

SENATE BILL No. 366

By Committee on Utilities

1-14

9 AN ACT concerning telecommunications; related to charges by local
10 exchange carriers; amending K.S.A. 2009 Supp. 66-2005 and repealing
11 the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2009 Supp. 66-2005 is hereby amended to read as
15 follows: 66-2005. (a) Each local exchange carrier shall file a network in-
16 frastructure plan with the commission on or after January 1, 1997, and
17 prior to January 1, 1998. Each plan, as a part of universal service protec-
18 tion, shall include schedules, which shall be approved by the commission,
19 for deployment of universal service capabilities by July 1, 1998, and the
20 deployment of enhanced universal service capabilities by July 1, 2003, as
21 defined pursuant to subsections (p) and (q) of K.S.A. 66-1,187, and
22 amendments thereto, respectively. With respect to enhanced universal
23 service, such schedules shall provide for deployment of ISDN, or its tech-
24 nological equivalent, or broadband facilities, only upon a firm customer
25 order for such service, or for deployment of other enhanced universal
26 services by a local exchange carrier. After receipt of such an order and
27 upon completion of a deployment plan designed to meet the firm order
28 or otherwise provide for the deployment of enhanced universal service,
29 a local exchange carrier shall notify the commission. The commission shall
30 approve the plan unless the commission determines that the proposed
31 deployment plan is unnecessary, inappropriate, or not cost effective, or
32 would create an unreasonable or excessive demand on the KUSF. The
33 commission shall take action within 90 days. If the commission fails to
34 take action within 90 days, the deployment plan shall be deemed ap-
35 proved. This approval process shall continue until July 1, 2000. Each plan
36 shall demonstrate the capability of the local exchange carrier to comply
37 on an ongoing basis with quality of service standards to be adopted by
38 the commission no later than January 1, 1997.

39 (b) In order to protect universal service, facilitate the transition to
40 competitive markets and stimulate the construction of an advanced tel-
41 ecommunications infrastructure, each local exchange carrier shall file a
42 regulatory reform plan at the same time as it files the network infrastruc-
43 ture plan required in subsection (a). As part of its regulatory reform plan,

1 a local exchange carrier may elect traditional rate of return regulation or
2 price cap regulation. Carriers that elect price cap regulation shall be ex-
3 empt from rate base, rate of return and earnings regulation and shall not
4 be subject to the provisions of K.S.A. 66-136 and 66-127, and amend-
5 ments thereto except as otherwise provided in such sections. However,
6 the commission may resume such regulation upon finding, after a hearing,
7 that a carrier that is subject to price cap regulation has: violated minimum
8 quality of service standards pursuant to subsection (l) of K.S.A. 66-2002,
9 and amendments thereto; been given reasonable notice and an oppor-
10 tunity to correct the violation; and failed to do so. Regulatory reform plans
11 also shall include:

12 (1) A commitment to provide existing and newly ordered point-to-
13 point broadband services to: Any hospital as defined in K.S.A. 65-425,
14 and amendments thereto; any school accredited pursuant to K.S.A. 72-
15 1101 et seq., and amendments thereto; any public library; or other state
16 and local government facilities at discounted prices close to, but not be-
17 low, long-run incremental cost; and

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

28 (c) ~~Subject to the commission's approval~~ *By July 1, 2010*, all local
29 exchange carriers shall reduce intrastate access charges to interstate levels
30 as provided herein. Rates for intrastate switched access, and the imputed
31 access portion of toll, shall be reduced over a three-year period with the
32 objective of equalizing interstate and intrastate rates in a revenue neutral,
33 specific and predictable manner. The commission is authorized to rebal-
34 ance local residential and business service rates to offset the intrastate
35 access and toll charge reductions. Any remaining portion of the reduction
36 in access and toll charges not recovered through local residential and
37 business service rates shall be paid out from the KUSF pursuant to K.S.A.
38 66-2008, and amendments thereto. Each rural telephone company shall
39 adjust its intrastate switched access rates on March 1 of each odd-num-
40 bered year to match its interstate switched access rates, subject to the
41 following:

42 (1) Any reduction of a rural telephone company's cost recovery due
43 to reduction of its interstate access revenue shall be recovered from the

1 KUSF;

2 (2) any portion of rural telephone company reductions in intrastate
3 switched access rates which would result in an increase in KUSF recovery
4 in a single year which exceeds .75% of intrastate retail revenues used in
5 determining sums which may be recovered from Kansas telecommuni-
6 cations customers pursuant to subsection (a) of K.S.A. 66-2008, and
7 amendments thereto, shall be deferred until March 1 of the next following
8 odd-numbered year; and

9 (3) no rural company shall be required at any time to reduce its in-
10 trastate switched access rates below the level of its interstate switched
11 access rates.

12 (d) Beginning March 1, 1997, each rural telephone company shall
13 have the authority to increase annually its monthly basic local residential
14 and business service rates by an amount not to exceed \$1 in each 12-
15 month period until such monthly rates reach an amount equal to the
16 statewide rural telephone company average rates for such services. The
17 statewide rural telephone company average rates shall be the arithmetic
18 mean of the lowest flat rate as of March 1, 1996, for local residential
19 service and for local business service offered by each rural telephone
20 company within the state. In the case of a rural telephone company which
21 increases its local residential service rate or its local business service rate,
22 or both, to reach the statewide rural telephone company average rate for
23 such services, the amount paid to the company from the KUSF shall be
24 reduced by an amount equal to the additional revenue received by such
25 company through such rate increase. In the case of a rural telephone
26 company which elects to maintain a local residential service rate or a local
27 business service rate, or both, below the statewide rural telephone com-
28 pany average, the amount paid to the company from the KUSF shall be
29 reduced by an amount equal to the difference between the revenue the
30 company could receive if it elected to increase such rate to the average
31 rate and the revenue received by the company.

32 (e) For purposes of determining sufficient KUSF support, an afford-
33 able rate for local exchange service provided by a rural telephone com-
34 pany subject to traditional rate of return regulation shall be determined
35 as follows:

36 (1) For residential service, an affordable rate shall be the arithmetic
37 mean of residential local service rates charged in this state in all exchanges
38 served by rural telephone companies and in all exchanges in rate groups
39 1 through 3 as of February 20, 2002, of all other local exchange carriers,
40 weighted by the number of residential access lines to which each such
41 rate applies, and thereafter rounded to the nearest quarter-dollar, subject
42 to the following provisions:

43 (A) If a rural telephone company's present residential rate, including

1 any separate charge for tone dialing, is at or above such weighted mean,
2 such rate shall be deemed affordable prior to March 1, 2007.

3 (B) If a rural telephone company's present residential rate, including
4 any separate charge for tone dialing, is below such average: (i) Such rate
5 shall be deemed affordable prior to March 1, 2003; (ii) as of March 1,
6 2003, and prior to March 1, 2004, a rate \$2 higher than the company's
7 present residential monthly rate, but not exceeding such weighted mean,
8 shall be deemed affordable; (iii) as of March 1, 2004, and prior to March
9 1, 2005, a rate \$4 higher than the company's present residential monthly
10 rate, but not exceeding such weighted mean, shall be deemed affordable;
11 and (iv) as of March 1, 2005, and prior to March 1, 2006, a rate \$6 higher
12 than the company's present residential monthly rate, but not exceeding
13 such weighted mean, shall be deemed affordable.

14 (C) As of March 1, 2007, and each two years thereafter, an affordable
15 residential service rate shall be the weighted arithmetic mean of local
16 service rates determined as of October 1 of the preceding year in the
17 manner hereinbefore specified, except that any increase in such mean
18 exceeding \$2 may be satisfied by increases in a rural telephone company's
19 residential monthly service rate not exceeding \$2 per year, effective
20 March 1 of the year when such mean is determined, with the remainder
21 applied at the rate of \$2 per year, but not to exceed the affordable rate.

22 (2) For single line business service at any time, an affordable rate
23 shall be the existing rate or an amount \$3 greater than the affordable rate
24 for residential service as determined under provision (1) of this subsection,
25 whichever is higher, except that any increase in the business service
26 affordable rate exceeding \$2 may be satisfied by increases in a rural telephone
27 company's business monthly service rate not exceeding \$2 per
28 year, effective March 1 of the year when such rate is determined, with
29 the remainder applied at the rate of \$2 per year, but not to exceed the
30 affordable rate.

31 (3) Any flat fee or charge imposed per line on all residential service
32 or single line business service, or both, other than a fee or charge for
33 contribution to the KUSF or imposed by other governmental authority,
34 shall be added to the basic service rate for purposes of determining an
35 affordable rate pursuant to this subsection.

36 (4) Not later than March 1, 2003, tone dialing shall be made available
37 to all local service customers of each rural telephone company at no
38 charge additional to any increase in the local service rate to become effective
39 on that date. The amount of revenue received as of March 1, 2002,
40 by a rural telephone company from the provision of tone dialing service
41 shall be excluded from reductions in the company's KUSF support otherwise
42 resulting pursuant to this subsection.

43 (5) A rural telephone company which raises one or more local service

1 rates on application made after February 20, 2002, and pursuant to sub-
2 section (b) of K.S.A. 66-2007, and amendments thereto, shall have the
3 level of its affordable rate increased by an amount equal to the amount
4 of the increase in such rate.

5 (6) Upon motion by a rural telephone company, the commission may
6 determine a higher affordable local residential or business rate for such
7 company if such higher rate allows the company to provide additional or
8 improved service to customers, but any increase in a rural telephone
9 company's local rate attributable to the provision of increased calling
10 scope shall not be included in any subsequent recalculation of affordable
11 rates as otherwise provided in this subsection.

12 (7) A uniform rate for residential and single line business local service
13 adopted by a rural telephone company shall be deemed an affordable rate
14 for purposes of this subsection if application of such uniform rate gen-
15 erates revenue equal to that which would be generated by application of
16 residential and business rates which are otherwise deemed affordable
17 rates for such company under this subsection.

18 (8) The provisions of this subsection relating to the implementation
19 of an affordable rate shall not apply to rural telephone companies which
20 do not receive KUSF support. When recalculating affordable rates as
21 provided in this subsection, the rates used shall include the actual rates
22 charged by rural companies that do not receive KUSF support.

23 (f) For regulatory reform plans in which price cap regulation has been
24 elected, price cap plans shall have three baskets: Residential and single-
25 line business, including touch-tone; switched access services; and miscel-
26 laneous services. The commission shall establish price caps at the prices
27 existing when the regulatory plan is filed subject to rate rebalancing as
28 provided in subsection (c) for residential services, including touch-tone
29 services, and for single-line business services, including touch-tone serv-
30 ices, within the residential and single-line business service basket. The
31 commission shall establish a formula for adjustments to the price caps.
32 The commission also shall establish price caps at the prices existing when
33 the regulatory plan is filed for the miscellaneous services basket. The
34 commission shall approve any adjustments to the price caps for the mis-
35 cellaneous service basket, as provided in subsection (g).

36 (g) On or before January 1, 1997, the commission shall issue a final
37 order in a proceeding to determine the price cap adjustment formula that
38 shall apply to the price caps for the local residential and single-line busi-
39 ness and the miscellaneous services baskets and for sub-categories, if any,
40 within those baskets. In determining this formula, the commission shall
41 balance the public policy goals of encouraging efficiency and promoting
42 investment in a quality, advanced telecommunications network in the
43 state. The commission also shall establish any informational filing require-

1 ments necessary for the review of any price cap tariff filings, including
2 price increases or decreases within the caps, to verify such caps would
3 not be exceeded by any proposed price change. The adjustment formula
4 shall apply to the price caps for the local residential and single-line busi-
5 ness basket after December 31, 1999, and to the miscellaneous services
6 basket after December 31, 1997. The price cap formula, but not actual
7 prices, shall be reviewed every five years.

8 (h) The price caps for the residential and single-line business service
9 basket shall be capped at their initial level until January 1, 2000, except
10 for any increases authorized as a part of the revenue neutral rate rebal-
11 ancing under subsection (c). The price caps for this basket and for the
12 categories in this basket, if any, shall be adjusted annually after December
13 31, 1999, based on the formula determined by the commission under
14 subsection (g).

15 (i) The price cap for the switched access service basket shall be set
16 based upon the local exchange carrier's intrastate access tariffs as of Jan-
17 uary 1, 1997, except for any revenue neutral rate rebalancing authorized
18 in accordance with subsection (c). Thereafter, the cap for this basket shall
19 not change except in connection with any subsequent revenue neutral
20 rebalancing authorized by the commission under subsection (c).

21 (j) The price caps for the miscellaneous services basket shall be ad-
22 justed annually after December 31, 1997, based on the adjustment for-
23 mula determined by the commission under subsection (g).

24 (k) A price cap is a maximum price for all services taken as a whole
25 in a given basket. Prices for individual services may be changed within
26 the service categories, if any, established by the commission within a
27 basket. An entire service category, if any, within the residential and single-
28 line business basket or miscellaneous services basket may be priced below
29 the cap for such category. Unless otherwise approved by the commission,
30 no service shall be priced below the price floor which will be long-run
31 incremental cost and imputed access charges. Access charges equal to
32 those paid by telecommunications carriers to local exchange carriers shall
33 be imputed as part of the price floor for toll services offered by local
34 exchange carriers on a toll service basis.

35 (l) A local exchange carrier may offer promotions within an exchange
36 or group of exchanges. All promotions shall be approved by the commis-
37 sion and may not be unjust, unreasonably discriminatory or unduly
38 preferential.

39 (m) Unless the commission authorizes price deregulation at an earlier
40 date, intrastate toll services within the miscellaneous services basket shall
41 continue to be regulated until the affected local exchange carrier begins
42 to offer 1+ intraLATA dialing parity throughout its service territory, at
43 which time intrastate toll will be price deregulated, except that prices

1 cannot be set below the price floor.

2 (n) On or before July 1, 1997, the commission shall establish guide-
3 lines for reducing regulation prior to price deregulation of price cap reg-
4 ulated services in the miscellaneous services basket, the switched access
5 services basket, and the residential and single-line business basket.

6 (o) Subsequent to the adoption of guidelines pursuant to subsection
7 (n), the commission shall initiate a petitioning procedure under which the
8 local exchange carrier may request rate range pricing. The commission
9 shall act upon a petition within 21 days, subject to a 30-day extension.
10 The prices within a rate range shall be tariffed and shall apply to all
11 customers in a nondiscriminatory manner in an exchange or group of
12 exchanges.

13 (p) A local exchange carrier may petition the commission to designate
14 an individual service or service category, if any, within the miscellaneous
15 services basket, the switched access services basket or the residential and
16 single-line business basket for reduced regulation. The commission shall
17 act upon a petition for reduced regulation within 21 days, subject to an
18 extension period of an additional 30 days, and upon a good cause showing
19 of the commission in the extension order, or within such shorter time as
20 the commission shall approve. The commission shall issue a final order
21 within the 21-day period or within a 51-day period if an extension has
22 been issued. Following an order granting reduced regulation of an indi-
23 vidual service or service category, the commission shall act on any request
24 for price reductions within seven days subject to a 30-day extension. The
25 commission shall act on other requests for price cap adjustments, adjust-
26 ments within price cap plans and on new service offerings within 21 days
27 subject to a 30-day extension. Such a change will be presumed lawful
28 unless it is determined the prices are below the price floor or that the
29 price cap for a category, if any, within the entire basket has been
30 exceeded.

31 (q) (1) Beginning July 1, 2006, price regulation of telecommunica-
32 tions services in the residential and single-line business service basket and
33 the miscellaneous services basket for local exchange carriers subject to
34 price cap regulation shall be as follows:

35 (A) Packages or bundles of services shall be price deregulated state-
36 wide, however the individual telecommunication service components of
37 such packages or bundles shall remain available for purchase on an in-
38 dividual basis at prices subject to price cap regulation in any exchange in
39 which the standards in subsection (q)(1)(B), (C) or (D) have not been
40 met. If standards in subsection (q)(1)(B), (C) or (D) have been met, the
41 individual telecommunication service components of such packages or
42 bundles shall remain available for purchase on an individual basis and
43 prices for packages or bundles shall not exceed the sum of the highest

- 1 prices of the ala carte components of the package or bundle;
- 2 (B) in any exchange in which there are 75,000 or more local exchange
3 access lines served by all providers, rates for all telecommunications serv-
4 ices shall be price deregulated;
- 5 (C) in any exchange in which there are fewer than 75,000 local
6 exchange access lines served by all providers, the commission shall price
7 deregulate all business telecommunication services upon a demonstration
8 by the requesting local telecommunications carrier that there are two or
9 more nonaffiliated telecommunications carriers or other entities, that are
10 nonaffiliated with the local exchange carrier, providing local telecom-
11 munication service to business customers, regardless of whether the en-
12 tity provides local service in conjunction with other services in that
13 exchange area. One of such nonaffiliated carriers or entities shall be re-
14 quired to be a facilities-based carrier or entity and not more than one of
15 such nonaffiliated carriers or entities shall be a provider of commercial
16 mobile radio services in that exchange;
- 17 (D) in any exchange in which there are fewer than 75,000 local
18 exchange access lines served by all providers, the commission shall price
19 deregulate all residential telecommunication services upon a demonstra-
20 tion by the requesting local telecommunications carrier that there are two
21 or more nonaffiliated telecommunications carriers or other entities, that
22 are nonaffiliated with the local exchange carrier, providing local telecom-
23 munication service to residential customers, regardless of whether the
24 entity provides local service in conjunction with other services in that
25 exchange area. One of such nonaffiliated carriers or entities shall be re-
26 quired to be a facilities-based carrier or entity and not more than one of
27 such nonaffiliated carriers or entities shall be a provider of commercial
28 mobile radio services in that exchange;
- 29 (E) rates for lifeline services shall remain subject to price cap
30 regulation;
- 31 (F) up to and continuing until July 1, 2008, rates for the initial resi-
32 dential local exchange access line and up to four business local exchange
33 access lines at one location shall remain subject to price cap regulation.
34 On and after July 1, 2008, the local exchange carrier shall be authorized
35 to adjust such rates without commission approval by not more than the
36 percentage increase in the consumer price index for all urban consumers,
37 as officially reported by the bureau of labor statistics of the United States
38 department of labor, or its successor index, in any one year period and
39 such rates shall not be adjusted below the price floor established in sub-
40 section (k). Such rates shall not be affected by purchase of one or more
41 of the following: Call management services, intraLATA long distance
42 service or interLATA long distance service; and
- 43 (G) local exchange carriers shall offer a uniform price throughout

1 each such exchange for services subject to price deregulation, under this
2 subsection, including packages or bundles of services, except as provided
3 in subsection (1) or as otherwise approved by the commission.

4 (2) For the purposes of this subsection:

5 (A) Any entity providing voice service shall be considered as a local
6 telecommunications service provider regardless of whether such entity is
7 subject to regulation by the commission;

8 (B) a provider of local telecommunications service that requires the
9 use of a third party, unaffiliated broadband network or dial-up internet
10 network for the origination of local voice service shall not be considered
11 a local telecommunications service provider;

12 (C) telecommunications carriers offering only prepaid telecommu-
13 nications service shall not be considered entities providing local telecom-
14 munications service.

15 (3) If the services of a local exchange carrier are classified as price
16 deregulated under this subsection, the carrier may thereafter adjust its
17 rates for such price deregulated services upward or downward as it de-
18 termines appropriate in its competitive environment, with tariffs for such
19 services deemed effective upon filing with the commission. Price dereg-
20 ulated services shall be subject to the price floor in subsection (k), and
21 shall not be unreasonably discriminatory or unduly preferential within an
22 exchange.

23 (4) The commission shall act upon a petition filed pursuant to sub-
24 section (q)(1)(C) or (D) within 21 days, subject to an extension period of
25 an additional 30 days, and upon a good cause showing of the commission
26 in the extension order, or within such shorter time as the commission
27 shall approve. The commission shall issue a final order within the 21-day
28 period or within a 51-day period if an extension order has been issued.

29 (5) The commission may resume price cap regulation of a local
30 exchange carrier, deregulated under this subsection upon finding, after a
31 hearing, that such carrier has: Violated minimum quality of service stan-
32 dards pursuant to subsection (1) of K.S.A. 66-2002, and amendments
33 thereto; been given reasonable notice and an opportunity to correct the
34 violation; and failed to do so.

35 (6) The commission on July 1, 2006, and on each date that any service
36 is deregulated, shall record the rates of each service which has been price
37 deregulated in each exchange.

38 (7) Prior to January 1, 2007, the commission shall determine the
39 weighted, statewide average rate of nonwireless basic local telecommu-
40 nications service as of July 1, 2006. Prior to January 1, 2007, and annually
41 thereafter, the commission shall determine the weighted, average rate of
42 nonwireless basic local telecommunications services in exchanges that
43 have been price deregulated pursuant to subsection (q)(1)(B), (C) or (D).

1 The commission shall report its findings on or before February 1, 2007,
2 and annually thereafter to the governor, the legislature and each member
3 of the standing committees of the house of representatives and the senate
4 which are assigned telecommunications issues. The commission shall also
5 provide in such annual report any additional information it deems useful
6 in determining the impact of price deregulation on consumers and the
7 competitive environment, including, but not limited to, the rates recorded
8 under paragraph (6) of this subsection, the current rates for services in
9 price deregulated exchanges, changes in service offerings available in
10 price deregulated exchanges and the change in the number of competitors
11 in price deregulated exchanges. If the commission finds that the
12 weighted, average rate of nonwireless basic local telecommunications
13 service, in exchanges that have been price deregulated pursuant to sub-
14 section (q)(1)(B), (C) or (D) in any one year period is greater than the
15 weighted, statewide average rate of nonwireless basic local telecommu-
16 nications service as of July 1, 2008, multiplied by one plus the percentage
17 increase in the consumer price index for goods and services for the study
18 periods, or the commission believes that changes in state law are war-
19 ranted due to the status of competition, the commission shall recommend
20 to the governor, the legislature and each member of the standing com-
21 mittees of the house of representatives and the senate which are assigned
22 telecommunications issues such changes in state law as the commission
23 deems appropriate and the commission shall also send a report of such
24 findings to each member of the legislature.

25 (8) For the purposes of this subsection:

26 (A) "Packages or bundles of services" means the offering of a local
27 telecommunications service with one or more of the following, subscribed
28 together, as one service option offered at one price, one or more call
29 management services, intraLATA long distance service, interLATA long
30 distance service, internet access, video services or wireless services. Pack-
31 ages or bundles of services shall not include only a single residential local
32 exchange access line or up to four business local exchange access lines at
33 one location and intraLATA long distance service or interLATA long dis-
34 tance service, or both;

35 (B) "local telecommunications service" means two-way voice service
36 capable of being originated and terminated within the exchange of the
37 local exchange telecommunications company seeking price deregulation
38 of its services, regardless of the technology used to provision the voice
39 service;

40 (C) "broadband network" means a connection that delivers services
41 at speeds exceeding two hundred kilobits per second in both directions;

42 (D) "prepaid telecommunications service" means a local service for
43 which payment is made in advance that excludes access to operator as-

1 sistance and long distance service;

2 (E) “facilities based carrier” means a telecommunications carrier or
3 entity providing local telecommunications service either wholly or par-
4 tially over its own network. Facilities based carrier shall not include any
5 radio communication services provider licensed by the federal commu-
6 nications commission to provide commercial mobile radio services; and

7 (F) “call management services” means optional telecommunications
8 services that allow a customer to manage call flow generated over the
9 customer’s local exchange access line.

10 (r) (1) Upon complaint or request, the commission may investigate
11 a price deregulated service.

12 (2) The commission shall resume price cap regulation of a service
13 provided in any exchange area by placing it in the appropriate service
14 basket, as approved by the commission, upon a determination by the
15 commission that the conditions in subsection (q)(1)(C) or (D) are no
16 longer satisfied in that exchange area.

17 (3) The commission shall resume price cap regulation of business
18 services in any exchange meeting the conditions of subsection (q)(1)(B)
19 by placing it in the appropriate service basket, as approved by the com-
20 mission, upon a determination by the commission that the following con-
21 dition is not met: There are at least two nonaffiliated telecommunications
22 carriers or other entities, that are nonaffiliated with the local exchange
23 carrier, providing local telecommunications service to business customers,
24 regardless of whether the entity provides local service in conjunction with
25 other services in that exchange area. One of such nonaffiliated carriers or
26 entities shall be required to be a facilities-based carrier or entity and not
27 more than one such nonaffiliated carriers or entities shall be a provider
28 of commercial mobile radio services in that exchange.

29 (4) The commission shall resume price cap regulation of residential
30 services in any exchange meeting the conditions of subsection (q)(1)(B)
31 by placing it in the appropriate service basket, as approved by the com-
32 mission, upon a determination by the commission that the following con-
33 dition is not met: There are at least two or more nonaffiliated telecom-
34 munications carriers or other entities, that are nonaffiliated with the local
35 exchange carrier, providing local telecommunications service to residen-
36 tial customers, regardless of whether the entity provides local service in
37 conjunction with other services in that exchange area. One of such non-
38 affiliated carriers or entities shall be required to be a facilities-based car-
39 rier or entity and not more than one such nonaffiliated carriers or entities
40 shall be a provider of commercial mobile radio services in that exchange.

41 (s) The commission shall require that for all local exchange carriers
42 all such price deregulated basic intraLATA toll services be geographically
43 averaged statewide and not be priced below the price floor established

1 in subsection (k).

2 (t) Cost studies to determine price floors shall be performed as re-
3 quired by the commission in response to complaints. In addition, not-
4 withstanding the exemption in subsection (b), the commission may re-
5 quest information necessary to execute any of its obligations under the
6 act. In response to a complaint that a price deregulated service is priced
7 below the price floor set forth in subsection (k), the commission shall
8 issue an order within 60 days after the filing of the complaint unless the
9 complainant agrees to an extension.

10 (u) A local exchange carrier may petition for individual customer pric-
11 ing. The commission shall respond expeditiously to the petition within a
12 period of not more than 30 days subject to a 30-day extension.

13 (v) No audit, earnings review or rate case shall be performed with
14 reference to the initial prices filed as required herein.

15 (w) Telecommunications carriers shall not be subject to price regu-
16 lation, except that: Access charge reductions shall be passed through to
17 consumers by reductions in basic intrastate toll prices; and basic toll prices
18 shall remain geographically averaged statewide. As required under K.S.A.
19 66-131, and amendments thereto, and except as provided for in subsec-
20 tion (c) of K.S.A. 66-2004, and amendments thereto, telecommunications
21 carriers that were not authorized to provide switched local exchange tel-
22 ecommunications services in this state as of July 1, 1996, including cable
23 television operators who have not previously offered telecommunications
24 services, must receive a certificate of convenience based upon a dem-
25 onstration of technical, managerial and financial viability and the ability
26 to meet quality of service standards established by the commission. Any
27 telecommunications carrier or other entity seeking such certificate shall
28 file a statement, which shall be subject to the commission's approval,
29 specifying with particularity the areas in which it will offer service, the
30 manner in which it will provide the service in such areas and whether it
31 will serve both business customers and residential customers in such ar-
32 eas. Any structurally separate affiliate of a local exchange carrier that
33 provides telecommunications services shall be subject to the same regu-
34 latory obligations and oversight as a telecommunications carrier, as long
35 as the local exchange carrier's affiliate obtains access to any services or
36 facilities from its affiliated local exchange carrier on the same terms and
37 conditions as the local exchange carrier makes those services and facilities
38 available to other telecommunications carriers. The commission shall
39 oversee telecommunications carriers to prevent fraud and other practices
40 harmful to consumers and to ensure compliance with quality of service
41 standards adopted for all local exchange carriers and telecommunications
42 carriers in the state.

43 Sec. 2. K.S.A. 2009 Supp. 66-2005 is hereby repealed.

1 Sec. 3. This act shall take effect and be in force from and after its
2 publication in the statute book.