



GVNW CONSULTING, INC.

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November 8, 2016

Ms. Amy L. Green  
Secretary to the Commission  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

RE: Docket No. 16-CSCZ-035-KSF  
*In the Matter of the Audit of Consumer Cellular, Incorporated by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2014 Supp. 66-2010(b) for KUSF Operating Year 18, Fiscal Year March 2014-February 2015.*

Dear Ms. Green:

On August 18, 2016, the Kansas Corporation Commission (KCC or Commission) issued an Order adopting GVNW Consulting, Inc.'s (GVNW) Audit Report and directed Consumer Cellular, Incorporated (Consumer Cellular or Company): 1) to submit Audit True-ups for the period of March 2014 through July 2016 to reflect the audit findings in the Audit Report within sixty (60) days of an Order; 2) within thirty (30) days submit a pleading, including an affidavit from an officer of Consumer Cellular, affirming its use of a company-specific traffic factor study to allocate revenue between the interstate and intrastate jurisdictions, the period(s) the methodology was applicable, the intrastate traffic factors applied, and verifying that the Company is using this methodology for both Federal and Kansas USF purposes; and 3) directing GVNW to submit a Compliance Report to the Commission upon completion of the ordered actions.

Consumer Cellular, on October 13, 2016, submitted Audit True-ups that established for the period March 2014 through July 2016 that the Company owed an additional \$226.73 to the KUSF. The Company paid the additional assessment owed to the KUSF on November 8, 2016. The amounts owed to the Company and owed by the Company were netted for the Audit True-ups. The Audit True-ups reflect that \$9,693.08 should be refunded to the Company's customers through one-time, equal billing credits as a result of the Company collecting the KUSF surcharge on the Federal Universal Service Fund (USF) and the Federal Communications Commission (FCC) regulatory fees. Consumer Cellular has noted that its billing system cannot issue billing credits for KUSF related refunds.<sup>1</sup> The Company noted that it has the ability to provide "a generic courtesy credit to a customer account for issues that come up; however this can only be done manually on each customer account".

On October 20, 2016, Consumer Cellular submitted a pleading to the Commission accompanied by an affidavit signed by a Company official to verify that Consumer Cellular uses the traffic study methodology for both KUSF and federal USF purposes. The affidavit further states the Consumer Cellular began using the aforementioned methodology in 2014 and continued to do so in 2015 and 2016.

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<sup>1</sup> Consumer Cellular response to Data Request No. 20 (Confidential Attachment A).

GVNW recommends that the KCC issue an order directing Consumer Cellular, within 60 days from the date of such Order, to issue refunds in the amount of \$9,693.08 through one-time equal billing credits to its current customers. Upon completion of the refunds, the KCC should direct the Company to provide GVNW with a signed affidavit attesting to the issuance of the refunds and the total amount refunded to customers, and copies of customer bills to substantiate that Consumer Cellular issued the refunds. If Consumer Cellular is unable to complete the ordered refunds within the 60 day period, GVNW recommends that the Company be directed to file in this Docket an explanation explicitly outlining why it is unable to comply with the 60 day refund requirement and identify the timeframe within which the Company expects the refund to be completed. Once GVNW has reviewed and verified the refunds, it will provide an update to the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Winter', with a stylized flourish at the end.

David Winter  
Senior Consultant

cc: Sandy Reams

## **CERTIFICATE OF SERVICE**

I hereby certify that on this 8th day of November 2016, the above Kansas Universal Service Fund Compliance Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission  
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David G. Winter