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Kansas Corporation Commission  
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April 10, 2012

Received  
on

APR 12 2012

Ms. Patrice Petersen-Klein, Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

by  
State Corporation Commission  
of Kansas

RE: Docket No. 12-AHCC-031-KSF, Windstream Communications, Inc.

Dear Ms. Petersen-Klein:

In its July 21, 2011 order the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of Windstream Communications, Inc. (Windstream) to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Windstream's customers, if applicable, are appropriate and accurate.

The KCC directed GVNW to file two versions of the audit report with the KCC; one version containing confidential information and one version with the confidential data redacted for public disclosure. Windstream's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Windstream is being filed.

Copies of the supporting documentation, including GVNW's audit work papers and information provided by the company, are not included with the audit report, but are available from GVNW upon request.

Sincerely,

David Winter  
Senior Consultant

Encls.

cc: Sandy Reams

## Kansas Universal Service Fund Audit Report

**Docket No.:** 12-AHCC-031-KSF  
Windstream Communications, Inc.

**Prepared For:** Kansas Corporation Commission  
Kansas Universal Service Fund

**Prepared By:** David Winter  
GVNW Consulting, Inc.

**Audit Period:** March 1, 2010, through February 28, 2011  
Kansas Operating Year 14 (KUSF Year 14)

**Date of On-Site Audit:** March 5 and 6, 2012

**Date Submitted to Company:** March 21, 2012

**Company Representatives:** Tim Loken  
Stephanie D. Marsh  
Lezlie Young

### Executive Summary

Based on the Kansas Universal Service Fund (KUSF) Carrier Review Procedures for Operating Year 14,<sup>1</sup> GVNW Consulting, Inc. (GVNW) did not identify any KUSF deficiencies regarding Windstream Communications, Inc. (Windstream or Company) and recommends this docket be closed.

### Background

Windstream is an interexchange carrier company (IXC) headquartered in Little Rock, Arkansas. The Company is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.<sup>2</sup> Windstream is authorized to collect an amount equal to or less than its assessment from customers,<sup>3</sup> and does so. As an IXC, the Company does not offer Lifeline services to its customers.

On July 21, 2011, the Kansas Corporation Commission (Commission or KCC) issued Order No. 1 in Docket No. 12-AHCC-031-KSF (Docket 12-031) directing GVNW to conduct an audit for KUSF purposes.

This audit also requires a review of the Company's compliance with the recommendations adopted by KCC in the previous audit, Docket No. 08-AHCC-055-KSF (Docket 08-055). In Docket 08-055, Windstream: 1) reported calculated intrastate

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<sup>1</sup> Docket No. 10-GIMT-188-GIT (Docket 10-188), GVNW Consulting, Inc.'s Letter dated June 28, 2011, Containing a List of Proposed Companies for Kansas Operating Year 14 and Proposed Modified KUSF Carrier Procedures (GVNW's June 2011 letter).

<sup>2</sup> Docket No. 06-GIMT-332-GIT, January 23, 2006, Order Setting the Kansas Universal Service Fund Assessment Rate For Year Ten and Establishing Reporting Requirements.

<sup>3</sup> K.S.A. 66-2008.

revenues and 2) did not perform a traffic study to determine the intrastate percentage of Monthly Service Charges (MSC) for its long distance plan. As a result, Windstream under-reported and underpaid its KUSF assessments. GVNW affirms that Windstream has modified its practices in accordance with the Docket 08-055 audit findings

### **Current KUSF Obligations**

Windstream is current with its KUSF obligations.

### **Audit Findings**

GVNW conducted the audit of Windstream in accordance with the KUSF Carrier Review Procedures adopted by the KCC.<sup>4</sup> Based on these procedures, GVNW did not identify any KUSF audit deficiencies related to the current audit period and recommends closing this docket.

### **Follow-Up Docket 08-055 Audit Compliance**

**Finding No. 1:** Reported calculated intrastate revenues to the KUSF.

**Audit Finding Compliance:** Windstream reports actual Kansas revenues to the KUSF.

**Finding No. 2:** Failed to perform a traffic study to determine the intrastate percentage of MSCs for long distance plans.

**Audit Finding Compliance:** Jurisdictional studies are performed on an annual basis.

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<sup>4</sup>Docket No. 09-GIMT-272-GIT, February 2011, Order and June 30, 2011, letter GVNW proposed KUSF Contributors Selected for Year 14, Attachment B.

**CERTIFICATE OF SERVICE**


I hereby certify that on this 10<sup>th</sup> day April, 2012, the original and seven (7) copies of the above and foregoing were sent via U.S. Mail, first class postage prepaid to:

Kansas Corporation Commission  
1500 S.W. Arrowhead Road  
Topeka, KS 66604

And an electronic copy to:

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David G. Winter