

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

In the Matter of the Audit of New Cingular Wireless PCS,)
LLC d/b/a AT&T Mobility by the Kansas Universal Service)
Fund (KUSF) Administrator Pursuant to K.S.A. 2015 Supp.) Docket No. 17-WSLC-019-KSF
66-2010(b) for KUSF Operating Year 19, Fiscal Year)
March 2015-February 2016.)

**RESPONSE OF GVNW CONSULTING, INC. TO REPLY OF AT&T MOBILITY TO
RESPONSE OF GVNW TO PETITION OF NEW CINGULAR WIRELESS PCS, LLC
d/b/a AT&T MOBILITY FOR RECONSIDERATION OF ORDER ACCEPTING AND
ADOPTING AUDIT REPORT AND CLOSING DOCKET**

COMES NOW the Staff of the State Corporation Commission of the State of Kansas (“Staff” and “Commission”, respectively) and presents to the Commission the Response of GVNW Consulting, Inc. (GVNW) to the Reply of New Cingular Wireless PCS, LLC d/b/a AT&T Mobility (AT&T Mobility) to GVNW’s Response to AT&T Mobility’s Petition for Reconsideration filed in this matter on September 15, 2017. GVNW’s Response is attached to and made a part of this pleading as Attachment A.

1. On August 2, 2016, the Commission directed GVNW, as the Kansas Universal Service Fund (KUSF) Administrator to conduct an audit of AT&T Mobility for KUSF purposes. GVNW completed the KUSF audit of AT&T Mobility and on August 25, 2017, filed its Audit Report with the Commission.

2. On August 31, 2017, the Commission issued an Order accepting and adopting GVNW’s Audit Report which included Audit Finding Nos. 1, 2, and 3. GVNW’s Audit Finding No. 2 stated that;

AT&T Mobility did not report actual intrastate revenues on its monthly CRWs. Instead, the Company reported calculated revenue by dividing the total KUSF surcharge billed to customers by the approved KUSF assessment rate. The Company did not file Quarterly True-ups, but did file an Annual True-up for Operating Year 19 that showed no changes to the revenues reported to the KUSF. This practice is inconsistent with the

Commission's directive that the Company is to file Quarterly True-ups to report actual revenues.¹

GVNW's Audit Report recommended the following:

AT&T Mobility should be directed that, as a monthly filer that reports estimated revenue, it is required to report its actual revenue by a Quarterly True-up within 45-days after the end of each KUSF fiscal year quarter. The Company should also be reminded that while it reports calculated revenue, AT&T Mobility is responsible for ensuring that the assessment owed and paid to the KUSF is no less than it would be if the Company reported its actual Kansas-specific revenues.

3. On September 15, 2017, AT&T Mobility filed its Petition for Reconsideration disputing GVNW's Audit Finding No. 2 and requesting the Commission reopen this proceeding establishing a time frame for the filing of a formal, written response to the Audit Report's Audit Finding No. 2 and allow a request for hearing on the disputed issue.

4. On September 21, 2017, GVNW filed a Response to AT&T Mobility's Petition for Reconsideration and on September 27, 2017, AT&T Mobility filed its Reply to GVNW's September 21 Response.

5. GVNW has chosen to respond to AT&T Mobility's Reply of September 27, 2017 and its Response is hereby presented as Attachment A to this pleading.

WHEREFORE, Staff respectfully requests the Commission give due consideration to GVNW's Response in its deliberation and disposition of this matter.

Respectfully submitted,




Otto A. Newton #08760
Litigation Counsel
Kansas Corporation Commission
1500 Arrowhead Road
Topeka, KS 66604-4027
Phone: (785) 271-3157
FAX: (785) 271-3167

¹ Docket No. 10-GIMT-188-GIT, January 13, 2010 Order.

VERIFICATION

STATE OF KANSAS)
) ss:
COUNTY OF SHAWNEE)

Otto A. Newton, being duly sworn upon his oath, deposes and states that he is Litigation Counsel for the Kansas Corporation Commission; that he prepared the foregoing *Response of GVNW Consulting, Inc. to Reply of AT&T Mobility to Response of GVNW to Petition of New Cingular Wireless PCS, LLC d/b/a AT&T Mobility for Reconsideration of Order Accepting and Adopting Audit Report and Closing Docket* and that the statements therein are true to the best of his knowledge and belief.

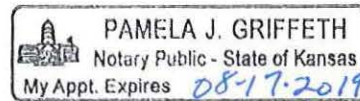


Otto A. Newton

SUBSCRIBED AND SWORN to before me this 5th day of October, 2017.



Notary Public



My Appointment Expires: August 17, 2019

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Audit of New Cingular)
Wireless PCS, LLC d/b/a AT&T Mobility by)
the Kansas Universal Service Fund (KUSF)) Docket No. 17-WSLC-019-KSF
Administrator Pursuant to K.S.A. 2015 Supp.)
66-2010(b) for KUSF Operating Year 19,)
Fiscal Year March 2015 – February 2016.)

**RESPONSE OF GVNW CONSULTING, INC. TO REPLY OF AT&T MOBILITY TO
RESPONSE OF GVNW TO PETITION OF NEW CINGULAR WIRELESS PCS, LLC
d/b/a AT&T MOBILITY FOR RECONSIDERATION OF ORDER ACCEPTING AND
ADOPTING AUDIT REPORT AND CLOSING DOCKET**

GVNW Consulting, Inc. (GVNW), the third-party administrator of the Kansas Universal Service Fund (KUSF), hereby states the following in response to the Reply of AT&T Mobility to Response of GVNW Consulting, Inc. to Petition for Reconsideration of Order Accepting and Adopting Audit Report and Closing Docket (AT&T Mobility Reply) filed on September 27, 2017:

1. To reaffirm, GVNW's Response is limited to addressing AT&T Mobility's dispute of the Kansas Corporation Commission's (KCC or Commission) August 31, 2017 Order accepting and adopting GVNW's Audit Finding No. 2 of the August 25, 2017 Audit Report.

2. The standard¹ for Audit Finding No. 2 is based upon K.S.A 66-2008(a) and multiple Commission Orders, which include Orders issued in Docket 94-478² and Docket 16-517.³ Further, the Commission has reiterated that actual revenues are to be

¹ Carriers are required to report actual revenues and may report uncollectible revenue written off to determine their KUSF obligation.

² Docket No. 94-GIMT-478-GIT (94-478), August 13, 1999 Order On Issue of Uncollectible Revenue and Additional KUSF Revenue Reporting Issues.

³ Docket No. 16-GIMT-517-GIT (16-517), February 23, 2017, Order.

reported to the KUSF, but if estimated revenues are utilized, quarterly true-ups need to be filed.⁴ Thus, GVNW identified Finding No. 2 since AT&T Mobility stated it reported to the KUSF, based on “dividing the KUSF amounts by the KUSF assessment rate.”⁵

3. As with any audit finding linked to the revenues reported to the KUSF, it is GVNW’s practice to perform additional audit procedures to assure the Commission that the audited company met its KUSF obligations. Based on these additional audit steps, GVNW determined that AT&T Mobility had met its KUSF obligations and, in-turn, recommended the Company be reminded to file quarterly True-ups consistent with Commission Orders and that it is responsible for ensuring the assessment it owes and pays to the KUSF is no less than it would be if the Company reported revenue based on its actual recorded Kansas-specific revenues.

4. The Commission, in Ordering Paragraph B of its Order, adopted GVNW’s recommendations, reiterating that a monthly filer reporting estimated revenue is to report actual revenue via the Quarterly True-up process and reminding AT&T Mobility that if it uses a calculation methodology to report revenue, the Company is responsible for ensuring that it reports and pays assessments to the KUSF that are no less than they would be if the Company reported revenue based on its recorded Kansas-specific revenues.

5. In its Reply, AT&T Mobility states its “actual revenue and billing information is testable, verifiable and auditable,”⁶ but AT&T Mobility did not explain why it did not report the revenue provided to GVNW in its response to Data Request (DR)

⁴ See also Docket No. 09-SBLC-126-KSF; August 19, 2009 Order; Docket No. 09-AT&T-129-KSF; August 21, 2009, Order; 10-CRCZ-078-KSF, December 10, 2010 Order; 14-VONZ-066-KSF, July 3, 2014 Order; Docket No. 16-TWBC-036-KSF, July 12, 2016 Order.

⁵ AT&T Mobility Reply, ¶ 6.

⁶ Id.

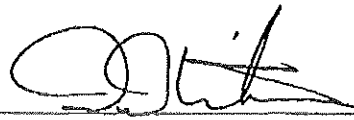
No. 8 to the KUSF or reconcile the revenue reported to the KUSF to those provided in response to DR 8. Although AT&T Mobility has not reconciled the differences, GVNW verified that the revenue the Company reported to the KUSF, based on “dividing the KUSF amounts by the KUSF assessment rate”⁷ resulted in the Company meeting its KUSF obligations. This indicates that the billing determinants used by AT&T Mobility resulted in the revenue it determined and reported by “dividing the KUSF amounts by the KUSF assessment rate” allowed the Company to meet its obligations. Therefore, GVNW recommended the Commission remind the Company to ensure it is meeting its KUSF obligations and file quarterly True-ups, as necessary. If, however, it were determined, whether by AT&T Mobility or through an audit, that its methodology does not result in the Company meeting its KUSF obligations, the Commission reminded the Company it is required to submit Quarterly True-Ups to ensure it meets its KUSF obligations.

⁷ Id.

VERIFICATION

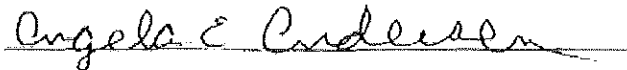
STATE OF COLORADO)
) SS:
COUNTY OF El Paso)

David Winter, being duly sworn upon his oath states that he is a Senior Consultant for GVNW Consulting, Inc.; that he prepared the foregoing RESPONSE OF GVNW CONSULTING, INC. TO REPLY OF AT&T MOBILITY TO RESPONSE OF GVNW TO PETITION OF NEW CINGULAR WIRELESS PCS, LLC d/b/a AT&T MOBILITY FOR RECONSIDERATION OF ORDER ACCEPTING AND ADOPTING AUDIT REPORT AND CLOSING DOCKET and that the statements made therein are true and correct to the best of his knowledge and belief.



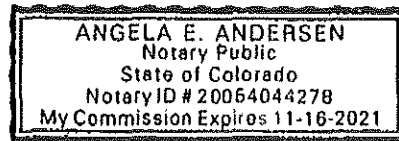
David Winter, Senior Consultant

SUBSCRIBED AND SWORN to before me this 5 day of October 2017.



Notary Public

My Appointment expires: 11-16-2021



CERTIFICATE OF SERVICE

17-WSLC-019-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing Response of GVNW Consulting, Inc. to Reply of AT&T Mobility to Response of GVNW to Petition of New Cingular Wireless PCS, LLC d/b/a AT&T Mobility for Reconsideration of Order Accepting and Adopting Audit Report and Closing Docket was served by electronic service on this 5th day of October, 2017, to the following:

DAVID G. WINTER, SENIOR CONSULTANT
GVNW CONSULTING, INC.
2270 LA MONTANA WAY, Ste 200
COLORADO SPRINGS, CO 80918
Fax: 719-594-5803
dwinter@gvnw.com

DUSTIN KIRK, DEPUTY GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
d.kirk@kcc.ks.gov

OTTO NEWTON, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3167
o.newton@kcc.ks.gov
Hand Delivered

BRUCE A. NEY, EXEC. DIR.-SENIOR LEGAL COUNSEL
NEW CINGULAR WIRELESS PCS, LLC
D/B/A AT&T MOBILITY
816 CONGRESS AVE
SUITE 1100
AUSTIN, TX 78701-2471
Fax: 512-870-3420
bn7429@att.com



Pamela Griffeth
Administrative Specialist