

adopted

1 amendments thereto, except as otherwise provided in such sections.
2 However, the commission may resume such regulation upon finding, after
3 a hearing, that a carrier that is subject to price cap regulation has: violated
4 minimum quality of service standards pursuant to subsection (l) of K.S.A.
5 66-2002, and amendments thereto; been given reasonable notice and an
6 opportunity to correct the violation; and failed to do so. Regulatory reform
7 plans also shall include:

8 (1) A commitment to provide existing and newly ordered point-to-
9 point broadband services to: Any hospital as defined in K.S.A. 65-425, and
10 amendments thereto; any school accredited pursuant to K.S.A. 72-1101 et
11 seq., and amendments thereto; any public library; or other state and local
12 government facilities at discounted prices close to, but not below, long-run
13 incremental cost; and

14 (2) a commitment to provide basic rate ISDN service, or the
15 technological equivalent, at prices which are uniform throughout the
16 carrier's service area. Local exchange carriers shall not be required to
17 allow retail customers purchasing the foregoing discounted services to
18 resell those services to other categories of customers. Telecommunications
19 carriers may purchase basic rate ISDN services, or the technological
20 equivalent, for resale in accordance with K.S.A. 66-2003, and amendments
21 thereto. The commission may reduce prices charged for services outlined
22 in provisions (1) and (2) of this subsection, if the commitments of the local
23 exchange carrier set forth in those provisions are not being kept.

24 (c) Subject to the commission's approval, all local exchange carriers
25 shall reduce intrastate access charges to interstate levels as provided
26 herein. Rates for intrastate switched access, and the imputed access portion
27 of toll, shall be reduced over a three-year period with the objective of
28 equalizing interstate and intrastate rates in a revenue neutral, specific and
29 predictable manner. The commission is authorized to rebalance local
30 residential and business service rates to offset the intrastate access and toll
31 charge reductions. Any remaining portion of the reduction in access and
32 toll charges not recovered through local residential and business service
33 rates shall be paid out from the KUSF pursuant to K.S.A. 66-2008, and
34 amendments thereto. Each rural telephone company shall adjust its
35 intrastate switched access rates on March 1 of each odd-numbered year to
36 match its interstate switched access rates, subject to the following:

37 (1) Any reduction of a rural telephone company's cost recovery due to
38 reduction of its ~~interstate~~ intrastate access revenue shall be recovered from
39 the KUSF;

40 (2) any portion of rural telephone company reductions in intrastate
41 switched access rates which would result in an increase in KUSF recovery
42 in a single year which exceeds .75% of intrastate retail revenues used in
43 determining sums which may be recovered from Kansas

, except such revenue
recovered from another
support mechanism,

1 *underground utilities damage prevention act, K.S.A. 66-1801 et seq., and*
2 *amendments thereto, and the overhead power line accident prevention act,*
3 *K.S.A. 66-1709 et seq., and amendments thereto;*

4 (B) *require the reasonable resale of retail telecommunications*
5 *services, as well as unbundling and interconnection obligations as*
6 *required by K.S.A. 66-2003, and amendments thereto;*

7 (C) *administer the Kansas lifeline service program pursuant to*
8 *K.S.A. 66-2006, and amendments thereto; and*

9 (D) *administer contributions to the Kansas universal service fund*
10 *pursuant to subsection (a) of K.S.A. 66-2008, and amendments thereto.* ←

11 Sec. 7. K.S.A. 2012 Supp. 66-2006 is hereby amended to read as
12 follows: 66-2006. (a) On or before January 1, 1997, the commission shall
13 establish the Kansas lifeline service program, hereinafter referred to as the
14 KLSP. The purpose of the KLSP shall be to promote the provision of
15 universal service by local exchange carriers to persons with low income.
16 The KLSP shall be targeted to maintain affordable rates for residential
17 local exchange service. The commission shall approve a means test to
18 determine the eligibility of customers for such low-income assistance.

19 ~~(b) Every local exchange carrier providing residential local~~
20 ~~telecommunications services that have been price deregulated in this state~~
21 ~~pursuant to subsection (q) of K.S.A. 66-2005, and amendments thereto,~~
22 ~~shall, and any other~~ A local exchange carrier, *electing carrier* or
23 telecommunications carrier may, automatically enroll its existing and
24 eligible customers in the KLSP, subject to the following:

25 (1) On or before January 1, 2009, the department of social and
26 rehabilitation services, hereinafter referred to as the department, or any
27 other successor state agency, may provide each participating carrier a list
28 of those persons residing in the state that participate in programs which
29 also qualify such persons to receive KLSP services. This listing shall
30 consist of those persons who have consented to the release of their
31 personal information to the KLSP carrier to receive KLSP services and
32 include at a minimum the name, address and telephone number of such
33 persons. Every six months thereafter, the department may provide to each
34 participating carrier an updated list of persons consenting to such KLSP
35 services. The secretary of the department may adopt rules and regulations
36 to coordinate the acquisition and provision of the information to be
37 provided pursuant to this subsection (b).

38 (2) The participating carrier shall use the list for the sole purpose of
39 identifying those of its existing customers to whom it is currently
40 providing telephone service.

41 (3) The participating carrier shall discontinue providing KLSP
42 services to an eligible customer if the eligible customer notifies the
43 participating carrier that the customer wishes to discontinue receiving

;

(E) assess costs and expenses pursuant to K.S.A. 66-1501 et seq., and amendments thereto, but the commission shall not use this authority to regulate telecommunications carriers or electing carriers beyond the jurisdiction provided the commission in this subsection; and

(F) request information from telecommunications carriers and electing carriers pursuant to K.A.R. 82-1-234a(b) and subject to the provisions of K.A.R. 82-1-221a and K.S.A. 66-1220a, and amendments thereto, but the commission shall not use this authority to regulate telecommunications carriers or electing carriers beyond the jurisdiction provided the commission in this subsection.

1 shall not mean any local exchange carrier or any electing carrier
2 designated by the commission as an eligible telecommunications carrier
3 by order dated December 5, 1997, in docket No. 98-GIMT-241-GIT, or
4 any such local exchange carrier's or electing carrier's successors or
5 assigns.

6 (5) An electing carrier shall no longer be eligible to receive high cost
7 support from the KUSF.

8 (d) The commission shall periodically review the KUSF to determine
9 if the costs of qualified telecommunications public utilities,
10 telecommunications carriers and wireless telecommunications service
11 providers to provide local service justify modification of the KUSF. If the
12 commission determines that any changes are needed, the commission shall
13 modify the KUSF accordingly undertake a review of the capped amount of
14 KUSF support available for each local exchange carrier operating under
15 price cap regulation that receives such support, not including Kansas
16 lifeline service program purposes pursuant to K.S.A. 66-2006, and
17 amendments thereto, and determine if a lesser amount is appropriate for
18 KUSF distributions after March 1, 2019. Reviews of such carriers shall be
19 based on the forward-looking costs of providing basic voice service, using
20 inputs that reflect the actual geography being served and that reflect the
21 scale and scope of the local exchange carrier providing basic local voice
22 service within each exchange.

23 ~~(d)(e)~~ Any ~~qualified telecommunications carrier, telecommunications~~
24 ~~public utility or wireless telecommunications service provider~~ may request
25 supplemental funding from the KUSF based upon a percentage increase in
26 access lines over the 12-month period prior to the request. The
27 supplemental funding shall be incurred for the purpose of providing
28 services to and within the service area of the qualified telecommunications
29 ~~carrier, telecommunications public utility or wireless telecommunications~~
30 ~~service provider.~~ Supplemental funding from the KUSF shall be used for
31 infrastructure expenditures necessary to serve additional customers within
32 the service area of such ~~qualifying utility, provider or carrier~~. All affected
33 parties shall be allowed to review and verify a request of such a ~~qualified~~
34 ~~utility, carrier or provider~~ for supplemental funding from the KUSF, and to
35 intervene in any commission proceeding regarding such request. The
36 commission shall issue an order on the request within 120 days of filing.
37 Additional funding also may be requested for: The recovery of shortfalls
38 due to additional rebalancing of rates to continue maintenance of parity
39 with interstate access rates; shortfalls due to changes to access revenue
40 requirements resulting from changes in federal rules; additional investment
41 required to provide universal service and enhanced universal service,
42 deployed subject to subsection (a) of K.S.A. 66-2005, and amendments
43 thereto; and for infrastructure expenditures in response to facility or

local exchange carrier

local exchange carrier

1 service requirements established by any legislative, regulatory or judicial
2 authority. Such requests shall be subject to simplified filing procedures and
3 the expedited review procedures, as outlined in the stipulation attached to
4 the order of November 19, 1990 in docket no. 127,140-U (Phase IV).

5 (e)(f) For each local exchange carrier electing pursuant to subsection
6 (b) of K.S.A. 66-2005, and amendments thereto, to operate under
7 traditional rate of return regulation, all KUSF support, including any
8 adjustment thereto pursuant to this section shall be based on such carrier's
9 embedded costs, revenue requirements, investments and expenses. ~~The
10 commission shall continue, until at least March 1, 2017, to determine
11 KUSF support for local exchange carriers electing traditional rate of
12 return regulation pursuant to subsection (b) of K.S.A. 66-2005, and
13 amendments thereto, in the same manner and using the same policies and
14 procedures in effect on January 1, 2013. Any modification of such support
15 shall be made only as a direct result of changes in those factors
16 enumerated in this subsection.~~

Until

any

17 (f)(g) Additional supplemental funding from the KUSF, other than as
18 provided in subsection (d)(e), may be authorized at the discretion of the
19 commission. However, the commission may require approval of such
20 funding to be based upon a general rate case filing. With respect to any
21 request for additional supplemental funding from the KUSF and to any
22 audit of a rural telephone company's KUSF support, the commission shall
23 act expeditiously, but and shall not be subject to the 120-day 240-day
24 deadline set forth in subsection (d) for rate case applications pursuant to
25 K.S.A. 66-117, and amendments thereto.

26 Sec. 10. K.S.A. 2012 Supp. 66-2009 is hereby amended to read as
27 follows: 66-2009. (a) Local exchange carriers, not including electing
28 carriers, that provided switched local exchange services in the state prior
29 to January 1, 1996, or their successors, shall serve as the carrier of last
30 resort in their exchanges and shall be eligible to receive KUSF funding.
31 However, with respect to the Hill City exchange area in which multiple
32 carriers were certified prior to January 1, 1996, the commission's
33 determination, subject to court appeals, shall determine which authorized
34 carrier shall serve as carrier of last resort. The local exchange carrier
35 serving as the carrier of last resort shall remain the carrier of last resort and
36 shall be entitled to recover the costs of serving as carrier of last resort.

37 (b) Beginning March 1, 1997, the amount of KUSF funds owed to
38 each qualifying telecommunications carrier, telecommunications public
39 utility or wireless telecommunications service provider in the state, based
40 upon the revenue requirements assigned to the funds for such qualifying
41 utility, carrier or provider, shall be allocated by the fund administrator in
42 equal monthly installments.

43 (c) (1) For the purposes of this subsection:

Nothing in this subsection shall prohibit the commission from conducting a general investigation regarding effects of federal universal service reform on KUSF support and the telecommunications public policy of the state of Kansas as expressed in K.S.A. 66-2001, and amendments thereto. The commission may present any findings and recommendations to the telecommunications study committee established in section 1, and amendments thereto.