

June 30, 2025

Celeste Chaney-Tucker
Executive Director
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027
Celeste.Chaney-Tucker@ks.gov

Re: Docket No. 25-WLDT-100-KSF

In the Matter of the Audit of IdeaTek Telcom, LLC. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 27, Fiscal Year March 2023 – February 2024

Dear Celeste:

On June 22, 2025, Vantage Point Solutions (VPS) filed with the Kansas Corporation Commission (KCC) a Kansas Universal Service Fund carrier audit report concerning IdeaTek Telcom, LLC (IdeaTek or Company). It has come to the attention of VPS that the original carrier audit report was missing Attachment A and the year of the Order listed in Footnote No. 7 was incorrect.

Therefore, VPS submits a revised carrier audit report for IdeaTek to include Attachment A and correct the Order year from 2016 to 2015, for Footnote No. 7.

VPS apologizes for any inconvenience.

Sincerely,


Shomari Jackson

cc: Steve Garrett - steve.garrett@ks.gov

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of June, 2025, the above Kansas Universal Service Fund Audit 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
1500 S.W. ARROWHEAD ROAD
TOPEKA, KS 66604

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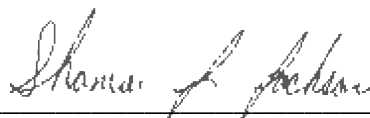
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Shomari Jackson



**Vantage Point Solutions, Inc.
Audit Report for
IdeaTek Telecom, LLC**

From: Shomari Jackson, Auditor

Company Personnel: Barbara Blakely, Controller
Maggie Lindfors, Accounting Manager

Date: May 1, 2025

On-Site Visit Date: November 12-13, 2024

KUSF Status: Current with Reporting & Payment Obligations

Re: Docket No. 25-WLDT-100-KSF

In the Matter of the Audit of IdeaTek Telecom, LLC. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 27, Fiscal Year March 2023 – February 2024

Audit Summary

Pursuant to the Kansas Corporation Commission's (KCC or Commission) August 6, 2024 Order, Vantage Point Solutions, Inc. (VPS) conducted an audit of IdeaTek Telecom, LLC (IdeaTek or Company) based on the Kansas Universal Service Fund (KUSF) Revised Audit Procedures adopted for KUSF Fiscal Year 27 (FY27).¹ VPS identified four (4) findings resulting from the Company's non-compliance with the Commission's KUSF policies, with a net impact to the Fund of a decrease of \$93,175.23. The Company is current with its KUSF obligations.

- **Finding No. 1** – IdeaTek reported and collected the KUSF surcharge on the following non-assessable revenues: Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue. This resulted in the Company over-reporting and over-paying the KUSF assessment, and over-collecting the KUSF surcharge by \$135,387.73.
- **Finding No. 2** – IdeaTek did not report the following assessable revenues to the KUSF: Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees. This resulted in the Company under-reporting and under-paying the KUSF assessment by \$34,038.71.

¹ Order Accepting VPS' KUSF Proposed Revisions to Selection Criteria and Carrier Review Procedures, Docket No. 23-GIMT-261-GIT, July 2, 2024 (23-261 Order).

- **Finding No. 3** – IdeaTek over-collected the KUSF surcharge from customers in some months to recover under-collection of the KUSF surcharge in other months. This resulted in the Company over-collecting its KUSF assessment by \$88,408.01.
- **Finding No. 4** – IdeaTek included assessable and non-assessable revenues in its write-offs that were reported on its monthly CRWs. This resulted in the Company under-reporting its revenue and under-paying its KUSF assessment by \$8,173.79.

VPS recommends the Commission issue an Order to adopt this Audit Report and the identified findings and direct IdeaTek to:

1. File audit True-ups for FYs 26, 27, and 28 to include its Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees, and to exclude its Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue;
2. Issue one-time billing credits to its customers, on a pro-rata basis, for a total amount of \$223,795.74;
3. Provide VPS with ten (10) customer bills verifying that the refund process has been completed;
4. Update its billing system to exclude surcharge collection from Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue, to include Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees, and to cease over-collecting the KUSF surcharge to recover the under-collection of the KUSF surcharge;
5. Update its KUSF reporting procedures system to exclude reporting of Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue, to include Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees, and to exclude non-assessable revenues from its uncollectible revenues that are reported on the monthly CRWs;

6. Updated its billing system to cease over-collecting the KUSF surcharge to recover the under-collection of the KUSF surcharge;
7. Updated its reporting procedures to omit non-assessable revenues from its uncollectibles that are reported on the monthly CRW; and
8. File an affidavit, signed by an officer of the Company, attesting that the Company:
 - a. Issued one-time billing credits to customers, on a pro-rata basis, for a total amount of \$223,795.74, including the date the refunds were completed;
 - b. Updated its billing system to exclude surcharge collection from Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue, include Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees;
 - c. Updated its reporting procedures to exclude reporting of Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue, to include Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees, and to exclude non-assessable revenues from its uncollectible revenues that are reported on the monthly CRWs;
 - d. Updated its billing system to cease over collecting the KUSF surcharge to recover the under-collection of the KUSF surcharge; and
 - e. Updated its reporting procedures to omit non-assessable revenues from its uncollectibles that are reported on the monthly CRW.

The affidavit should provide the date the corrective actions were implemented.

VPS recommends IdeaTek be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

The Company is current with its KUSF obligations.

IdeaTek disagrees with the Audit Report in part.

Staff concurs with auditor findings.

Background

During the course of the audit, VPS issued seventeen (17) Data Requests (DRs) to IdeaTek. DR No. 16 is included as Attachment A.

IdeaTek operates as a provider of local exchange and exchange access services,² and a reseller of interexchange and operator services³ and is headquartered in Buhler, KS.

IdeaTek is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.⁴ The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers, and does so.⁵ The Company is a designated Eligible Telecommunications Carrier (ETC) in Kansas and offers Lifeline services to its customers in the Embark's Buhler, Burrton, Haven, and Inman wire centers.⁶

Pursuant to Commission Order,⁷ VPS confirmed that IdeaTek offers bundled assessable and non-assessable services to its Kansas customers. The Company reports revenue and remits assessments to the KUSF based on the unbundled price of the assessable service. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.⁸

Current KUSF Obligations

The Company is current with its KUSF obligations.⁹

Current Audit Findings

VPS conducted the audit of IdeaTek in accordance with the KUSF Audit Procedures adopted by the KCC.¹⁰ Based on the referenced procedures, VPS identified the following audit findings and provides the following recommendations:

Audit Finding No. 1

Standard: Non-voice service revenues will not be included in carriers' retail revenues.¹¹

Finding: IdeaTek reported and collected the KUSF surcharge on the following non-assessable services and reported them as intrastate revenues: Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit

² Order Granting Certificate, Docket No. 06-WLDT-1005-COC, May 1, 2006 (06-1005 Order).

³ Order Approving Certificate, Docket No. 08-WLDT-1077-COC, Oct. 14, 2008 (08-1007 Order).

⁴ Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, Jan. 23, 2006 (06-332 Order).

⁵ K.S.A. 66-2008(a).

⁶ Order Approving Application of Wildflower for Designation as an Eligible Telecommunications Carrier, Docket No. 07-WLDT-1395-ETC, Nov. 2, 2007 (07-1395 Order).

⁷ Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2015.

⁸ IdeaTek's response to DR 11.

⁹ Confirmed with the KUSF Administrator on April 8, 2025.

¹⁰ 23-261 Order.

¹¹ Order Granting Requests of Joint Petitioners, Docket No. 06-GIMT-943-GIT, Sep. 7, 2006.

revenue.¹² As a result, the Company over-collected \$135,387.73 from its customers, over-reported intrastate revenues, and overpaid its KUSF contributions for the March 2022 – February 2025 Fiscal Years (FYs 26,27, and 28) in the amount of \$135,387.73.

Recommendation: VPS recommends that IdeaTek be directed to file audit True-ups for FYs 26, 27, and 28, to omit the non-assessable revenues. VPS recommends that IdeaTek be directed to issue refunds, through one-time billing credits, totaling \$135,387.73 to the affected customers on a pro-rata basis.

VPS recommends that IdeaTek be directed to update its billing system to exclude surcharge collection from Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue, and Interstate Private Line Data Circuit revenue.

VPS recommends that IdeaTek be directed to update its KUSF reporting procedures system to exclude reporting of Alarm Lines, Fax Lines, EFax, EFax Service + ATA, MessageView (SMS Services), Mid America Computer Corp, Subscriber Line Charge, Subscriber Multi-Line Charge, PRI (Phone equipment), Elan & Eline Services, Intrastate Private Line Data Circuits revenue.

VPS recommends that IdeaTek be directed to file an affidavit, signed by an officer of the Company, attesting to the amount and completion date of the customer refunds, and that the Company has updated its KUSF surcharge collection procedures and reporting procedures to exclude the revenues listed.

VPS also recommends that IdeaTek provide VPS ten (10) customer bills verifying that the refund process has been completed.

VPS recommends IdeaTek be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

Management Response

IdeaTek agrees the revenue categories in Finding No. 1 are non-assessable revenues. However, the Company believes it is due a refund from the Fund so it may subsequently issue those refunds to its customers. IdeaTek believes the audit report and the KCC Order on the audit report should include an acknowledgement that a refund of \$135,387.73 from the KUSF to IdeaTek is appropriate.

¹² Attachment A, pp. 1-2.

Audit Finding No. 2

Standard: Companies are required to report their intrastate retail revenues, including non-recurring and miscellaneous revenues, to the KUSF.¹³

Finding: IdeaTek did not report the following assessable revenues to the KUSF: Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees.¹⁴ As a result, the Company under-reported its intrastate revenues and underpaid its KUSF contributions for the March 2022 – February 2025 Fiscal Years (FY 26, 27, and 28) in the amount of \$34,038.71. The Company did not collect the KUSF surcharge from customers for these revenues.

Recommendation: VPS recommends that IdeaTek be directed to file audit True-ups for FYs 26, 27, and 28, to include its Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees in its reporting. This will result in an additional \$34,038.71 due to the KUSF.

VPS recommends that IdeaTek be directed to update its billing system to include surcharge collection on Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees.

VPS recommends that IdeaTek be directed to update its KUSF reporting procedures to include reporting of Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees.

VPS also recommends that IdeaTek be directed to file an affidavit, signed by an officer of the Company, attesting that the Company has updated its KUSF reporting procedures to include Late Fees, Compliance Fees, Regulatory Fees, and Manual Billing Processing Fees in its reporting.

VPS recommends IdeaTek be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

Management Response

IdeaTek confirms that it did not report revenues to the KUSF for late payment fees, compliance fees, regulatory fees, or manual billing processing fees. The Company reports these revenues consistent with the contribution methodology it uses for purposes of the federal universal service fund (FUSF). The 2024 Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A specifically states that these are not revenues from telecommunications services.¹⁵

¹³ Order, Docket No. 94-GIMT-478-GIT, Dec. 27, 1996; See also KUSF Instructions, Attachment E. https://vantagepnt.com/wp-content/uploads/2024/11/KUSF_Remittance_2024-2025_Attachment_E.pdf

¹⁴ Attachment A, p.2.

¹⁵ IdeaTek provided the following footnote: See "Line 214." Pg. 34. 2024 Telecommunications Reporting Worksheet Instructions (FCC Form 499-A).

To require the Company to treat these revenues differently from how they are treated for purposes of the FUSF is inconsistent with K.S.A. 66-2008(a), which states: "... The commission shall not require any provider to contribute to the KUSF under a different contribution methodology than such provider uses for purposes of the federal universal service fund, including for bundled offerings" ..."

Additionally, K.S.A. 66-2008 requires contributions to the KUSF "based upon the provider's intrastate telecommunications services net retail revenues", and K.S.A. 66-1,187 defines telecommunications service as "... the provision of a service for the transmission of telephone messages, or two-way video or data messages", which would not encompass these four categories of fees.

Audit Finding No. 3

Standard: Any telecommunications carrier, telecommunications public utility, wireless telecommunications service provider or provider of interconnected VoIP service which contributes to the KUSF may collect from customers an amount equal to such carrier's, utility's or provider's contribution, but such carrier, provider or utility may collect a lesser amount from its customer.¹⁶

Finding: IdeaTek over-collects the KUSF surcharge from customer in some months to recover under-collection for the KUSF surcharge from customer in prior months.¹⁷ As a result, the Company over-collected the KUSF surcharge from March 2022 – February 2025 Fiscal Years (FY 26, 27, and 28) in the amount of \$88,408.01. The Company did not remit this over-collection to the KUSF.

Recommendation: VPS recommends that IdeaTek be directed to file audit True-ups for FYs 26, 27, and 28, to include the actual KUSF surcharge that was collected from its customer, and to update its billing system to cease over-collecting the KUSF surcharge from customers in any single billing period. VPS also recommends that IdeaTek be directed issue refunds, to its affected customers, through a one-time billing credit, totaling \$88,408.01. VPS also recommends that IdeaTek provide VPS with ten (10) customer invoices verifying that the customer refund process has been completed.

VPS also recommends that IdeaTek be directed to file an affidavit, signed by an officer of the Company, attesting to the amount and completion of the customer refunds, and that the Company has updated its billing system to cease over-collection of the KUSF surcharge to recover the under-collection of the KUSF surcharge from customers in any single billing period, and the date the update was completed.

VPS recommends IdeaTek be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

¹⁶ K.S.A. 66-2008.

¹⁷ Attachment A, p.4.

Management Response

IdeaTek has previously adjusted KUSF surcharge rates from its customers when it estimates that it has collected less than the Company's contribution in the previous month. This practice is consistent with K.S.A. 2008(a) which states that the Company "may collect from customers an amount equal to such carrier's, utility's or provider's contribution..." Likewise, if IdeaTek finds it has over collected in one month, the Company downwardly adjusts the following month. Ultimately, the Company's intent is to collect the maximum annual contribution permitted by statute from its customers, but no more. A monthly internal true-up complies with the statute.

There are many challenges with complete precision between the Company's KUSF fee payments and its recovery from its customers on a monthly basis, such as month-straddling customer pay periods, credits, write-offs, etc. This is a reason why there are annual true-ups and the KUSF annual filings include a review of collections compliance on an annual basis. K.S.A. 66-2008 does not state that *monthly collections* must be equal to or less than fees paid for that same month, especially if the Company reduces customer over-collection in the next month's recovery of fees. It is a material error to calculate the over collection by month instead of by year; the Company is unaware of any statute or KCC order stating that a monthly calculation is mandatory.

Audit Finding No. 4

Standard: Include only intrastate retail revenue that was not collected from customers and was actually written-off by the company during this revenue data month reported.¹⁸

Finding: IdeaTek reported uncollectible revenues on its monthly CRWs that included amounts written off for non-assessable revenues.¹⁹ As a result, the Company underpaid its KUSF contributions for the March 2022 – February 2025 Fiscal Years (FY 26, 27, and 28) in the amount of \$8,173.79. The Company stated that it ceased this practice in November 2024.²⁰

Recommendation: VPS recommends that IdeaTek be directed to file audit True-ups for FYs 26, 27, and 28, to exclude uncollectibles for non-assessable revenues from its reporting. This will result in an additional \$8,173.79 due to the KUSF.

VPS also recommends that the Company be directed to file an affidavit, signed by an officer of the Company, attesting that the Company had ceased this practice as of November 2024.

VPS recommends IdeaTek be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

¹⁸ Order on Uncollectible Revenue and Additional KUSF Revenue Report Issues, Docket No. 94-GIMT-478-GIT, Aug. 13, 1999. See also *KUSF Instructions*

https://vantagepnt.com/wp-content/uploads/2024/11/KUSF_Remittance_2024-2025_Instructions.pdf.

¹⁹ Attachment A, p. 5.

²⁰ *Ibid.*

Additional Comments of Management in Response to the Audit Report

The audit report indicates that the Commission typically nets amounts owed against amounts due, and this process is expected to be applied in this audit.

KUSF Carrier Audit Information Request

Submitted By: Shomari Jackson

Submitted To: Barbara Blakely

Company Name: IdeaTek Telecom, LLC

Docket Number: 25-WLDT-100-KSF

Request Date: March 18, 2025

Due Date: March 27, 2025

Data Request No. 16

RE: Confirmation of Auditor Understanding

Please confirm that the auditor's understanding of the following items is correct. If the statements are incorrect, please provide clarification.

- The Company reports the following revenues to the KUSF: - ***Company confirms that = revenues associated with the items below were included in our KUSF filing unless otherwise noted below.***
 - Alarm Lines
 - Fax Lines - **note 1 (fax service)**
 - EFax - **note 1 (fax service)**
 - EFax Service + ATA - **note 1 (fax service)**
 - MessageView (SMS services) - **note 1 (non-voice service)**
 - Mid America Computer Corp - **note 1 (wholesale revenue)**
 - Subscriber Line Charge - **note 1 (subscriber line charge)**
 - Subscriber Multi-Line Charge - **note 1 (subscriber line charge)**
 - PRI (Portion related to phone equipment) - **note 1 (customer equipment)**
 - Elan & Eline Services - **note 2**
 - Intrastate Private Line Data Circuit revenues - **note 2, except by definition all private line circuits classified as intrastate would be KUSF accessible and were reported as such.**
 - Interstate Private Line Data Circuit revenues (Customer in Missouri)
Company considers this a non-assessable revenue item but mistakenly included in assessable revenues.

Note 1 - After further review of KUSF filing instructions, company believes this revenue should be removed from its filing. See "[Attachment E](#)" page 5.

Note 2 - This is a private line or similar circuit. We believe the assessment of KUSF on private lines is associated with a determination if the circuit contains 10% or more interstate traffic. We have relied on customer traffic certifications to make that determination. Thus, not all private line traffic was reported as

KUSF accessible intrastate revenue, however, Company confirms that revenue reported to KUSF in this category was determined to be intrastate.

- The Company collects the KUSF surcharge on the following revenues to the KUSF: - ***Confirmed, the company has used these customer services as a partial basis for its collection methodology from its customers (with the exception of Mid America Comp Corp revenues). The company is not aware of any KUSF fee collection requirement that restricts which services it collects recovery of KUSF fees from and we are aware of only the restriction that the company may not collect more from its customers than what it is assessed by the program (KSA 66-2008a).***
 - Alarm Lines
 - Fax Lines
 - EFax
 - EFax Service + ATA
 - MessageView (SMS services)
 - Mid America Computer Corp
 - Subscriber Line Charge
 - Subscriber Multi-Line Charge
 - PRI (Portion related to phone equipment)
 - Elan & Eline Services
 - Intrastate Private Line Data Circuit revenues
 - Interstate Private Line Data Circuit revenues (Customer in Missouri)
- The Company did not report the following revenues to the KUSF: - ***Confirmed, the company did not report the following revenues, see note below.***
 - Late Fees
 - Compliance Fees
 - Regulatory Fees
 - Manual Billing Processing Fees

The Company's basis for not reporting the above revenues is as follows:

1. None of the revenues are telecommunications services.
2. The collection methodology is consistent with FUSF collections. [See FCC 499A instructions pages 34-35](#) and the company is relying on [KSA 66-2008](#) which permits it to utilize FUSF methodology for KUSF reporting.
3. We are also aware KUSF auditors have referenced a KCC order from the late 90s which may conflict with our basis in #1 and 2 above, however we have not been able to yet determine if such order has been harmonized with KSA 66-2008.

- Pole attachments
- Open video systems (OVS)
- Cable leased access
- Cable service
- Direct broadcast satellite (DBS) service
- The sale, lease, installation, maintenance, or insurance of customer premises equipment (CPE)
- The sale or lease of transmission facilities, such as dark fiber or bare transponder capacity, that are not provided as part of a telecommunications service or as a UNE.
- **Late payment charges**
- Charges imposed by the filer for customer checks returned for non-payment
- Revenues from telecommunications provided in a foreign country where the traffic does not transit the United States or where the provider is offering service as a foreign carrier, i.e., a carrier licensed in that country.

Revenue reported on Line 418 should be divided into four categories:

Line 418.1	Revenues from other non-telecommunications goods or services that are bundled with U.S. wireline or wireless circuit switched exchange access services.
Line 418.2	Revenues from other non-telecommunications goods or services that are bundled with U.S. interconnected VoIP service.
Line 418.3	All other revenues properly reported on line 418 except those reported in Lines 418.1, 418.2, and 418.4, including broadband Internet access service subject to forbearance and broadband transmission service provided on a non-common carrier basis to a broadband Internet access provider.
Line 418.4	Revenues from non-interconnected VoIP services sold to end users that are not otherwise includable on Lines 403 to 417. Non-interconnected VoIP service is defined in Appendix B, under non-interconnected VoIP service provider. ⁶⁶

KSA 66-2008(a)

(a) The commission shall require every telecommunications carrier, telecommunications public utility and wireless telecommunications service provider that provides intrastate telecommunications services and, to the extent not prohibited by federal law, every provider of interconnected VoIP service, as defined by 47 C.F.R. 9.3, to contribute to the KUSF based upon the provider's intrastate telecommunications services net retail revenues on an equitable and nondiscriminatory basis. The commission shall not require any provider to contribute to the KUSF under a different contribution methodology than such provider uses for purposes of the federal universal service fund, including for bundled offerings. Any telecommunications carrier, telecommunications public utility, wireless telecommunications service provider or provider of interconnected VoIP service which contributes to the KUSF may collect from customers an amount equal to such carrier's, utility's or provider's contribution, but such carrier, provider or utility may collect a lesser amount from its customer.

- The Company over-collects the KUSF surcharge from customers in some months to recover under-collection of the KUSF surcharge from customers in prior months.

The Company has previously adjusted KUSF surcharge rates from our customers when it estimates that it has collected less than the Company's contribution in the previous month. We believe this methodology complies with KSA 2008(a) which states that Company "may collect from customers an amount equal to such carrier's, utility's or provider's contribution, but such carrier, provider or utility may collect a lesser amount from its customer." Likewise, if we believe we have overcollected, the Company would downwardly adjust the following month. Ultimately, the Company's intent is to collect the maximum annual contribution permitted by statute from its customers but no more. A monthly internal true up is intended to comply with that statute.

There are many challenges with complete precision between the Company's KUSF fee payments and its recovery from its customers on a monthly basis such as month-straddling customer pay periods, credits, write offs, etc. We believe this is a reason why there are annual true-ups and the KUSF annual filings include a review of collections compliance on an annual basis. The statute does not specifically indicate that monthly collections must be equal to or less than fees paid, especially if the company reduces customer over-collection in the next month's recovery fees. The company and auditor are still determining if the total annual customer collected amount is over or under collected for the audit year.

**Kansas Universal Service Fund (KUSF)
Carrier Remittance Worksheet (CRW) Instructions
March 2025 – February 2026 (FY 29)**

Block B- Submission Date

The Submission Date is the date the CRW is submitted to the KUSF Administrator and is automatically populated by the E-File system.

Block C- KUSF Assessments Collected from Customers

K.S.A. 66-2008(a) authorizes, but does not require, a provider to collect its assessment from customers. Enter the KUSF Assessments collected from end-user customers for the data month revenue reported.¹⁵

This amount is not based on a calculation. Report the actual assessment amount collected from end-users. Compare the assessment amount collected from customers to the actual assessment owed by the Company. If the amount collected exceeds the assessment owed, the Provider is responsible for taking steps to ensure it does not collect more than its obligations, consistent with K.S.A. 66-2008(a). Customer refunds may be required. The KUSF Administrator and/or Commission Staff may request additional documentation. Identify KUSF assessments billed to customers through a separate line item charge on end-user bills.

Block D – Revenue Reporting Basis: Wireless, Paging, and Interconnected VoIP Providers - Indicate the methodology your company uses to allocate Kansas intrastate revenue for KUSF purposes.¹⁶

- “Safe Harbor” if your company uses the Safe Harbor Provision.
- “Study” if reporting based on a company-specific traffic study.
- “Actual” if your company directly identifies Kansas revenue.

Wireless, Paging, and Interconnected VoIP providers **must** use the same revenue-allocation methodology to allocate revenue between the interstate and intrastate jurisdictions for Federal USF and KUSF purposes.¹⁷

A Provider reporting revenue based on a **company-specific traffic study or direct assignment of revenue** must submit a pleading to the KCC, identify the methodology used, the time period the methodology is effective, the intrastate traffic factors, if applicable, and an affidavit from an officer of the **Provider** verifying the Provider uses this same methodology for both Federal and Kansas USF purposes. A Provider must submit an update to the KCC at least annually, in the annual KUSF generic docket and is encouraged to file whenever it changes methodologies or the intrastate factor changes.

- The uncollectible revenues that are reported on the monthly CRWs include write offs for both assessable and non-assessable revenues. - ***Confirmed, the write offs were included up to November 2024. Based on audit field work we have stopped reporting all write-off revenue. We believe that a reasonable adjustment for the audit period would be to apply the % of intrastate telecommunications revenue of all revenue and apply such percentage to the our total writeoffs resulting in a corrected write off amount.***

NOTE: If for some reason, the above information cannot be provided by the date requested, your Company must submit a Request for Additional Time.

Verification of Response – DR16

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to VPS' auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Sign: *Barbara Blakely*
Barbara Blakely (Apr 8, 2025 14:49 CDT)

Date: 08/04/2025