

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

Before Commissioners: Shari Feist Albrecht, Chairman
 Jay Scott Emler
 Dwight D. Keen

In the Matter of An Investigation to Determine)
the Assessment Rate and the Affordable Local) Docket No. 19-GIMT-056-GIT
Service Rates for Rate-of-Return Regulated)
Carriers for the Twenty-Third Year of the)
Kansas Universal Service Fund, Effective)
March 1, 2019.)

**ORDER CANCELLING EVIDENTIARY HEARING AND ADOPTING KUSF
ASSESSMENT RATE BASED UPON PREFILED TESTIMONY**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On August 14, 2018, the Commission opened the immediate docket to determine the Kansas Universal Service Fund (KUSF) Year 23 Assessment Rate, effective March 1, 2019, through February 28, 2020, (Year 23) pursuant to K.S.A. 66-2008(a) and Docket No. 94-GIMT-478-GIT.

2. On December 14, 2018, Sandra K. Reams filed direct testimony in this proceeding with several attachments. Ms. Reams' pre-filed testimony recommended that the Commission adopt a \$17.75 residential and \$20.75 single-line affordable rate for the RLECs, direct the RLECs to file revised local service tariffs in this Docket no later than January 29, 2019, with the local service rates effective March 1, 2019, and an assessment rate of 6.88% effective March 1, 2019 for the KUSF Year 23.

3. On January 7, 2019 Staff filed its Motion to Cancel January 15, 2019 Evidentiary Hearing and Render Decision Based Upon Prefiled Testimony. Staff indicated that there was no

opposition to this motion and did not believe it was necessary to hold an evidentiary hearing in this docket.

4. The assessment rate was calculated based upon several factors. First, Staff examined the KUSF funding obligations of \$38.9 million, comprised of: 1) \$36.8 million for high-cost support; 2) \$719,000 for the Telecommunications Relay Service and Telecommunications Access Programs; and 3) \$832,000 for the Kansas Lifeline Service Program; and 4) \$521,000 for KUSF administration and audit expenses. Second, Staff estimated there would be a KUSF balance, or reserve, of \$5.5 million as of February 28, 2019. Third, Staff calculated a \$2.5 million Contingency Fund Allowance. Finally, Staff projected a revenue base of \$522.1 million from which to collect the KUSF obligations.

5. The Commission's Order of August 14, 2018, directed parties to notify Staff if they became aware of any computational errors in Staff's calculations. To date, none of the parties have identified any errors materially affecting Staff's calculations.

6. The Commission agrees that an evidentiary hearing in this docket is unnecessary. The Commission therefore grants the Motion and cancels the evidentiary hearing in this docket.

7. Having reviewed the pre-filed testimony in this docket, the Commission finds that Staff's recommendations should be adopted.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission hereby cancels the evidentiary hearing scheduled for January 15, 2019.

B. The Commission adopts an affordable residential service rate of \$17.75 and single-line affordable rate of \$20.75 for the RLECs, effective March 1, 2019. The RLECS are

directed to file revised local service tariffs in this Docket no later than January 29, 2019, with the local service rates effective March 1, 2019.

C. The Assessment Rate for KUSF Year 23, effective March 1, 2019, through February 28, 2019, shall be 6.88%.

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

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

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chairman; Emler, Commissioner; Keen, Commissioner

Dated: 01/10/2019



Lynn M. Retz
Secretary to the Commission

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CERTIFICATE OF SERVICE

19-GIMT-056-GIT

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of electronic service on 01/10/2019.

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CERTIFICATE OF SERVICE

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