 is determined a revision was necessary. In this situation, it is likely GVNW would not
4 know if the LFP should be applied or when the LFP should be effective – is it the 30-
5 calendar day notification due date or is it effective the date on which it was determined a
6 revision should have been submitted. If the carrier owes additional monies to the KUSF,
7 whether an LPP and when the LPP would apply also needs to be determined. Staff is not
8 aware of any Commission Order or statute that prohibits the Commission from assessing
9 KUSF penalties to be remitted to the KUSF if the Commission determines such penalties
10 are appropriate. Thus, to address these types of situations, Staff recommends the
11 Commission clarify that it can determine, under its broad authority, that GVNW apply a
12 KUSF administrative penalty and the period for which such penalty applies.

13 **Q. What guidelines does Staff recommend the Commission adopt for levying penalties**
14 **under K.S.A. 66-138 for non-compliance with KUSF obligations?**

15 A. Staff recommends the Commission adopt KUSF penalty guidelines for non-compliance
16 with KUSF obligations similar to those adopted by the Commission for the KLSP.³⁹ Staff
17 recommends the Commission adopt the following guidelines: (1) the carrier is required to
18 report all revenue and pay all assessments and levied penalties to the KUSF; (2) the carrier
19 must refund any assessments over-collected from subscribers to subscribers whenever
20 possible; (3) each violation occurrence is defined as one month, unless the Commission
21 believes the situation warrants different treatment; and (4) monthly fines levied under

³⁹ 14-105 Order.

1 K.S.A. 66-138 should range from \$100 to \$5,000, depending on the carrier's classification
2 under K.S.A. 66-138.

3 Staff also recommends that any fine may be increased based on: (a) egregious misconduct;
4 (b) the carrier's assets and whether the assets are significant enough that a larger
5 disincentive is necessary; (c) the carrier's violation was intentional; (d) the violation
6 resulted in substantial harm to the KUSF and/or contributors to the KUSF, including
7 subscribers; (e) the company previously violated Commission requirements; (f) the
8 violation resulted in substantial economic gain to the carrier; and/or (g) the carrier has
9 repeated or continuous violations for the same or a similar issue. Similarly, the Commission
10 could reduce a fine if the carrier: (a) violation is minor; (b) acted in good faith or
11 volunteered disclosure; (c) has a history of overall compliance; and/or (d) is an inability to
12 pay.

13 **Q. Does this conclude your Direct Testimony?**

14 A. Yes.

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

In the Matter of An Investigation to Determine)
the Assessment Rate for the Twenty-Fourth Year) Docket No. 20-GIMT-086-GIT
of the Kansas Universal Service Fund, Effective)
March 1, 2020.)

REDACTED

Exhibit SKR-1

And

Attachments A – L

to the

Direct Testimony of

Sandy Reams

<u>Line</u>	<u>Description</u>	<u>Explanation</u>	<u>Year 24</u>
	<u>KUSF Obligations:</u>		<u>(3/1/2019)</u>
1	Rural LECs	Rural LECs' KUSF support (Attachment A).	\$ 30,000,000
2	United-Kansas d/b/a CenturyLink	CenturyLink's KUSF support (high-cost support, CAF II offset, and intrastate access reduction recovery). Subject to True-up (confidential Attachment B).	8,086,574
3	Telecommunications Relay Service (TRS)	TRS budget (Attachment C).	322,810
4	Telecommunications Access Program (TAP)	TAP budget (Attachment C).	239,622
5	Kansas Lifeline Service Program (KLSP)	KLSP budget (Attachment D)	455,396
6	Administration and Audits (GVNW, carrier audits, and third-party audits)	Day-to-day administration, carrier audits, third-party KUSF Financial Audit & Agreed-Upon-Procedures (Attachment E).	532,253
7	Gross KUSF Obligation	The sum of lines 1 through 6	\$ 39,636,655
8	Less: Projected Year 22 Ending Reserve	Estimated Reserve (Attachment F).	1,366,939
9	Adjusted KUSF Obligation	Adjusted KUSF monies to collect prior to Contingency Fund. Sum of Lines 7 and 8	\$ 38,269,717
10	Plus: Contingency Allowance	Equal to 7.50% of Adjusted Funds (Docket No. 00-GIMT-236-GIT, Jan. 19, 2000, Order)	2,870,229
11	Net KUSF Obligation	Line 9 plus Line 10	\$ 41,139,945

Line	Description	Explanation	Year 24
RETAIL REVENUES:			<u>3/1/2019</u>
1	Rural LECs	Provided by GVNW. Based on revenue reported by Rural LECs and Staff projections. (Confidential Attachments H & L)	\$ 20,586,937
2	SWBT	Provided by GVNW. Based on revenues reported by SWBT and Staff projections. (Confidential Attachments H & L)	** [REDACTED] *
3	CenturyLink	Provided by GVNW. Based on revenues reported by CenturyLink and Staff projections. (Confidential Attachments H & L)	** [REDACTED] *
4	Wireless Providers	Provided by GVNW. Based on revenues reported by wireless carriers and Staff projections. (Confidential Attachments I & L)	171,964,147
5	VoIP	Provided by GVNW. Based on revenues reported by VoIP providers and Staff projections. (Confidential Attachments J & L)	18,818,486
6	IXCs/Others	Provided by GVNW. Based on revenues reported by IXC/Other carriers and Staff projections. (Confidential Attachments K & L)	135,223,451
7	Total Assessable Revenue Base	Sum of Lines 1-6.	<u>\$ 437,654,268</u>
8	Net KUSF Obligations	(Page 1, line 11)	\$ 41,139,945
9	Total Assessable Revenue Base	(Line 7)	437,654,268
10	Proposed KUSF Assessment Rate	Line 8 / Line 9	<u><u>9.40%</u></u>

Line	Company		Annual KUSF Support (12/1/19) (A)	Local Rate Rebalancing (N/A) (B)	Intrastate Access Revenue Adjustments (N/A) (C)	Other Known/Estimated Adjustments (D)	Unadjusted Year 24 Annual KUSF Support (E = A-B-C-D)
1	Blue Valley	[a]	622,665			724,380	1,347,045
2	Columbus	[b]	-				-
3	Consolidated Communications - KS	[c]	-				-
4	Consolidated Communications - MO	[d]	-				-
5	Craw-Kan		2,319,095				2,319,095
6	Cunningham		870,968				870,968
7	Elkhart		3,673				3,673
8	Golden Belt		585,475			1,232,000	1,817,475
9	Gorham		554,835				554,835
10	H & B		692,429				692,429
11	Haviland	[e]	-				-
12	Home		563,719				563,719
13	JBN		632,769				632,769
14	KanOkla		704,365				704,365
15	LaHarpe	[f]	-				-
16	Madison		227,941				227,941
17	Mokan	[g]	-				-
18	Moundridge	[h]	-			(25,494)	-
19	Mutual		220,419				220,419
20	Peoples		491,342				491,342
21	Pioneer		3,644,476				3,644,476
22	Rainbow		798,373				798,373
23	Rural		2,704,821				2,704,821
24	S & A		349,944				349,944
25	S & T		1,191,346				1,191,346
26	South Central		233,272				233,272
27	Southern Kansas		1,203,650				1,203,650
28	Total		241,665				241,665
29	Tri-County		1,329,892				1,329,892
30	Tri-County - Council Grove		975,345				975,345
31	Twin Valley		3,551,882			(7,083)	3,544,799
32	United Telephone Assoc.	[i]	284,955			1,100,000	1,384,955
33	Wamego		1,606,122				1,606,122
34	Wheat State		614,709				614,709
35	Wilson		736,336				736,336
36	Zenda		300,175				300,175
	Total		\$ 28,256,657	\$ -	\$ -	\$ 3,023,803	\$ 31,305,954
	Statutory Cap		\$ 30,000,000		Statutory Cap	\$ 30,000,000	
	Dec. 1, 2019 Support		28,256,657		Feb. 1, 2021 Support	31,305,954	
	Remaining Headroom		\$ 1,743,343		Remaining Headroom	\$ (1,305,954)	

Notes:

- [a] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-BLVT-218-KSF].
- [b] Company's KUSF support was eliminated, effective March 1, 2017 [Jan. 19, 2017 Order, Docket 17-GIMT-008-GIT].
- [c] Company does not receive KUSF support [Docket Nos. 05-GIMT-094-GIT/06-FMCT-858-COC]. See Docket No. 19-FMCT-161-CCN approving name change.
- [d] Company does not receive KUSF support [May 2, 2003 Order, Docket No. 01-SFLT-879-AUD]. See Docket No. 19-SFLT-197-CCN approving name change.
- [e] Company does not receive KUSF support [Sept. 2010 Order, Docket No. 10-HVDT-288-KSF].
- [f] Company does not receive KUSF support, effective July 1, 2018 [June 26, 2013 Order, Docket No. 12-LHPT-875-AUD].
- [g] Company does not receive KUSF support (Jan. 12, 2004 Order, Docket No. 04-MKNT-364-AUD).
- [h] Company does not receive support [April 27, 2015 Order, Docket No. 15-MRGT-097-AUD].
- [i] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-UTAT-032-KSF].

Line	Company		Monthly KUSF Support		April 2020							Aug. 2020				Jan. 2021				Cumulative Feb. 2021 (No Pro-Rating)	KUSF Support Adjustment	Feb. 2021 (Monthly Pro-Rated Support)	Cumulative Feb. 2021 (Pro-Rated)
			(03/1/20)	Mar-20	Change	Apr-20	May-20	Jun-20	Jul-20	Change	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Change	Jan-21						
1	Blue Valley	[a]	\$ 51,889	\$ 51,889		\$ 103,777	\$ 155,666	\$ 207,555	\$ 259,444	\$ 155,372	\$ 414,815	\$ 570,187	\$ 725,558	\$ 880,930	\$ 1,036,301		\$ 1,191,673	\$ 1,347,045	\$ (56,193)	\$ 99,178	\$ 1,290,851		
2	Columbus	[b]	-	-		-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		
3	Consolidated Communications KS	[c]	-	-		-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		
4	Consolidated Communications MO	[d]	-	-		-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		
5	Craw-Kan		193,258	193,258		386,516	579,774	773,032	966,289	1,159,547	1,352,805	1,546,063	1,739,321	1,932,579		2,125,837	2,319,095	(96,743)	96,515	2,222,352			
6	Cunningham		72,581	72,581		145,161	217,742	290,323	362,903	435,484	508,065	580,646	653,226	725,807		798,388	870,968	(36,333)	36,248	834,635			
7	Elkhart		306	306		612	918	1,224	1,530	1,836	2,142	2,448	2,755	3,061		3,367	3,673	(153)	153	3,519			
8	Golden Belt		151,456	151,456		302,913	454,369	605,825	757,281	908,738	1,060,194	1,211,650	1,363,106	1,514,563		1,666,019	1,817,475	(75,817)	75,639	1,741,658			
9	Gorham		46,236	46,236		92,472	138,709	184,945	231,181	277,417	323,654	369,890	416,126	462,362		508,599	554,835	(23,145)	23,091	531,689			
10	H & B		57,702	57,702		115,405	173,107	230,810	288,512	346,214	403,917	461,619	519,322	577,024		634,726	692,429	(28,885)	28,817	663,544			
11	Haviland	[e]	-	-		-	-	-	-	-	-	-	-	-		-	-	-	-	-			
12	Home		46,977	46,977		93,953	140,930	187,906	234,883	281,860	328,836	375,813	422,789	469,766		516,743	563,719	(23,516)	23,461	540,203			
13	JBN		52,731	52,731		105,462	158,192	210,923	263,654	316,385	369,116	421,846	474,577	527,308		580,039	632,769	(26,397)	26,334	606,373			
14	KanOkla		58,697	58,697		117,394	176,091	234,788	293,486	352,183	410,880	469,577	528,274	586,971		645,668	704,365	(29,383)	29,314	674,982			
15	LaiHarpe	[f]	-	-		-	-	-	-	-	-	-	-	-		-	-	-	-	-			
16	Madison		18,995	18,995		37,990	56,985	75,980	94,975	113,971	132,966	151,961	170,956	189,951		208,946	227,941	(9,509)	9,486	218,432			
17	Mokan	[g]	-	-		-	-	-	-	-	-	-	-	-		-	-	-	-	-			
18	Moundridge	[h]	-	-		-	-	-	-	-	-	-	-	-		-	-	-	-	-			
19	Mutual		18,368	18,368		36,736	55,105	73,473	91,841	110,209	128,578	146,946	165,314	183,682		202,050	220,419	(9,195)	9,173	211,224			
20	Peoples		40,945	40,945		81,890	122,835	163,781	204,726	245,671	286,616	327,561	368,506	409,452		450,397	491,342	(20,497)	20,448	470,845			
21	Pioneer		303,706	303,706		607,413	911,119	1,214,825	1,518,532	1,822,238	2,125,944	2,429,651	2,733,357	3,037,063		3,340,770	3,644,476	(152,032)	151,674	3,492,444			
22	Rainbow		66,531	66,531		133,062	199,593	266,124	332,656	399,187	465,718	532,249	598,780	665,311		731,842	798,373	(33,305)	33,226	765,069			
23	Rural		225,402	225,402		450,803	676,205	901,607	1,127,009	1,352,410	1,577,812	1,803,214	2,028,616	2,254,017		2,479,419	2,704,821	(112,834)	112,568	2,591,987			
24	S & A		29,162	29,162		58,324	87,486	116,648	145,810	174,972	204,134	233,296	262,458	291,620		320,782	349,944	(14,598)	14,564	335,346			
25	S & T		99,279	99,279		198,558	297,836	397,115	496,394	595,673	694,952	794,231	893,509	992,788		1,092,067	1,191,346	(49,698)	49,581	1,141,648			
26	South Central		19,439	19,439		38,879	58,318	77,757	97,196	116,636	136,075	155,514	174,954	194,393		213,832	233,272	(9,731)	9,708	223,540			
27	Southern Kansas		100,304	100,304		200,608	300,912	401,217	501,521	601,825	702,129	802,433	902,737	1,003,041		1,103,346	1,203,650	(50,211)	50,093	1,153,439			
28	Total		20,139	20,139		40,278	60,416	80,555	100,694	120,833	140,971	161,110	181,249	201,388		221,526	241,665	(10,081)	10,057	231,584			
29	Tri-County		110,824	110,824		221,649	332,473	443,297	554,122	664,946	775,770	886,595	997,419	1,108,243		1,219,068	1,329,892	(55,478)	55,347	1,274,415			
30	Tri-County / Council Grove		81,279	81,279		162,557	243,836	325,115	406,394	487,672	568,951	650,230	731,509	812,787		894,066	975,345	(40,687)	40,591	934,657			
31	Twin Valley		295,990	295,990		591,980	887,970	1,183,961	1,479,951	1,775,941	2,071,931	2,367,921	2,663,911	2,959,902		3,252,350	3,544,799	(147,874)	148,116	3,400,466			
32	United Tel. Assoc.	[i]	23,746	23,746	123,746	147,493	271,239	394,985	518,731	642,478	766,224	889,970	1,013,716	1,137,463		1,261,209	1,384,955	(57,775)	65,972	1,327,180			
33	Wamego		133,843	133,843		267,687	401,530	535,374	669,217	803,061	936,904	1,070,748	1,204,591	1,338,435		1,472,278	1,606,122	(67,001)	66,843	1,539,121			
34	Wheat State		51,226	51,226		102,452	153,677	204,903	256,129	307,355	358,580	409,806	461,032	512,258		563,483	614,709	(25,643)	25,583	589,066			
35	Wilson		61,361	61,361		122,723	184,084	245,445	306,807	368,168	429,529	490,891	552,252	613,613		674,975	736,336	(30,717)	30,644	705,619			
36	Zmda		25,015	25,015		50,029	75,044	100,058	125,073	150,088	175,102	200,117	225,131	250,146		275,160	300,175	(12,522)	12,493	287,653			
Total			\$ 2,457,388	\$ 2,457,388	\$ 123,746	\$ 5,014,776	\$ 7,572,164	\$ 10,129,552	\$ 12,686,940	\$ 155,372	\$ 15,347,811	\$ 18,008,682	\$ 20,669,563	\$ 23,330,424	\$ 25,991,295	\$ 292,449	\$ 28,648,625	\$ 31,305,954	\$ (1,305,954)	1,354,917	30,003,541		

CHECK:

Annualized	\$ 31,305,954	Statutory Cap	\$ 30,000,000
Annual Tracker	30,000,000	Monthly Tracker	31,305,954
Headroom	\$ (1,305,954)	Headroom	\$ (1,305,954)

Notes:

- [a] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-BL-VT-218-KSF].
- [b] Company's KUSF support was eliminated, effective March 1, 2017 [Jan. 19, 2017 Order, Docket 17-GIMT-008-GIT].
- [c] Company does not receive KUSF support [Docket Nos. 05-GIMT-094-GIT/06-FMCT-858-COC]. See also 19-FMCT-161-CCN approving name change.
- [d] Company does not receive KUSF support [May 2, 2003 Order, Docket No. 01-SFLT-879-AUD]. See also Docket No. 19-SFLT-197-CCN approving name change.
- [e] Company does not receive KUSF support [Sept. 2010 Order, Docket No. 10-HVDI-288-KSF].
- [f] Company does not receive KUSF support, effective July 1, 2018 [June 26, 2013 Order, Docket No. 12-LHPT-875-AUD].
- [g] Company does not receive KUSF support [Jan. 12, 2004 Order, Docket No. 04-MKQT-364-AUD].
- [h] Company does not receive support [April 27, 2015 Order, Docket No. 15-MRGT-097-AUD]. Effective May 2020, annual covery of \$30,593 of audit expense will be complete.
- [i] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-UTAT-032-KSF].

KUSF Support Cap

Total Support Payable	\$ 31,305,954
Statutory Cap	30,000,000
KUSF Support Reduction	\$ (1,305,954)

Line	Company		FY 24 Unadjusted Annual KUSF	Pro-Rated Percentage / KUSF Support	Pro-Rated Annual KUSF Support	KUSF Support Adjustment
1	Blue Valley	[a]	\$ 1,347,045	4.30%	\$ 1,290,851	\$ (56,193)
2	Columbus	[b]	-	0.00%	-	-
3	Consolidated Communications KS	[c]	-	0.00%	-	-
4	Consolidated Communications MO	[d]	-	0.00%	-	-
5	Craw-Kan		2,319,095	7.41%	2,222,352	(96,743)
6	Cunningham		870,968	2.78%	834,635	(36,333)
7	Elkhart		3,673	0.01%	3,519	(153)
8	Golden Belt		1,817,475	5.81%	1,741,658	(75,817)
9	Gorham		554,835	1.77%	531,689	(23,145)
10	H & B		692,429	2.21%	663,544	(28,885)
11	Haviland	[e]	-	0.00%	-	-
12	Home		563,719	1.80%	540,203	(23,516)
13	JBN		632,769	2.02%	606,373	(26,397)
14	KanOkla		704,365	2.25%	674,982	(29,383)
15	LaHarpe	[f]	-	0.00%	-	-
16	Madison		227,941	0.73%	218,432	(9,509)
17	Mokan	[g]	-	0.00%	-	-
18	Moundridge	[h]	-	0.00%	-	-
19	Mutual		220,419	0.70%	211,224	(9,195)
20	Peoples		491,342	1.57%	470,845	(20,497)
21	Pioneer		3,644,476	11.64%	3,492,444	(152,032)
22	Rainbow		798,373	2.55%	765,069	(33,305)
23	Rural		2,704,821	8.64%	2,591,987	(112,834)
24	S & A		349,944	1.12%	335,346	(14,598)
25	S & T		1,191,346	3.81%	1,141,648	(49,698)
26	South Central		233,272	0.75%	223,540	(9,731)
27	Southern Kansas		1,203,650	3.84%	1,153,439	(50,211)
28	Totah		241,665	0.77%	231,584	(10,081)
29	Tri-County		1,329,892	4.25%	1,274,415	(55,478)
30	Tri-County - Council Grove		975,345	3.12%	934,657	(40,687)
31	Twin Valley		3,544,799	11.32%	3,396,925	(147,874)
32	United Telephone Assoc.	[i]	1,384,955	4.42%	1,327,180	(57,775)
33	Wamego		1,606,122	5.13%	1,539,121	(67,001)
34	Wheat State		614,709	1.96%	589,066	(25,643)
35	Wilson		736,336	2.35%	705,619	(30,717)
36	Zenda		300,175	0.96%	287,653	(12,522)
Total			\$ 31,305,954	100%	\$ 30,000,000	\$ (1,305,954)

Notes:

- [a] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-BLVT-218-KSF].
- [b] Company's KUSF support was eliminated, effective March 1, 2017 [Jan. 19, 2017 Order, Docket 17-GIMT-008-GIT].
- [c] Company does not receive KUSF support [Docket Nos. 05-GIMT-094-GIT/06-FMCT-858-COC]. Name change, Docket No. 19-FMCT-161-
- [d] Company does not receive KUSF support [May 2, 2003 Order, Docket No. 01-SFLT-879-AUD]. Name change, Docket No. 19-SFLT-197-CCN.
- [e] Company does not receive KUSF support [Sept. 2010 Order, Docket No. 10-HVDT-288-KSF].
- [f] Company does not receive KUSF support, effective July 1, 2018 [June 26, 2013 Order, Docket No. 12-LHPT-875-AUD].
- [g] Company does not receive KUSF support (Jan. 12, 2004 Order, Docket No. 04-MKNT-364-AUD).
- [h] Company does not receive support [April 27, 2015 Order, Docket No. 15-MRGT-097-AUD].
- [i] Assumes Company will be awarded additional KUSF subsidies for KUSF FY 24. [Docket No. 20-UTAT-032-KSF].

**United Telephone Companies of Kansas d/b/a CenturyLink KS00001411
KUSF Support Calculation Worksheet
Effective As Of 3/1/2020 Data Month
Fiscal Year 2020/2021**

<u>Description</u>		<u>Annual</u>	<u>Monthly</u>	
<u>United of Eastern/South Central SAC 411317</u>				
Estimated Gross KUSF	\$ 7,616,834			(1)
Less: Estimated CAF II Offset	<u>(1,644,945)</u>			(2)
Net KUSF: United of Eastern/South Central SAC		\$ 5,971,889	\$ 497,657	
<u>United of Kansas SAC 411842</u>				
Estimated Gross KUSF	\$ 2,155,988			(1)
Less: Estimated CAF II Offset	<u>(547,527)</u>			(2)
Net KUSF: United of Kansas SAC		1,608,461	134,038	
<u>Embarq MO SAC 411957</u>				
Estimated Gross KUSF	\$ 138,238			(1)
Less: Estimated CAF II Offset	<u>(41,131)</u>			(2)
Net KUSF: United of MO SAC		97,107	8,092	
Net Cost-Based KUSF Support Payable to Company		<u>\$ 7,677,456</u>	<u>\$ 639,788</u>	(3)
Plus: Access revenue Recovery-Docket No. 08-1023		409,118	34,093	(4)
Total Adjusted KUSF Support Payable to Company		<u>\$ 8,086,574</u>	<u>\$ 673,881</u>	(5)

Assessment Rate (6)

Lifeline \$ 7.77

Per HB 2201, KUSF Support Capped at: KUSF Support, as of 2/28/2013	Support
	\$ 13,279,541
	90%
	\$ 11,951,587
Or, Lesser of, or Cap	\$ 11,400,000

Notes:

- 1) Gross KUSF support for each study area is based on 9/30/2018 lines and Docket No. 99-GIMT-326-GIT high-cost model, Order Nos. 10 and 16.
- 2) High Cost Model reflects the total company unseparated cost-based support. CAF II support received for the same household is an offset to the gross KUSF support. (K.S.A. 66-2008(c) and Docket No. 16-GIMT-511-GIT). Subject to CAF II support true-up for enabled eligible household locations as of December 2017 and Dec. 2018 (Docket No. 16-GIMT-511-GIT).
- 3) Net cost-based KUSF support payable to Company for all study areas.
- 4) Revenue-Neutral KUSF Support for Intrastate access reductions, Docket No. 08-GIMT-1023-GIT.
- 5) Total adjusted KUSF Support Payable to Company.
- 6) Docket No. 19-GIMT-056-GIT, Jan. 2019 Order.

		As of September 30, 2019						KUSF / CAF2 Overlap				
		ZONE 1			ZONE 2			Zone 1	Zone 2			
Wire Center	Study Area	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total KUSF Needed in WC after CAF2 Overlap	Total KUSF Needed in WC after CAF2 Overlap	Zone1 KUSF Reduction	Zone 2 KUSF Reduction	Total KUSF Reduction
		[a]	[b]	[c = a x b x 12]	[d]	[e]	[f = d x e x 12]	[g]	[h]	[i = c - g]	[j = f - h]	[k = i + j]
Alta Vista	Eastern	*	\$ 18.19		\$ 100.01					* \$ 1,091	\$ 16,636	\$ 17,727
Altoona	Eastern	*	\$ 21.80		\$ 91.96					* \$ 2,616	\$ 6,501	\$ 9,117
Belle Plaine	Eastern	*	\$ -		\$ 31.13					* \$ -	\$ 2,241	\$ 2,241
Benedict	Eastern	*	\$ -		\$ 117.03					* \$ -	\$ 2,609	\$ 2,609
Blue Mound	Eastern	*	\$ 40.47		\$ 114.80					* \$ 6,800	\$ 4,104	\$ 10,904
Bucyrus	Eastern	*	\$ -		\$ 39.07					* \$ -	\$ 86,621	\$ 86,621
Buffalo	Eastern	*	\$ -		\$ 70.97					* \$ -	\$ 3,338	\$ 3,338
Centropolis	Eastern	*	\$ -		\$ 69.73					* \$ -	\$ 43,466	\$ 43,466
Circleville	Eastern	*	\$ 34.46		\$ 90.67					* \$ -	\$ 21,802	\$ 21,802
Conway	Eastern	*	\$ -		\$ 98.49					* \$ -	\$ 9,202	\$ 9,202
Coyville	Eastern	*	\$ -		\$ 88.71					* \$ -	\$ (637)	\$ (637)
Delia	Eastern	*	\$ -		\$ 84.53					* \$ -	\$ 8,911	\$ 8,911
Denison	Eastern	*	\$ 29.99		\$ 84.00					* \$ -	\$ 22,531	\$ 22,531
Durham	Eastern	*	\$ -		\$ 103.19					* \$ -	\$ 10,635	\$ 10,635
Easton	Eastern	*	\$ 7.74		\$ 43.71					* \$ 93	\$ 14,714	\$ 14,807
Edgerton	Eastern	*	\$ -		\$ 21.98					* \$ -	\$ 27,774	\$ 27,774
Effingham	Eastern	*	\$ 4.01		\$ 59.56					* \$ -	\$ 33,575	\$ 33,575
Emmett	Eastern	*	\$ 39.17		\$ 93.49					* \$ -	\$ 9,942	\$ 9,942
Fall River	Eastern	*	\$ -		\$ 68.10					* \$ -	\$ 10,018	\$ 10,018
Fontana	Eastern	*	\$ -		\$ 47.58					* \$ -	\$ 31,261	\$ 31,261
Gardner	Eastern	*	\$ -		\$ 3.08					* \$ -	\$ 15,256	\$ 15,256
Greeley	Eastern	*	\$ 8.04		\$ 66.26					* \$ 89	\$ 27,038	\$ 27,127
Gridley	Eastern	*	\$ 14.80		\$ 109.86					* \$ 437	\$ 10,729	\$ 11,166
Harveyville	Eastern	*	\$ 24.75		\$ 82.47					* \$ 137	\$ 27,155	\$ 27,291
Hesston	Eastern	*	\$ -		\$ 17.30					* \$ -	\$ -	\$ -
Hoyt	Eastern	*	\$ 5.81		\$ 45.96					* \$ -	\$ 39,487	\$ 39,487
Inman	Eastern	*	\$ -		\$ 42.76					* \$ -	\$ 38,160	\$ 38,160
Lafontaine	Eastern	*	\$ -		\$ 125.45					* \$ -	\$ 2,420	\$ 2,420
Lancaster	Eastern	*	\$ 4.09		\$ 51.05					* \$ 147	\$ 20,021	\$ 20,168
Lane	Eastern	*	\$ -		\$ 32.96					* \$ -	\$ 13,059	\$ 13,059
Lebo	Eastern	*	\$ 2.99		\$ 77.37					* \$ -	\$ 24,582	\$ 24,582
Lehigh	Eastern	*	\$ 41.68		\$ 117.10					* \$ 2,611	\$ 4,032	\$ 6,643
Le Roy	Eastern	*	\$ 17.48		\$ 111.73					* \$ -	\$ 9,461	\$ 9,461
Linwood	Eastern	*	\$ 8.12		\$ 29.30					* \$ 487	\$ 86,670	\$ 87,157
Mapleton	Eastern	*	\$ -		\$ 93.54					* \$ -	\$ 11,791	\$ 11,791
Mayetta	Eastern	*	\$ 16.87		\$ 51.20					* \$ -	\$ 24,666	\$ 24,666
Mc Louth	Eastern	*	\$ 3.77		\$ 50.21					* \$ -	\$ 120,368	\$ 120,368
Meriden	Eastern	*	\$ 1.17		\$ 28.18					* \$ -	\$ 90,260	\$ 90,260
Michigan Valley	Eastern	*	\$ -		\$ 86.39					* \$ -	\$ 17,703	\$ 17,703
Mound City	Eastern	*	\$ 1.71		\$ 53.47					* \$ -	\$ 49,155	\$ 49,155
Neosho Falls	Eastern	*	\$ -		\$ 93.55					* \$ -	\$ 1,872	\$ 1,872
Nortonville	Eastern	*	\$ 5.83		\$ 57.07					* \$ -	\$ 41,984	\$ 41,984
Osage City	Eastern	*	\$ -		\$ 37.89					* \$ -	\$ 19,297	\$ 19,297
Overbrook	Eastern	*	\$ 1.30		\$ 54.24					* \$ -	\$ 30,194	\$ 30,194
Oxford	Eastern	*	\$ -		\$ 49.26					* \$ -	\$ -	\$ -
Ozawkie	Eastern	*	\$ 7.56		\$ 38.45					* \$ -	\$ 15,828	\$ 15,828
Parker	Eastern	*	\$ 12.16		\$ 67.36					* \$ 403	\$ 43,097	\$ 43,500
Perry	Eastern	*	\$ 0.15		\$ 36.68					* \$ -	\$ 72,291	\$ 72,291
Piqua	Eastern	*	\$ -		\$ 117.23					* \$ -	\$ 5,680	\$ 5,680

REDACTED Data

		As of September 30, 2019						KUSF / CAF2 Overlap					
		ZONE 1			ZONE 2			Zone 1	Zone 2				
Wire Center	Study Area	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total KUSF Needed in WC after CAF2 Overlap	Total KUSF Needed in WC after CAF2 Overlap	Zone1 KUSF Reduction	Zone 2 KUSF Reduction	Total KUSF Reduction	
Princeton	Eastern	*	\$ 8.28			\$ 67.05				*	\$ -	\$ 3,928	\$ 3,928
Quincy	Eastern	*	\$ -			\$ 243.23				*	\$ -	\$ 1,159	\$ 1,159
Richmond	Eastern	*	\$ 9.84			\$ 69.69				*	\$ -	\$ 36,992	\$ 36,992
Rossville	Eastern	*	\$ -			\$ 45.52				*	\$ -	\$ 50,192	\$ 50,192
Silver Lake	Eastern	*	\$ -			\$ 27.20				*	\$ -	\$ 86,613	\$ 86,613
Spring Hill	Eastern	*	\$ 0.41			\$ 21.46				*	\$ 15	\$ 75,634	\$ 75,648
Saint Marys	Eastern	*	\$ -			\$ 15.95				*	\$ -	\$ 16,472	\$ 16,472
Thayer	Eastern	*	\$ 11.90			\$ 75.96				*	\$ -	\$ 33,871	\$ 33,871
Toronto	Eastern	*	\$ 14.09			\$ 80.33				*	\$ -	\$ 17,822	\$ 17,822
Walton	Eastern	*	\$ 12.47			\$ 70.57				*	\$ -	\$ 1,102	\$ 1,102
Wellsville	Eastern	*	\$ -			\$ 41.21				*	\$ -	\$ 5,046	\$ 5,046
Winchester	Eastern	*	\$ 1.11			\$ 60.84				*	\$ -	\$ 27,087	\$ 27,087
Windom	Eastern	*	\$ -			\$ 60.58				*	\$ -	\$ 3,875	\$ 3,875
Abbyville	S. Central	*	\$ -			\$ 59.22				*	\$ -	\$ 1,137	\$ 1,137
Alden	S. Central	*	\$ 27.44			\$ 45.06				*	\$ 481	\$ 5,440	\$ 5,920
Arlington	S. Central	*	\$ 10.55			\$ 71.51				*	\$ -	\$ -	\$ -
Belpre	S. Central	*	\$ -			\$ 72.04				*	\$ -	\$ 770	\$ 770
Clafin	S. Central	*	\$ 6.34			\$ 75.04				*	\$ -	\$ 4,149	\$ 4,149
Cunningham	S. Central	*	\$ 15.68			\$ 109.55				*	\$ 753	\$ 7,013	\$ 7,766
Hoisington	S. Central	*	\$ -			\$ 49.76				*	\$ -	\$ -	\$ -
Hudson	S. Central	*	\$ -			\$ 57.73				*	\$ -	\$ 7,051	\$ 7,051
Langdon	S. Central	*	\$ -			\$ 67.61				*	\$ -	\$ -	\$ -
Macksville	S. Central	*	\$ -			\$ 43.76				*	\$ -	\$ 725	\$ 725
Murdock	S. Central	*	\$ -			\$ 92.68				*	\$ -	\$ -	\$ -
Partridge	S. Central	*	\$ 13.29			\$ 64.25				*	\$ -	\$ -	\$ -
Preston	S. Central	*	\$ -			\$ 87.12				*	\$ -	\$ 597	\$ 597
Pretty Prairie	S. Central	*	\$ 9.13			\$ 70.83				*	\$ -	\$ 1,706	\$ 1,706
Saint John	S. Central	*	\$ 0.42			\$ 73.11				*	\$ 18	\$ 4,197	\$ 4,214
Sterling	S. Central	*	\$ -			\$ 33.26				*	\$ -	\$ 5,244	\$ 5,244
Sylvia	S. Central	*	\$ -			\$ 48.80				*	\$ -	\$ 3,449	\$ 3,449
Total - Eastern/S Central			4,616	\$ 463,002	13,560	\$ 7,153,832	\$ 446,826	\$ 5,525,062	\$ 16,176	\$ 1,628,770	\$ 1,644,945		
Riverton	South East	*	\$ 5.38			\$ 36.70				*	\$ 1,871	\$ 33,508	\$ 35,378
Scammon	South East	*	\$ 2.06			\$ 28.18				*	\$ 123	\$ 5,630	\$ 5,753
Total - Embarq MO			246	\$ 10,771	302	\$ 127,467	\$ 8,777	\$ 88,330	\$ 1,994	\$ 39,137	\$ 41,131		

REDACTED Data

		As of September 30, 2019						KUSF / CAF2 Overlap				
		ZONE 1			ZONE 2			Zone 1	Zone 2			
Wire Center	Study Area	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total Supported Lines	Per Line Support (Monthly)	KUSF Support (Annual)	Total KUSF Needed in WC after CAF2 Overlap	Total KUSF Needed in WC after CAF2 Overlap	Zone1 KUSF Reduction	Zone 2 KUSF Reduction	Total KUSF Reduction
Alma	United	*	\$ -			\$ 63.41				* \$ -	\$ 48,198	\$ 48,198
Altamont	United	*	\$ 0.82			\$ 57.60				* \$ 59	\$ 7,220	\$ 7,279
Baldwin	United	*	\$ -			\$ 20.81				* \$ -	\$ 39,356	\$ 39,356
Buhler	United	*	\$ -			\$ 26.31				* \$ -	\$ 11,777	\$ 11,777
Burlingame	United	*	\$ -			\$ 27.66				* \$ -	\$ 15,210	\$ 15,210
Burlington	United	*	\$ -			\$ 32.11				* \$ -	\$ 18,209	\$ 18,209
Burrton	United	*	\$ 9.41			\$ 82.62				* \$ -	\$ -	\$ -
Ellinwood	United	*	\$ -			\$ 37.54				* \$ -	\$ 207	\$ 207
Eskridge	United	*	\$ -			\$ 95.25				* \$ -	\$ 20,958	\$ 20,958
Fredonia	United	*	\$ -			\$ 4.78				* \$ -	\$ 1,971	\$ 1,971
Garnett	United	*	\$ -			\$ 21.33				* \$ -	\$ 15,294	\$ 15,294
Haven	United	*	\$ -			\$ 9.16				* \$ -	\$ 110	\$ 110
Highland	United	*	\$ -			\$ 21.49				* \$ -	\$ 7,555	\$ 7,555
Hillsboro	United	*	\$ -			\$ 13.26				* \$ -	\$ 2,310	\$ 2,310
Kincaid	United	*	\$ -			\$ 54.52				* \$ -	\$ 17,075	\$ 17,075
Lyndon	United	*	\$ -			\$ 28.81				* \$ -	\$ 33,566	\$ 33,566
Melvern	United	*	\$ -			\$ 60.74				* \$ -	\$ 29,945	\$ 29,945
Moran	United	*	\$ 7.46			\$ 72.61				* \$ 179	\$ 12,496	\$ 12,675
Morrill	United	*	\$ -			\$ 36.76				* \$ -	\$ 8,883	\$ 8,883
Mound Valley	United	*	\$ 15.01			\$ 78.78				* \$ 180	\$ 7,592	\$ 7,772
Oskaloosa	United	*	\$ -			\$ 26.07				* \$ -	\$ 45,666	\$ 45,666
Oswego	United	*	\$ -			\$ 24.81				* \$ -	\$ 11,469	\$ 11,469
Pomona	United	*	\$ -			\$ 28.28				* \$ -	\$ 7,697	\$ 7,697
Powhattan	United	*	\$ -			\$ 51.81				* \$ -	\$ 9,882	\$ 9,882
Quenemo	United	*	\$ -			\$ 111.32				* \$ -	\$ 6,506	\$ 6,506
Troy	United	*	\$ -			\$ 45.65				* \$ -	\$ 35,981	\$ 35,981
Valley Falls	United	*	\$ -			\$ 26.42				* \$ -	\$ 24,896	\$ 24,896
Wathena	United	*	\$ 2.68			\$ 45.16				* \$ -	\$ 63,059	\$ 63,059
Waverly	United	*	\$ 1.12			\$ 84.23				* \$ 6	\$ 15,526	\$ 15,532
Westphalia	United	*	\$ -			\$ 75.84				* \$ -	\$ 19,728	\$ 19,728
White Cloud	United	*	\$ 14.45			\$ 69.22				* \$ 4,509	\$ 4,251	\$ 8,761
Total - United			709	\$ 44,544	4,690	\$ 2,111,444	\$ 39,610	\$ 1,568,850	\$ 4,934	\$ 542,593	\$ 547,527	
Subtotal - Per Zone			5,571	\$ 518,317	18,552	\$ 9,392,743	\$ 495,214	\$ 7,182,243	\$ 23,103	\$ 2,210,501	\$ 2,233,604	
Total Company					24,123	\$ 9,911,060						

KUSF Year 23 (Eff. 3/1/2019)				
Year 22- 23 Access True-Up				
12-Month Volumes 9/30/2018			\$	575,519
Monthly Support				47,960
KUSF Per 9/30/2019 Volumes			\$	467,017
Monthly Support			\$	38,918
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-18	\$ 79,521	\$ 38,918	\$	(40,603)
Nov-18	79,521	38,918		(40,603)
Dec-18	79,521	38,918		(40,603)
Jan-19	79,521	38,918		(40,603)
Feb-19	79,521	38,918		(40,603)
Mar-19	18,188	38,918		20,731
Apr-19	18,188	38,918		20,731
May-19	18,188	38,918		20,731
Jun-19	18,188	38,918		20,731
Jul-19	18,188	38,918		20,731
Aug-19	18,188	38,918		20,731
Sep-19	18,188	38,918		20,731
Annual Total	\$ 524,916	\$ 467,017	\$	(57,899)
Mar 19 Estimate	\$	575,519		
Year 22 True-Up		<u>(357,269)</u>		
Adjusted Payable	\$	<u>218,250</u>		
Monthly	\$	<u>18,188</u>		

KUSF Year 24 (Eff. 3/1/2020)				
Year 23- 24 Access True-Up				
12-Month Volumes 9/30/2019			\$	467,017
Monthly Support				38,918
KUSF Per 9/30/2020 Volumes				-
Monthly Support			\$	-
Month:	Subsidy Paid	Subsidy Actual	Difference	
Oct-19	\$ 18,188	\$ -	\$	(18,188)
Nov-19	18,188	-		(18,188)
Dec-19	18,188	-		(18,188)
Jan-20	18,188	-		(18,188)
Feb-20	18,188	-		(18,188)
Mar-20	34,093	-		(34,093)
Apr-20	34,093	-		(34,093)
May-20	34,093	-		(34,093)
Jun-20	34,093	-		(34,093)
Jul-20	34,093	-		(34,093)
Aug-20	34,093	-		(34,093)
Sep-20	34,093	-		(34,093)
Annual Total	\$ 329,590	\$ -	\$	(329,590)
Mar 20 Estimate	\$	467,017		
Year 23 True-Up		<u>(57,899)</u>		
Adjusted Payable	\$	<u>409,118</u>		
Monthly	\$	<u>34,093</u>		

Telecommunications Relay Service:

	By Activity Month									Total	Monthly Average
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19			
Sprint Relay Services [a]	\$ 21,715	\$ 28,851	\$ 22,165	\$ 20,469	\$ 21,975	\$ 21,768	\$ 18,508	\$ 22,591	\$ 178,043	\$ 22,255	
Telecommunications Relay Service - Admin. [b]	\$ -	\$ -	\$ 524	\$ -	\$ -	\$ 6,901	\$ -		\$ 7,425	\$ 1,237	
KUSF Year 22 True-Up	1,944								1,944		
Total ATK Administration	\$ 1,944	\$ -	\$ 524	\$ -	\$ -	\$ 6,901	\$ -	\$ -	\$ 9,368		

Total Estimated Relay Costs

		Per minute rate
Sprint Relay Service	\$ 300,917	2019 \$ 2.13
Administration Costs [Feb. 15, 2019 Contract]	19,949	2020 \$ 2.40
True-Up Allowance	1,944	Increase 113%
Total	\$ 322,810	FY 23 Mo. Ave. \$ 22,255
		FY 23 Annualized \$ 267,064
		FY 24 Projected \$ 300,917

Telecommunications Access Program:

	By Activity Month									Total	Monthly Average
	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19			
Assistive Technologies of Kansas - Admin. [a]	\$ -	\$ -	\$ 9,728	\$ -	\$ -	\$ 37,609			\$ 47,337	\$ 3,945	
TAP Equipment	8,390	6,247	4,510	5,738	6,255	6,954	5,869	5,048	49,011	4,084	
KUSF Year 22 True-Up	23,836								23,836	1,986	
Total	\$ 32,226	\$ 6,247	\$ 14,238	\$ 5,738	\$ 6,255	\$ 44,563	\$ 5,869	\$ 5,048	\$ 120,184	\$ 10,015	

Contractual Costs/Estimated TAP Equipment

		TAP Equipment
Administration (FY 3/20 - 2/21)	\$ 166,775	FY 23 Mo. Ave. \$ 4,084
TAP Equipment	49,011	FY 23 Annualized \$ 49,011
True-Up Allowance	23,836	
Total	\$ 239,622	

Notes:

- [a] A copy of the contract may be viewed at: https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000045640.
[b] A copy of the contract may be viewed at: https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=000000000000000000046051.

Line	Description								
8-Month Average Lines per Month - Year 23									
1	(from line 19)		4,884						
2	Projected Line Growth (Decline)	0.0%							
3	Estimated Line Growth		-						
Projected Monthly Lifeline Eligible Lines-Year 23									
4	(line 1 + 3)		4,884						
5	Monthly Credit/Discount Per Line		\$ 7.77						
6	Monthly Lifeline Credits		\$ 37,950						
7	Year 24 KLSP Funding		\$ 455,396						
<hr/>									
8	KLSP credits as of Feb. 2019 (Year 22)	[a]	\$ 766,951						
9	Average KLSP credits per month		63,913						
10	Equivalent No. of Lines supported (\$7.77/line)		8,226						
11	KLSP credits as of Feb. 2018 (Year 21)	[b]	\$ 1,338,320	Year 21 - 22 (Line 10 - line 13)	Change in No. Lines (current lines - prior year lines)	Percent Line Change (change/prior year lines)	Funding Change (current funding - prior funding)	2 Year Average Line Change (average of change in 2 years)	Percent Change (average 2 year percent)
12	Average KLSP credits per month		111,527		(6,128)	-42.69%	\$ (571,369)	(3,321)	-23.07%
13	Equivalent No. of Lines supported (\$7.77/line)		14,353	Year 20 - 21 (Line 13 - line 16)	(513)	-3.45%	\$ (47,848)		
14	KLSP credits as of Feb. 2017 (Year 20)	[c]	\$ 1,386,168						
15	Average KLSP credits per month		115,514						
16	Equivalent No. of Lines supported (\$7.77/line)		14,867						
<hr/>									
KLSP Credits - March - Oct. 2019 Total									
17	KLSP Credits - 8 Months' Average	[d]	\$ 303,597						
18	Equivalent No. of Lines supported (\$7.77/line)/Month		4,884	Projected Yr. 22- 23 (Line 19 - line 10)	Change in No. Lines	Percent Line Change	Funding Change		
19	Annualized KLSP Credits		\$ 455,396		(3,341)	-40.62%	\$ (882,924)		
<hr/>									
KLSP Credits - May - Oct. 2019 Total									
20	KLSP Credits - 6 Months' Average		34,285	Projected Yr. 22- 23 (Line 23- line 10)	(3,813)	-46.36%	\$ (926,899)		
21	Equivalent No. of Lines supported (\$7.77/line)		4,413						
22	Annualized KLSP Credits		\$ 411,422						
<hr/>									
KLSP Credits - Aug. - Oct. 2019 Total									
23	KLSP Credits - 3 Months' Average		\$ 85,695	Projected Yr. 22- 23 (Line 27 - line 10)	(4,549)	-31.69%	\$ (995,539)		
24	Equivalent No. of Lines supported (\$7.77/line)		\$ 28,565						
25	Annualized KLSP Credits		\$ 342,781						

Notes:

KUSF Operational Results, March 2018 - Feb. 2019 Fiscal Year (Docket No. 18-GIMT-084-GIT)
KUSF Operational Results, March 2017 - Feb. 2018 Fiscal Year (Docket No. 17-GIMT-073-GIT).
KUSF Operational Results, March 2016 - Feb. 2017 Fiscal Year (Docket No. 16-GIMT-067-GIT).

KUSF FY 23
Kansas Lifeline Service Program
Funding

Company Name	Activity Month	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Total
	Data Month	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	
Blue Valley Telecommunications	\$	264	\$ 272	\$ 272	\$ 272	\$ 264	\$ 233	\$ 186	\$ 256	\$ 2,020
One Point Technologies		93	78	78	78	85	70	70	54	606
Columbus Communications Services, Inc.		-	326	163	171	163	163	163	140	1,290
Tri-County Telephone-Council Grove Study Area		218	249	249	241	249	249	241	256	1,950
Craw-Kan Telephone Co-op Inc		1,484	1,461	1,437	1,445	1,445	1,414	1,375	1,368	11,430
Cunningham Telephone Company Inc		202	194	194	186	186	179	179	179	1,500
Elkhart Telephone Company		47	39	47	47	47	39	39	39	342
Golden Belt Telephone Association Inc		715	684	660	684	637	629	629	637	5,276
Gorham Telephone Company		47	47	47	47	47	47	47	47	373
H & B Communications Inc		47	47	47	39	39	39	39	39	334
Haviland Telephone Company		785	777	769	746	715	676	668	684	5,820
Home Telephone Co Inc		16	16	16	16	16	16	16	16	124
JBN Telephone Company Inc		210	218	218	218	210	202	202	210	1,686
Kanokla Telephone Association		381	373	334	319	342	342	334	334	2,758
LaHarpe Telephone Co		311	287	295	303	295	303	303	303	2,401
Madison Telephone LLC		109	117	109	109	109	101	101	101	855
Mokan Dial Inc		326	287	287	287	295	256	241	264	2,246
Moundridge Telephone Company		249	241	241	233	218	202	179	186	1,748
Mutual Telephone Company		23	23	23	23	23	16	16	16	163
Peoples Telecommunications, LLC		381	389	357	373	350	350	342	334	2,875
Pioneer Telephone Association Inc		769	769	730	715	715	707	707	692	5,804
Rainbow Telecommunications Association Inc		140	140	140	140	140	148	148	148	1,142
Rural Telephone Service Co Inc dba Nex-Tech		559	567	536	513	521	497	490	474	4,157
S & A Telephone Company Inc		365	365	350	365	365	357	350	350	2,867
S & T Telephone Coop Assn		280	272	264	256	256	256	256	256	2,098
S & T Communications		536	536	528	521	513	505	513	513	4,165
South Central Telephone Assn Inc		54	54	62	62	62	62	62	62	482
Southern Kansas Telephone Company Inc		218	218	225	218	210	202	218	194	1,702
Consolidated Communications of Kansas Company		85	85	85	85	85	-	-	-	427
Total Communications Inc		93	70	78	78	78	78	70	70	614
Tri-County Telephone Assn. Inc		124	124	124	132	132	132	132	124	1,026
Twin Valley Telephone Inc		303	311	295	303	311	295	295	295	2,409
United Telephone Association Inc		132	132	132	124	124	124	117	117	1,002
United Telephone of Kansas d/b/a CenturyLink		2,036	2,020	2,012	1,966	1,904	1,810	1,733	1,733	15,214
Wamego Telecommunications Co Inc		163	163	171	163	163	163	163	148	1,298
Wheat State Telephone Inc		280	272	287	280	295	280	280	280	2,253
Wilson Telephone Company Inc		179	171	163	179	171	148	148	140	1,298
Zenda Telephone Company Inc		23	23	23	23	23	23	23	23	186
Nex-Tech LLC		870	793	-	-	-	-	-	-	1,663
Giant Communications Inc		54	62	62	62	54	23	47	39	404
Your Tel America dba Terra Com Wireless		31,391	28,252	25,447	22,463	19,402	16,612	15,120	15,602	174,289
Cox Kansas Telecom LLC		3,877	3,823	3,854	3,395	2,960	2,106	(3,636)	-	16,379
H & B Cable Services Inc		16	16	16	16	16	8	8	8	101
Rainbow Communications, LLC		210	218	218	210	218	210	194	179	1,655
Cunningham Communications Inc		389	389	389	381	365	342	342	342	2,937
Nex-Tech Wireless LLC		746	769	777	808	800	800	816	824	6,340
IdeaTek Telecom, LLC		241	225	186	202	194	186	179	163	1,577
United Wirelss Communications Inc		210	210	194	194	194	210	225	218	1,655
Twin Valley Communications		16	16	16	16	16	16	16	16	124
Viaero Wireless		148	148	148	140	148	155	155	155	1,197
Midcontinent Communications		-	140	303	171	171	171	194	186	1,336
Totals	\$	50,412	\$ 47,475	\$ 43,660	\$ 40,016	\$ 36,340	\$ 32,152	\$ 24,732	\$ 28,811	\$ 303,597

Prepared by GVNW Consulting

Line	Description	Reference		
1	Annual Administrative Costs	[1] Administration Contract	\$	204,872
2	Additional Administrative Costs	[1] Court Case Costs		1,181
3	Legal Costs	[2] Court Case Costs		34,049
4	Total Administrative Costs		\$	240,102
5	Carrier Audit Expense	Administration Contract		260,801
<u>3rd Party Audit</u>				
6	Financial Audit	[3] CliftonLarsonAllen, LLP	\$	19,000
7	Agreed-Upon-Procedure Review			12,350
8	Total KUSF Audit Costs		\$	31,350
8	Total Annual KUSF Administration and Audit Costs (Line 3 + 4 + 7)		\$	532,253
	<i>(To SKR-1, page 1, line 6)</i>			

Notes:

- [1] Contract viewable at: https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=0000000000000000000044383.
- [2] Contract viewable at: https://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=0000000000000000000040468.
- [3] Contract viewable at: http://da.ks.gov/purch/contracts/view_contract.aspx?ContractID=0000000000000000000046308.

Activity Month	Apr-19	May-19	Jun-19	Jul-19
Data Month	Mar-19	Apr-19	May-19	Jun-19
Beginning Balance	\$ 5,396,703	\$ 5,258,732	\$ 5,029,388	\$ 4,836,191
Surplus/(Deficit), from page 2	(137,971)	(229,344)	(193,197)	(307,360)
Ending Balance	<u>5,258,732</u>	<u>5,029,388</u>	<u>4,836,191</u>	<u>4,528,831</u>

TAG Mobile Receivable	942,299	942,299	942,299	942,299
Ending Balance with Receivable	<u>\$ 6,201,031</u>	<u>\$ 5,971,687</u>	<u>\$ 5,778,490</u>	<u>\$ 5,471,130</u>

Activity Month	Aug-19	Sep-19	Oct-19	Nov-19
Data Month	Jul-19	Aug-19	Sep-19	Oct-19
Beginning Balance	\$ 4,528,831	\$ 4,203,021	\$ 3,863,520	\$ 3,564,548
Surplus/(Deficit), from page 2	(325,810)	(339,501)	(298,973)	(354,797)
Ending Balance	<u>\$ 4,203,021</u>	<u>\$ 3,863,520</u>	<u>\$ 3,564,548</u>	<u>\$ 3,209,751</u>

TAG Mobile Receivable	942,299	942,299	942,299	942,299
Ending Balance with Receivable	<u>\$ 5,145,320</u>	<u>\$ 4,805,819</u>	<u>\$ 4,506,847</u>	<u>\$ 4,152,050</u>

***Projected**

Activity Month	Dec-19	Jan-20	Feb-20	Mar-20
Data Month	Nov-19	Dec-19	Jan-20	Feb-20
Beginning Balance	\$ 3,209,751	\$ 2,823,042	\$ 2,431,490	\$ 2,031,318
Surplus/(Deficit), - from page 2	(386,709)	(391,552)	(400,172)	(664,380)
Ending Balance	<u>\$ 2,823,042</u>	<u>\$ 2,431,490</u>	<u>\$ 2,031,318</u>	<u>\$ 1,366,939</u>

TAG Mobile Receivable	942,299	942,299	942,299	942,299
Ending Balance with Receivable	<u>\$ 3,765,341</u>	<u>\$ 3,373,789</u>	<u>\$ 2,973,617</u>	<u>\$ 2,309,238</u>

To Exhibit SKR-1, ln. 8

Activity Month Data Month	As Reported										***Projected***					Annual Total
	Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Mar - Oct. 19 Total	Average	Dec-19 Nov-19	Jan-20 Dec-19	Feb-20 Jan-20	Mar-20 Feb-20		
Revenues/ Receipts:																
LECs/Electing Carriers															\$ 122,264,321	
Wireless															\$ 210,998,954	
Interconnected VolP															\$ 19,400,501	
IXC/Others															\$ 141,966,878	
Total	\$ 43,947,448	\$ 42,464,533	\$ 43,062,260	\$ 41,136,833	\$ 42,149,401	\$ 41,337,555	\$ 40,871,614	\$ 40,739,410	\$ 335,709,054	\$ 41,963,632	\$ 40,015,459	\$ 39,923,422	\$ 39,798,125	\$ 39,798,125	\$ 494,630,653	
Assessment Rate																
Fund Assessments	\$ 3,023,584	\$ 2,921,560	\$ 2,962,683.44	\$ 2,830,214	\$ 2,899,879	\$ 2,844,024	\$ 2,811,967	\$ 2,802,871	\$ 23,096,783	\$ 2,887,098	\$ 2,753,064	\$ 2,746,731	\$ 2,738,111	\$ 2,738,111	\$ 34,072,800	
Prior Year Adjustments	13,457	2,711	(2,356)	26	3,472	129	619	163	18,221	2,278	-	-	-	-	\$ 18,221	
Interest, Misc. Rev.	16,965	14,053	12,162	15,055	10,957	7,561	9,061	5,525	91,340	11,417	11,417	11,417	11,417	11,417	137,010	
Revenue Retention/ (Write-Offs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
KUSF Receipts	\$ 3,054,007	\$ 2,938,324	\$ 2,972,489.25	\$ 2,845,295	\$ 2,914,308	\$ 2,851,713	\$ 2,821,646	\$ 2,808,560	\$ 23,206,344	\$ 2,900,793	\$ 2,764,481	\$ 2,758,149	\$ 2,749,529	\$ 2,749,529	\$ 34,228,031	
Disbursements:																
High Cost Support	\$ 3,068,651	\$ 3,068,651	\$ 3,068,651	\$ 3,068,651	\$ 3,059,877	3,059,877	3,054,417	3,054,417.00	24,503,192	3,062,899	3,054,417	3,054,417	3,054,417	3,054,417	\$ 36,720,860	
Monthly Reduction - S&T Audit Expense	-	-	-	-	-	-	-	-	-	-	-	(1,489)	(1,489)	(1,489)	(4,468)	
Monthly Increase - Golden Belt	-	-	-	-	-	-	-	-	-	-	-	-	-	102,667	102,667	
Telecommunications Relay Services	23,659	28,851	22,688	20,469	21,975	28,670	18,508	22,591	187,411	23,426	23,426	23,426	23,426	281,116		
TAP	32,227	6,247	14,238	5,738	6,255	44,563	5,869	5,048	120,184	15,023	15,023	15,023	15,023	180,276		
Lifeline	50,412	47,475	43,660	40,016	36,340	32,152	24,732	28,811	303,597	37,950	37,950	37,950	37,950	455,396		
GVNW Audit Fees	-	-	-	-	92,230	-	-	-	92,230	15,372	-	-	-	161,540	253,770	
3rd Party Audit Fees	-	-	-	-	-	-	-	30,500	30,500	6,100	-	-	-	-	30,500	
Administration (Net of Penalties)	16,250	16,250	16,250	17,874	16,656	16,656	16,656	16,656	133,248	16,656	16,656	16,656	16,656	199,872		
Other Administration [1]	406	-	-	(319)	263	219	219	-	788	98	98	98	98	1,181		
Legal Fees	99	-	-	-	6,316	8,884	-	5,131	20,429	3,405	3,405	3,405	3,405	34,049		
Bank Fees	275	195	200	226	207	194	218	202	1,717	215	215	215	215	2,575		
Certified Mail, Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Disbursements	\$ 3,191,978	\$ 3,167,668	\$ 3,165,687	\$ 3,152,655	3,240,118	3,191,215	3,120,619	3,163,356	\$ 25,393,296	3,181,144	3,151,190	3,149,701	3,149,701	3,413,908	38,257,795	
Operating Surplus/(Deficit)	\$ (137,971)	\$ (229,344)	\$ (193,197)	\$ (307,360)	\$ (325,810)	\$ (339,501)	\$ (298,973)	\$ (354,797)	\$ (2,186,952)	\$ (280,351)	\$ (386,709)	\$ (391,552)	\$ (400,172)	\$ (664,380)	\$ (4,029,764)	
	\$ 50,412	\$ 47,475	\$ 43,660	\$ 40,016	\$ 36,340	\$ 32,152	\$ 24,731.91									

Notes:
[1] The increase in KUSF administration fees was incorrectly recorded as "Other Administration Fees" and corrected in July 2019.

Kansas Universal Service Fund
Statement of Fund Performance - April 2019
Prepared for the Kansas Corporation Commission

	Activity for Apr-19	Year to Date Results for FY 2018 - 2019
ASSESSMENT BASIS		
Intrastate Revenue	\$ 43,947,448	\$ 43,947,448
FUND REVENUES		
Fund Assessments	\$ 3,023,584.32	\$ 3,023,584.32
Out of Period Adjustments	13,457.37	13,457.37
Late Payment Charges	674.82	674.82
Late Worksheet Penalties	5,319.36	5,319.36
Outstanding Balance Penalty	89.22	89.22
Account Write Offs		-
Interest Income - Investment Account	10,882.06	10,882.06
Total Revenue	\$ 3,054,007.15	\$ 3,054,007.15
FUND DISBURSEMENTS		
Relay Services	\$ 23,658.92	\$ 23,658.92
TAP	32,226.54	32,226.54
Lifeline	50,411.76	50,411.76
High Cost Support	3,068,651.00	3,068,651.00
Audit Fees		-
External Audit Fees		-
Program Administration	16,250.00	16,250.00
Other Administration	406.00	406.00
Legal Fees	98.80	98.80
Bank Fees	275.16	275.16
Total Disbursements	\$ 3,191,978	\$ 3,191,978
MISCELLANEOUS INC (EXP)		
Administrator Penalty	-	-
Total Miscellaneous	-	-
Operating Surplus / (Deficit)	\$ (137,971)	\$ (137,971)

Fund Balances for April 2019	
Beginning Fund Balance	\$ 5,396,703
Operating Surplus (Deficit)	(137,971)
Ending Fund Balance	\$ 5,258,732
TAG Mobile Accrual of Receivable Per Docket No. 16-TAGC-323-SHO	942,299
Ending Fund Balance w/Receivable	\$ 6,201,031

May 14, 2019

Prepared by GVNW Consulting, Inc.
Reviewed by Judi Ushio

Kansas Universal Service Fund
Statement of Fund Performance - November 2019
Prepared for the Kansas Corporation Commission

	Activity for	Year to Date Results
	Nov-19	for FY 2019 - 2020
ASSESSMENT BASIS		
Intrastate Revenue	\$ 40,739,410	\$ 335,709,054
FUND REVENUES		
Fund Assessments	\$ 2,802,871	\$ 23,096,783
Out of Period Adjustments	163	18,221
Late Payment Charges	228	4,363
Late Worksheet Penalties	900	21,059
Outstanding Balance Penalty	30	1,093
Account Write Offs		-
Interest Income - Investment Account	4,367	64,824
Total Revenue	\$ 2,808,560	\$ 23,206,344
FUND DISBURSEMENTS		
Relay Services	\$ 22,591	\$ 187,411
TAP	5,048	120,184
Lifeline	28,811	303,597
High Cost Support	3,054,417	24,503,192
Audit Fees		92,230
External Audit Fees	30,500	30,500
Program Administration	16,656	133,248
Other Administration	-	788
Legal Fees	5,131	20,429
Bank Fees	202	1,717
Total Disbursements	\$ 3,163,356	\$ 25,393,296
MISCELLANEOUS INC (EXP)		
Administrator Penalty	-	
Total Miscellaneous	-	-
Operating Surplus / (Deficit)	\$ (354,797)	\$ (2,186,952)

Fund Balances for November 2019	
Beginning Fund Balance	\$ 3,564,547
Operating Surplus (Deficit)	(354,797)
Ending Fund Balance	\$ 3,209,751
TAG Mobile Accrual of Receivable Per Docket No. 16-TAGC-323-SHO Ending Fund Balance w/Receivable	942,299
	\$ 4,152,050

Prepared by GVNW Consulting, Inc.
Reviewed by Nicole Stephens 12/06/19

Company	Activity Month Data Month	As Reported							Projected				TOTAL	Method	
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Average	Dec-19 Nov-19	Jan-20 Dec-19			Feb-20 Jan-20
Blue Valley Telecommunications															Lowest
Consolidated Communications - MO (f/k/a Bluestem)															*
Columbus Communications Services, Inc.															*
Tri-County Telephone-Council Grove															*
Craw-Kan Telephone Co-op Inc															*
Cunningham Telephone Company Inc															*
Elkhart Telephone Company															*
Golden Belt Telephone Association Inc															*
Gorham Telephone Company															*
H & B Communications Inc															*
Haviland Telephone Company															*
Home Telephone Co Inc															*
JBN Telephone Company Inc															*
Kanokla Telephone Association															*
LafHarpe Telephone Co															*
Madison Telephone LLC															*
Mokan Dial Inc															*
Moundridge Telephone Company															*
Mutual Telephone Company															*
Peoples Telecommunications, LLC															*
Pioneer Telephone Association Inc															*
Rainbow Telecommunications Assoc., Inc															*
Rural Telephone Service Co. dba Nex-Tech															*
S & A Telephone Company Inc															*
S & T Telephone Coop Assn															*
South Central Telephone Assn Inc															*
Southern Kansas Telephone Company Inc															*
Consolidated Communications - KS (f/k/a Sunflower)															*
Totah Communications Inc															*
Tri-County Telephone Assn. Inc															*
Twin Valley Telephone Inc															*
United Telephone Association Inc															*
Wamego Telecommunications Co Inc															*
Wheat State Telephone Inc															*
Wilson Telephone Company Inc															*
Zendia Telephone Company Inc															*
Total - RLECs		\$ 1,843,193	\$ 1,836,662	\$ 1,837,980	\$ 1,817,993	\$ 1,811,792	\$ 1,796,388	\$ 1,797,661	\$ 1,779,287	\$ 1,815,119	\$ 1,773,157	\$ 1,773,157	\$ 1,773,157	\$ 1,773,157	\$ 21,613,582
United Telephone of Kansas d/b/a CenturyLink															*
Southwestern Bell Telephone Company															*
Total		\$ 10,474,016	\$ 10,206,193	\$ 10,165,968	\$ 9,953,668	\$ 10,773,255	\$ 10,150,437	\$ 10,151,291	\$ 10,082,803	\$ 10,244,704	\$ 10,076,672	\$ 10,076,672	\$ 10,076,672	\$ 10,076,672	\$ 122,264,321

Company	Activity Month Data Month	As Reported							Projected					TOTAL	Method	
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Average	Dec-19 Nov-19	Jan-20 Dec-19	Feb-20 Jan-20			Mar-20 Feb-20
Sprint Spectrum LP (Sprint PCS)	*															*
Topeka Cellular Telephone Company, Inc	*															*
Kansas #15 Limited Partnership	*															*
Tempo Telecom, LLC	*															*
Your Tel America dba Terra Com Wireless	*															*
Verizon Wireless (VAW) LLC	*															*
Alltel Corporation d/b/a Verizon Wireless	*															*
New Cingular Wireless PCS LLC d/b/a AT&T	*															*
Spok, Inc	*															*
Onstar LLC	*															*
Virgin Mobile USA L.P.	*															*
Mobilbase Inc	*															*
Global Connection Inc of America	*															*
Ztar Mobile, Inc.	*															*
USCOC of Nebraska/Kansas LLC	*															*
Nex-Tech Wireless LLC	*															*
T-Mobile Central LLC	*															*
Cellular Network Partnership	*															*
United Wireless Communications Inc	*															*
American Messanger Services	*															*
i-Wireless LLC	*															*
Globalstar USA LLC	*															*
Consumer Cellular Inc	*															*
GreatCall Inc	*															*
Vinero Wireless	*															*
Boomerang Wireless, LLC	*															*
Ready Wireless, LLC	*															*
TracFone Wireless, Inc.	*															*
Easy Telephone Services Company	*															*
Q Link Wireless, LLC	*															*
PureTalk Holdings, LLC	*															*
Flash Wireless, LLC	*															*
Ting, Inc.	*															*
UVNV, Inc.	*															*
Cricket Wireless LLC	*															*
MetroPCS Michigan LLC	*															*
Stream Communications, LLC	*															*
SelecTel, Inc.	*															*
Patriot Mobile, LLC	*															*
US Mobile LLC	*															*
Excellus Communications, LLC	*															*
SageNet LLC	*															*
Tello, LLC	*															*
Comcast OTR1, LLC	*															*
Blue Casa Mobile, LLC	*															*
Lycamobile USA, Inc.	*															*
Wing Tel Inc.	*															*
InReach, Inc.	*															*
SI Wireless, LLC	*															*
2600HZ d/b/a Zswitch	*															*
Visible Service LLC	*															*
iTalk Mobile Corporation	*															*
Liberty Mobile Wireless LLC	*															*
Q Link Mobile, LLC	*															*
China Telecom (Americas) Corporation	*															*
Spectrum Mobile LLC	*															*
DataBytes, Inc.	*															*
Locus Telecommunications, LLC	*															*
STX Group LLC dba Twigby	*															*
AltaWorx, LLC	*															*
Google North America Inc. dba Project Fi by Go	*															*
Plintron Technologies USA LLC	*															*
Republic Wireless, Inc.	*															*
Earthlink, LLC	*															*
Total		\$ 19,246,945	\$ 18,178,614	\$ 18,982,362	\$ 17,692,022	\$ 18,082,219	\$ 17,442,171	\$ 17,058,721	\$ 17,396,219	\$ 18,012,298	\$ 16,739,403	\$ 16,728,093	\$ 16,726,093	\$ 16,726,093	\$ 229,011,252	

Company	Activity Month Data Month	As Reported							Projected					TOTAL	Method	
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Average	Dec-19 Nov-19	Jan-20 Dec-19	Feb-20 Jan-20			Mar-20 Feb-20
Sprint Spectrum LP (Sprint PCS)	*															*
Topeka Cellular Telephone Company, Inc	*															*
Kansas #15 Limited Partnership	*															*
Tempo Telecom, LLC	*															*
Your Tel America dba Terra Com Wireless	*															*
Verizon Wireless (VAW) LLC	*															*
Alltel Corporation d/b/a Verizon Wireless	*															*
New Cingular Wireless PCS LLC d/b/a AT&T	*															*
Spok, Inc	*															*
Onstar LLC	*															*
Virein Mobile USA L.P.	*															*
Mobilnase Inc	*															*
Global Connection Inc of America	*															*
Ztar Mobile, Inc.	*															*
USCOC of Nebraska/Kansas LLC	*															*
Nex-Tech Wireless LLC	*															*
T-Mobile Central LLC	*															*
Cellular Network Partnership	*															*
United Wireless Communications Inc	*															*
American Messaging Services Inc	*															*
i-Wireless LLC	*															*
Globalstar USA LLC	*															*
Consumer Cellular Inc	*															*
GreatCall Inc	*															*
Visero Wireless	*															*
Boomerang Wireless, LLC	*															*
Ready Wireless, LLC	*															*
TracFone Wireless, Inc.	*															*
Easy Telephone Services Company	*															*
O Link Wireless, LLC	*															*
PureTalk Holdings, LLC	*															*
Flash Wireless, LLC	*															*
Ting, Inc.	*															*
UVNV, Inc.	*															*
Crickit Wireless LLC	*															*
MetroPCS Michigan LLC	*															*
Stream Communications, LLC	*															*
SelectTel, Inc.	*															*
Patriot Mobile, LLC	*															*
US Mobile LLC	*															*
Excellus Communications, LLC	*															*
SaneNet LLC	*															*
Tello, LLC	*															*
Comcast OTR1, LLC	*															*
Blue Casa Mobile, LLC	*															*
Lycamobile USA, Inc.	*															*
Wine Tel Inc.	*															*
InReach, Inc.	*															*
SI Wireless, LLC	*															*
2600HZ d/b/a Zswitch	*															*
Visible Service LLC	*															*
iTalk Mobile Corporation	*															*
Liberty Mobile Wireless LLC	*															*
Q Link Mobile, LLC	*															*
China Telecom (Americas) Corporation	*															*
Spectrum Mobile LLC	*															*
DataBytes, Inc.	*															*
Locus Telecommunications, LLC	*															*
STX Group LLC dba Twi@by	*															*
AltaWorx, LLC	*															*
Google North America Inc. dba Project Fi by Go	*															*
Phintron Technologies USA LLC	*															*
Republic Wireless, Inc.	*															*
Earthlink, LLC	*															*
Total		\$ 19,246,945	\$ 18,178,614	\$ 18,982,362	\$ 17,692,022	\$ 18,082,219	\$ 17,442,171	\$ 17,058,721	\$ 17,396,219	\$ 18,012,298	\$ 16,739,403	\$ 16,728,093	\$ 16,726,093	\$ 16,726,093	\$ 210,998,954	

Company	Activity Month Data Month	As Reported									Average	Projected			TOTAL	Method
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Dec-19 Nov-19		Jan-20 Dec-19	Feb-20 Jan-20	Mar-20 Feb-20		
IPitomy Communications, LLC																
Telzio, Inc.																
VanillaSoft Corp.																
Zen Communications, LLC																
New Voice Media US, Inc.																
ESCOTechnologies, LLC																
Kansas Communication Services Inc.																
CloudCall, Inc. f/b/a Synetv, Inc.																
iCommerce Services, Inc. d/b/a Gvymphone																
Distributed Computing, Inc. d/b/a Ten4pbx.com																
Goode Fiber North America d/b/a Fiber Phone																
No More PBX LLC																
SimpleVoIP, LLC																
Affiliated Technology Solutions, Inc.																
2 Talk, LLC																
Towner Communications LLC																
Volant Communications, LLC																
GoDaddy.com, LLC																
Sanscom U.S., Inc.																
DSCI, LLC a TelePacific Company																
MagicJack SMB, Inc.																
RG Fiber LLC																
upNetwork, Inc.																
VirtuPhone																
Framework Communications, LLC																
Broadsmart Global, Inc.																
JMZ Corporation d/b/a Kwikom Communication																
WTC Technologies, Inc.																
W W T, Inc. d/b/a VoIP Networks																
Verze Network Solutions, Inc.																
ITC Global Networks, LLC																
Vision, Voice and Data Systems, LLC																
AcuityVOIP, LLC																
PanTerra Networks, Inc.																
Estech Systems, Inc.																
Hyperte Networks Inc.																
ICIM Corporation																
Mercury Wireless Kansas, LLC																
FluentStream Technologies, LLC																
Tri-County Communications																
Nuso, LLC																
Netelligent Corporation																
NEC Cloud Communications America, Inc.																
Pulsar360 Corp.																
Goode Voice Inc.																
Wiensco LLC dba Commworld of Kansas City																
Network Computing Solutions																
Premiere Conferencing Networks, Inc.																
Forerunner Technologies, Inc.																
Kansas Information Technologies, LLC																
ConnectMe, LLC																
Telecom Evolutions, LLC																
Ring Street, LLC																
BroodSoft Adaption, Inc.																
Teligent IP aka Ipitimi Inc																
Mango Voice LLC																
Onepath Systems, LLC																
Clear Rate Communications, Inc.																
Genesys Telecommunications Laboratories, Inc.																
Syndeo LLC dba Broadvoice																
The Butler Rural Electric Cooperative Associati																
ThinQ Technologies, Inc.																
Regional Media Corporation, Inc.																
		\$ 1,974,429	\$ 1,635,289	\$ 1,664,137	\$ 1,586,933	\$ 1,651,140	\$ 1,614,988	\$ 1,676,772	\$ 1,556,638	\$ 1,673,824	\$ 1,540,575	\$ 1,540,677	\$ 1,479,461	\$ 1,479,461	\$ 19,400,501	

Company	Activity Month Data Month	As Reported								Average	Projected				TOTAL	Method
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19		Dec-19 Nov-19	Jan-20 Dec-19	Feb-20 Jan-20	Mar-20 Feb-20		
One Point Technologies																
Blue Valley Tele-Communications Inc																
Columbus Communication Services, LLC																
Fiber Communications of Columbus, LLC d/b/a Opt																
TC Wireless, Inc.																
Tri-County Telephone-Council Grove Study Area																
Haviland Telephone Company, Inc																
LaHarpe Telephone Co Inc																
MT Networks, LLC																
Mokan Communications Inc																
Moundridge Telecom Inc																
Mutual Telephone Co																
S & A Communications																
S & T Communications																
South Central Wireless Inc																
SNKT - Metro																
Tri-County Telephone Assn Inc																
Wheat State Telephone																
Wilson Communication Co Inc																
Global Crossing Telecommunications Inc.																
American Telecommunication Systems Inc																
Securus Technologies, Inc.																
Amerivision Communications Inc																
Business Telecom, LLC																
Deltacom LLC d/b/a EarthLink Business																
Easton Telecom Services LLC																
Lingo Communications Midwest, LLC																
High Plains Telecommunications, Inc. d/b/a Pioneer																
IDT America Corp																
Kanokla Communications-Kanokla LD																
Matrix Telecom, LLC																
MCI Communication Services Inc																
MCMetro Access Transmission Services Corp.																
Netwolves Network Services, LLC																
Nos Communications, Inc																
PNG Telecommunications Inc																
CenturyLink Communications, LLC																
Sprint Communications Company LP																
Transworld Network Corp																
United Communications Association Inc																
Working Assets Funding Service Inc																
Fusion Telecom of Kansas, LLC																
International Telecom, Ltd.																
MeLeod USA Telecommunications Services LLC																
inContact, Inc																
Nes-Tech LLC																
Reliant Communications, Inc																
Global Crossing Local Services, Inc.																
QuantumShift Communications Inc d/b/a Veom Solu																
Teleport Communications America, LLC																
CBTS Technology Solutions, LLC																
Electric Lightwave, LLC																
Call One, Inc.																
Witel Communications LLC																
Windstream NuVox Kansas, LLC																
US Telecom Long Distance Inc																
Enhanced Communications Network, Inc.																
Craw-Kan Telephone Co-op Inc																
Level 3 Communications, LLC																
Telove Operations, LLC																
Fusion Connect, LLC																
Opex Communications Inc																
Value Added Communications																
Twin Valley Telephone Inc																
Giant Communications Inc																
XO Communication Services, LLC																
Network Communications Intl Corp aka 1800Call4L																
Verizon Long Distance LLC																
EarthLink Business, LLC																
Legacy Long Distance International																
Enhanced Communications Group LLC																
AT&T Corp.																

REDACTED DATA

Company	Activity Month Data Month	As Reported									Average	Projected				TOTAL	Method
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Dec-19 Nov-19		Jan-20 Dec-19	Feb-20 Jan-20	Mar-20 Feb-20			
PacTel Communications, LLC																	
Access One Inc																	
USA Digital Communications, Inc.																	
WTC Communications Inc																	
Peoples Telecommunications LLC dba Peoples Long																	
Network IP LLC																	
Cox Kansas Telecom LLC																	
ACN Communication Services LLC																	
Nebraska Technology & Telecom																	
Windstream Norlight, LLC																	
LCR Telecommunications LLC																	
Long Distance Consolidated Billine Co.																	
Total Customer Services Inc																	
KDDI America Inc																	
SBC Long Distance LLC																	
Metropolitan Telecommunications of Kansas Inc (M																	
Custom Teleconnect Inc																	
Sage Telecom Communications, LLC																	
West Telecom Services, LLC																	
X2Comm Inc dba Direct Connect																	
BCN Telecom Inc																	
Wholesale Carrier Services Inc																	
Level 3 Telecom of Kansas City LLC																	
Bullseye Telecom																	
Global Tel*Link Corporation																	
Legent Comm LLC																	
Unite Private Networks, LLC																	
Logix Communications																	
National Access Long Distance Inc																	
Business Network Long Distance Inc																	
BW Telecom Long Distance																	
Consolidated Communications Enterprise Services, I																	
Empire District Industries, In-																	
Broadwing Communications LLC																	
Telric Corporation																	
Broadband Dynamics LLC																	
Convergta Inc																	
Granite Telecommunications, LLC																	
H & B Cable Services Inc																	
Advantage Telecommunications Corp																	
DCT Telecom Group Inc																	
Touchtone Communications																	
BCM One, Inc.																	
Communications Network Billing Inc																	
Inmate Calling Solutions LLC																	
Telecom Mgmt Inc dba Pioneer Telephone																	
TelAtlantic Communications, Inc.																	
Airespring Inc																	
Gorham Telephone Company LD																	
SKT Inc																	
Rainbow Communications, LLC																	
Voicecom Telecommunications																	
GBT Communications Inc																	
800 Response Information Services LLC																	
Commsham Communications Inc																	
H & B Communications Inc (2)																	
Network Service Billing Inc																	
IdeaTek Telecom, LLC																	
Nationwide Long Distance Service Inc																	
Windstream Communications																	
Integrated Services Inc																	
Comcast Phone of Kansas LLC																	
Encartele Inc																	
First Communications LLC																	
Multiline Long Distance Inc																	
Avid Communications LLC																	
Cause Based Commerce, Inc																	
LR Communications, Inc.																	
New Horizons Communications Corp																	
Twin Valley Communications																	
First Choice Technology Inc.																	
Conterra Ultra Broadband LLC																	
Consumer Telecom Inc																	
Public Communication Services Inc																	
Home Communications Inc																	

Company	Activity Month Data Month	As Reported								Projected					TOTAL	Method
		Apr-19 Mar-19	May-19 Apr-19	Jun-19 May-19	Jul-19 Jun-19	Aug-19 Jul-19	Sep-19 Aug-19	Oct-19 Sep-19	Nov-19 Oct-19	Average	Dec-19 Nov-19	Jan-20 Dec-19	Feb-20 Jan-20	Mar-20 Feb-20		
Broadview Networks																
Neutral Tandem-Kansas LLC																
HCI Telecom Inc																
Total Holdings Inc																
CCI Network Services, LLC																
Cebridge Telecom KS, LLC d/b/a Suddenlink Comm																
Stratus Networks Inc Ikn Access2Go Inc																
Enteleget Solutions, Inc.																
Kansas Fiber Network, LLC																
TeleQuality Communications, LLC																
Zayo Group, LLC																
Peerless Network of Kansas, LLC																
Airus, Inc.																
WiMacTel, Inc.																
Valu-Net, LLC																
Spectrotel, Inc.																
Grasshopper Group, LLC																
GC Pivotal, LLC																
Time Warner Cable Business LLC																
Socket Telecom LLC																
Scissortail Communications, LLC																
Combined Public Communications, Inc.																
Midcontinent Communications																
Triton Networks, LLC																
Union Worker Communications, Inc.																
Velocity The Greatest Phone Company Ever, Inc.																
Call Catchers, Inc.																
MASSComm, Inc.																
		\$ 12,470,855	\$ 12,177,512	\$ 12,019,962	\$ 12,032,222	\$ 11,890,712	\$ 11,818,146	\$ 11,637,126	\$ 11,651,756	\$ 11,962,286	\$ 11,658,809	\$ 11,577,980	\$ 11,515,899	\$ 11,515,899	\$ 141,966,878	

REDACTED DATA

KUSF Annual
Revenue Growth/Decline Analysis

	<i>Projected Yr. 23</i>	<i>Year 22</i>	<i>Annual Change</i>		<i>2 Year</i>
	<i>2019/2020</i>	<i>2018/2019</i>	<i>Revenue</i>	<i>Percent</i>	<i>Average</i>
RLECs	\$ 21,613,582	\$ 22,670,110	\$ (1,056,528)	-4.66%	-6.02%
CenturyLink	*				*
SWBT	*				*
Wireless	210,998,954	262,790,290	(51,791,336)	-19.71%	-15.41%
VoIP	19,400,501	20,726,206	(1,325,705)	-6.40%	-1.23%
IXCs/Others	141,966,878	150,938,169	(8,971,291)	-6.32%	-3.62%
Total	\$ 494,630,653	\$ 567,264,942	\$ (72,634,289)	-12.80%	-10.45%

	<i>Year 22</i>	<i>Year 21</i>	<i>Annual Change</i>		<i>2 Year</i>
	<i>2018/2019</i>	<i>2017/2018</i>	<i>Revenue</i>	<i>Percent</i>	<i>Average</i>
RLECs	\$ 22,670,110	\$ 24,475,398	\$ (1,805,288)	-7.38%	-3.77%
CenturyLink	*				*
SWBT	*				*
Wireless	262,790,290	295,670,764	(32,880,475)	-11.12%	-13.39%
VoIP	20,726,206	19,940,846	785,361	3.94%	3.19%
IXCs/Others	150,938,169	152,346,846	(1,408,677)	-0.92%	-4.84%
Total	\$ 567,264,942	\$ 617,215,877	\$ (49,950,935)	-8.09%	-9.89%

	<i>Year 21</i>	<i>Yr. 20</i>	<i>Annual Change</i>	
	<i>2017/2018</i>	<i>2016/2017</i>	<i>Revenue</i>	<i>Percent</i>
RLECs	\$ 24,475,398	\$ 24,514,331	\$ (38,933)	-0.16%
CenturyLink	*			*
SWBT	*			*
Wireless	295,670,764	350,578,672	(54,907,907)	-15.66%
VoIP	19,940,846	19,465,816	475,029	2.44%
IXCs/Others	152,346,846	166,958,615	(14,611,769)	-8.75%
Total	\$ 617,215,877	\$ 698,838,370	\$ (81,622,493)	-11.68%

	<i>Projected Yr</i>	<i>Recognized</i>	<i>Projected</i>	<i>N/A</i>	<i>Projected Yr.</i>
	<i>23 Revenues</i>	<i>Proj. Growth/ Decline %</i>	<i>Revenue Change</i>	<i>Plus: Rebalancing</i>	<i>24 Revenue</i>
RLECs	\$ 21,613,582	-4.75%	\$ (1,026,645)		\$ 20,586,937
CenturyLink	*	-16.50%			*
SWBT	*	-8.50%			*
Wireless	210,998,954	-18.50%	(39,034,806)	-	171,964,147
VoIP	19,400,501	-3.00%	(582,015)	-	18,818,486
IXCs/Others	141,966,878	-4.75%	(6,743,427)	-	135,223,451
Totals	\$ 494,630,653	-11.52%	\$ (56,976,385)	\$ -	\$ 437,654,268

REDACTED DATA

Comparison: Projected Year 22 Revenue Growth/Decline To Reported Revenue Base

Category	Projected Year 22 Revenue for Assessment thru 2/2018 (1)		Reported Year 22 Assessable Revenues (B)	Difference (C = B - A)
	(A)			
ILECs	\$ 139,339,176		\$ 132,810,278	\$ (6,528,898)
Wireless	253,426,216		262,790,290	9,364,074
Interconnected VoIP	19,859,593		20,726,206	866,613
IXCs/Others	137,292,512		150,938,169	13,645,657
Total	\$ 549,917,497		\$ 567,264,942	\$ 17,347,445
Average Monthly Revenues	\$ 45,826,458		\$ 47,272,079	\$ 1,445,620
Net KUSF Obligation	\$ 41,222,375		\$ 41,222,375	\$ 41,222,375
Calculated Assessment Rate	7.50%		7.27%	-0.23%

Category	Original Projected Year 23 Assessable Revenues (2)		Current Year 23 Projected Revenue Base (B)	Difference C = (B - A)
	(A)			
ILECs	\$ 123,171,668		\$ 122,264,321	\$ (907,347)
Wireless	236,360,762		210,998,954	(25,361,808)
VoIP	20,775,363		19,400,501	(1,374,862)
IXCs/Others	141,819,152		141,966,878	147,726
Total (2)	\$ 522,126,945		\$ 494,630,653	\$ (27,496,292)
Average Monthly Revenues	\$ 43,510,579		\$ 41,219,221	\$ (2,291,358)
Net KUSF Obligation	\$ 35,901,518		\$ 35,901,518	\$ -
Calculated Assessment Rate	6.88%		7.26%	0.38%

Comparison: Impact of Revenue Adjustment Factor/Projections on Year 24 Revenues and Assessment Rate

Category	Current Year 23 Projected Revenue Base		Projected Year 24 Revenue Base (B)	Difference (C = B - A)
	(A)			
LECs/Electing Carriers	\$ 122,264,321		\$ 111,648,184	\$ (10,616,137)
Wireless	210,998,954		171,964,147	(39,034,806)
Interconnected VoIP	19,400,501		18,818,486	(582,015)
IXCs/Others	141,966,878		135,223,451	(6,743,427)
Total	\$ 494,630,653		\$ 437,654,268	\$ (56,976,385)
Average Monthly Revenues	\$ 41,219,221		\$ 36,471,189	\$ (4,748,032)
Estimated KUSF Obligation	\$ 41,132,331		\$ 41,132,331	\$ -
Calculated Assessment Rate	8.32%		9.40%	1.08%


Notes:

(1) KUSF Year 22 projected revenue (March 2018 - Feb. 2019), December 19, 2017 Direct Testimony of Sandra K. Reams, Exhibit SKR-1, p. 2; Attachment L, Docket No. 18-GIMT-084-GIT.

VERIFICATION

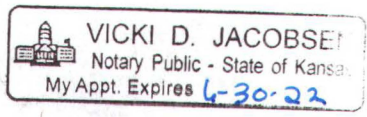
STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

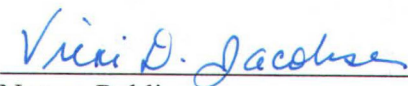
Sandra Reams, being duly sworn upon her oath deposes and states that she is the Assistant Chief of Telecommunications for the Utilities Division of the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Direct Testimony of Sandra Reams on Behalf of Kansas Corporation Commission Staff*, and that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Sandra Reams
Assistant Chief of Telecommunications
Kansas Corporation Commission
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 13th day of December, 2019.





Notary Public

My Appointment Expires: June 30, 2022

CERTIFICATE OF SERVICE

20-GIMT-086-GIT

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony of Sandra Reams on Behalf of the Kansas Corporation Commission was served via electronic service this 13th day of December, 2019, to the following:

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20-GIMT-086-GIT

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