

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

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the Matter of the Audit of BCI Telephone of)
Kansas, LLC by the Kansas Universal Service)
Fund (KUSF) Administrator Pursuant to) Docket No. 25-BCIV-103-KSF
K.S.A. 66-2010(b) for KUSF Operating Year)
27, Fiscal Year March 2023-February 2024.)

**ORDER ACCEPTING AND ADOPTING
COMPLIANCE REPORT AND CLOSING THE DOCKET**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (“Commission”) for consideration and determination. Having examined its files and records, the Commission finds and concludes:

1. On August 6, 2024, the Commission directed Vantage Point Solutions (“VPS”) to perform an audit of BCI Telephone of Kansas, LLC (“BCI” or “Company”) for Kansas Universal Service Fund (KUSF) purposes.

2. On May 5, 2025, VPS filed its Audit Report, making five (5) findings for BCI as a result of the audit for Operating Year 27,¹ as follows:

Audit Finding No. 1:

BCI did not report its VoIP Telephone Features revenues, resulting in an underpayment of \$360.45 to the KUSF.

Audit Finding No. 2:

BCI did not report its Late Fee revenues. However, the result was immaterial.

Audit Finding No. 3:

BCI did not report Paper Billing Fee revenues. However, the result was immaterial.

¹ Kansas Universal Service Fund Audit Report, Docket 25-BCIV-103-KSF (May 5, 2025).

Audit Finding No. 4:

BCI allocated revenue to the KUSF using a company-specific traffic factor study. The Company has not submitted a pleading, including an affidavit from an officer of the Company, to the Kansas Corporation Commission (KCC or Commission) regarding its methodology to allocate Kansas revenue between the interstate and intrastate jurisdictions, or to verify that the Company is using the same methodology for both Federal and Kansas USF purposes.

Audit Finding No. 5:

BCI did not correctly complete Block C of the Carrier Remittance Worksheets (CRWs), with no financial impact to the KUSF.

VPS recommended the BCI be directed to: (1) file audit True-ups for FYs 26, 27, and 28 to include its VoIP Telephone Features, Late Fees, and Paper Billing Fees, and to report the actual KUSF surcharge collected from subscribers in Block C of its CRW; (2) remit \$360.45 to the KUSF; (3) update its billing system to include KUSF surcharge collection for VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues; (4) submit a pleading affirming its use of a company-specific traffic factor study to allocate revenue between interstate and intrastate jurisdictions, the period(s) the methodology was applicable, the intrastate factors applied, and verifying that the Company is using this methodology for both Federal and Kansas USF purposes; and (5) file an affidavit attesting that the Company has (a) remitted \$360.45 to the KUSF; (b) corrected its billing system to include KUSF surcharge collection from its VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues; (c) corrected its KUSF reporting procedures to include VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues in its reporting and include the amount collected from subscribers in Block C; and (d) submit a pleading affirming its use of a company-specific traffic factor study to allocate revenue between interstate and intrastate jurisdictions, the period(s) the methodology was applicable, the intrastate factors applied and verifying that the Company is using the methodology for both Federal and Kansas USF purposes. The affidavit should provide the date the corrective actions were implemented. VPS advised the

Commission should direct BCI to take corrective action within 30 days of the Order Adopting the Report, and VPS to file a Compliance Report within 60 days of the Order.

3. The Commission issued an Order Adopting Audit Report on June 10, 2025, adopting the audit recommendations of VPS.²

4. On August 8, 2025, VPS filed a Compliance Report indicating BCI filed an affidavit attesting that the company has corrected its billing system to use the correct assessment rate for the appropriate fiscal year. VPS recommended the Commission determine that BCI is in compliance with the Commission's Order Adopting Audit Report and Commission directives and recommended the docket be closed.

5. The Commission has reviewed VPS's Compliance Report, and concludes the Compliance Report filed August 8, 2025, should be adopted with the docket being closed.

IT IS THEREFORE, BY THE COMMISSION, ORDERED THAT:

A. The Commission accepts and adopts Vantage Point Solutions' Compliance Report filed August 8, 2025, and determines the above captioned docket shall be closed.

B. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).³

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

² Order Adopting Audit Report Nunc Pro Tunc (Jun. 10, 2025).

³ K.S.A. 66-118b; K.S.A. 77-503(c); and K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 08/19/2025

A handwritten signature in blue ink, appearing to read 'Celeste Chaney-Tucker', is written above a horizontal line.

Celeste Chaney-Tucker
Executive Director

BWB

CERTIFICATE OF SERVICE

25-BCIV-103-KSF

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 08/19/2025.

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/S/ KCC Docket Room

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