

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

Before Commissioners:                      Albrecht, Chair  
   Jay Scott Emler  
   Pat Apple

In the Matter of the Audit of Big River                      )  
Telephone Company, LLC by the Kansas                      )  
Universal Service Fund (KUSF) Administrator                      )                      Docket No. 15-BGRT-049-KSF  
Pursuant to K.S.A. 2013 Supp. 66-2010(b) for                      )  
KUSF Operating Year 17, Fiscal Year March                      )  
2013-February 2014.                      )

**ORDER ACCEPTING AND ADOPTING AUDIT REPORT  
AND RECOMMENDATIONS**

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 record, and being duly advised in the premises, the Commission finds and concludes as follows:

1.        On August 12, 2014, the Commission directed GVNW Consulting, Inc. (GVNW) to perform an audit of Big River Telephone Company, LLC (Big River) for Kansas Universal Service Fund (KUSF) purposes.

2.        On December 16, 2014, GVNW filed its Audit Report of even date covering GVNW's audit of Big River, indicating its finding that Big River is current with its KUSF obligations. GVNW states that it conducted the audit of Big River in accordance with the KUSF Carrier Review Procedures adopted by the Commission<sup>1</sup> making the following findings and recommendations:

Audit Finding No. 1: Big River did not report actual intrastate revenues, as recorded in the company's internal financial documentation, on its monthly Carrier Remittance Worksheets (CRWs). Instead, Big River reported calculated revenues by dividing the total KUSF surcharge billed to customers by the approved KUSF assessment rate. Due to its internal accounting process (e.g., month-end close, year-end close, etc.), the company states it is unable to report actual data by the due date. The company files an annual

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<sup>1</sup> Docket No. 13-GIMT-130-GIT, July 17, 2014, Order Accepting and Approving GVNW Selection Criteria.

True-up; however, the company does not report the actual revenues on the annual True-up. As a result, Big River over-reported its revenues and over-paid its assessments by \$83.40 for the period of March 2013 through September 2014. GVNW's audit indicates that there were no over-collections from Big River's customers and the over-payment to the KUSF is primarily related to bill system differences, including rounding.

Recommendation: GVNW states that this practice is not consistent with the Commission directive that the company is to file Quarterly True-ups to report actual revenues.<sup>2</sup> GVNW suggests the Commission direct Big River to comply with its orders on a going-forward basis. GVNW states that on December 1, 2014, Big River submitted Audit True-ups for Operating Year 17 and quarterly True-ups for the period of March 2013 through September 2014 to correct this reporting deficiency. GVNW recommends the KUSF Administrator be directed to refund \$83.40 to Big River and that upon completion of the refund that GVNW provide the Commission with an updated Compliance Report.

Audit Finding No. 2: Big River did not clearly identify the KUSF surcharge on its customers' bills. The KUSF surcharge is included in the billing category entitled "Phone Fees" that also includes Federal USF and 911 service fees. Billing fees and surcharges are to be detailed and plainly listed on a customer's bill. GVNW states that the company will correct this practice with its January 2015 billing cycle for customer invoices that will be sent to its customers starting February 1, 2015.

Recommendation: GVNW recommends the Commission direct Big River to provide copies of customer bills to GVNW that clearly disclose the KUSF surcharge as a separate line item. Once GVNW has received and reviewed the sample customer bills, GVNW will submit a Compliance Report to the Commission.

3. The Commission has reviewed GVNW's Audit Report filed in this matter on December 16, 2014, and finds that it should accept and adopt the Report and GVNW's recommendations contained therein.

**IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

A. The Commission accepts and adopts GVNW Consulting, Inc.'s Audit Report and recommendations contained therein, filed in this docket on December 16, 2014.

B. The KUSF Administrator is directed to make a one-time refund of \$83.40 to Big

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<sup>2</sup> Docket No. 10-GIMT-188-GIT, January 13, 2010, Order Setting the Kansas Universal Service Fund Assessment Rate for Year 14 and Canceling January 20, 2010 Technical Hearing.

River Telephone Company, LLC for over-payment of the company's KUSF assessment. Upon completion of the refund, GVNW is directed to submit a Compliance Report to the Commission confirming the refund.

C. Big River is directed, on a going-forward basis, to file Quarterly True-ups to report actual revenues in accordance with the requirements established in the Commission's January 13, 2010 Order issued in Docket No. 10-GIMT-188-GIT.

D. Big River is directed to provide GVNW with copies of customer bills clearly disclosing the KUSF surcharge as a separate line item on the bill, the revised bill format said to commence with the company's January 2015 billing cycle.

E. Upon GVNW's receipt and review of Big River's revised customer bills as required under ordering paragraph D above, GVNW is directed to submit a Compliance Report to the Commission providing its response regarding the company's revised bill format.

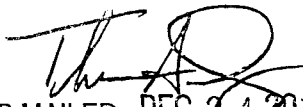
F. Any party may file a petition for reconsideration of this order within fifteen (15) days of the date this Order is served. If service is by mail, service is complete upon mailing and three (3) days may be added to the above time frame. K.S.A. 66-118b; K.S.A. 2013 Supp. 77-529(a)(1).

G. The Commission retains jurisdiction over Big River Telephone Company, LLC and the subject matter of this Docket for the purpose of issuing such additional orders as it may deem necessary.

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Com.; Apple, Com.

Dated: DEC 23 2014

  
ORDER MAILED DEC 24 2014  
Thomas A. Day  
Acting Executive Director

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PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET  
TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
ANDREW SCHWANTNER, MANAGER-CONTRACT COMPLIANCE BIG RIVER TELEPHONE COMPANY, LLC 24 S MINNESOTA AVE 270 CAPE GIRARDEAU, MO 63703		
DAVID G. WINTER, SENIOR CONSULTANT GVNW CONSULTING, INC. 2270 LA MONTANA WAY PO BOX 25969 COLORADO SPRINGS, CO 80936		
OTTO NEWTON, LITIGATION COUNSEL 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		

ORDER MAILED DEC 24 2014

The Docket Room hereby certified that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.