

3. GVNW states that it conducted its audit of Kansas #15 based on the KUSF Carrier Review Procedures for KUSF Year 14¹. GVNW's Audit Report for Kansas #15 reveals the following reporting deficiencies:

- (i) Kansas #15 applied the KUSF surcharge to the Federal Universal Service Fund (Federal USF) surcharge collected from customers and reported the associated revenues to the KUSF, resulting in over-reporting revenues and a \$10,214.65 over-payment of assessments to the KUSF, and a like amount collected from customers through the KUSF surcharge. Kansas #15 discontinued this practice in March 2011. GVNW recommends the KCC direct the KUSF Administrator to refund to Kansas #15 the sum of \$10,214.65 and that Kansas #15 be directed to refund a like amount to its customers through one-time equal bill credits.
- (ii) Kansas #15 erroneously applied the KUSF surcharge to data and internet service plans, reported the related revenues to the KUSF for the period of March 1 through December 31, 2010, and paid the related assessments to the KUSF, resulting in an over-payment of \$104,273.25 and over-collection of a like amount from customers through the KUSF surcharge. Kansas #15 corrected this error in January 2011. GVNW recommends the KCC direct the KUSF Administrator to refund to Kansas #15 the sum of \$104,273.25 and that Kansas #15 be directed to refund a like amount to its customers through one-time equal bill credits.
- (iii) Kansas #15 reported data content applications and premium content data revenues to the KUSF; however, it did not collect the surcharge for either service from customers subscribed to these services. Consequently, Kansas #15 overpaid to the KUSF and is entitled to a refund of \$14,689.22 from the KUSF. Inasmuch as the KUSF surcharge was not collected from customers, no customer refund is due. Kansas #15 ceased reporting data content applications and premium content revenues in January 2011. GVNW recommends the KCC direct the KUSF Administrator to refund to Kansas #15 the sum of \$14,689.22 from the KUSF.
- (iv) Kansas #15 did not report service contract early termination fee revenues to the KUSF, resulting in an under-reporting of KUSF revenues, as well as an under-payment of its assessment in the amount of \$8,045.60. Kansas #15 began reporting early termination fees in April 2011. GVNW recommended and Kansas #15 submitted Audit True-ups for KUSF year 14 and quarterly True-ups for KUSF Year 15 correcting this reporting deficiency.

¹ Docket No. 10-GIMT-188-GIT, GVNW letter dated June 28, 2011.

- (v) Kansas #15 did not request or receive authorization from the Commission to allocate its revenues for KUSF purposes through a company-specific traffic factor. GVNW indicates that in response to a data request, Kansas #15 stated that it was inadvertently left off the entity list filed by USCOC of Nebraska/Kansas LLC (U.S. Cellular) filed on May 10, 2011. The Commission approved both U.S. Cellular's filings of May 10, 2011 (*Notice of Use of Traffic Study Data for KUSF Reporting*) and October 21, 2011 (*Update to Traffic Study Data for KUSF Reporting*) on May 23, 2011 and on November 9, 2011, respectively, in Docket No 11-GIMT-201-GIT. Kansas #15 was not included as a party in any of the foregoing pleadings and orders. In correspondence and pleadings filed February 29, March 7, and May 4, 2012, U.S. Cellular maintains that notwithstanding absence of any reference to Kansas #15 in its filings of May 10, 2011 and October 21, 2011, the same should also apply to Kansas #15 as well. GVNW concluded that Kansas #15 did not request and was not authorized by the Commission to use a company-specific traffic study to determine its intrastate revenue to report to the KUSF. GVNW noted that an order addressing U.S. Cellular's February 29, 2012 and March 7, 2012 pleadings and correspondence had not yet been issued in Docket No. 11-GIMT-201-GIT². GVNW Audit Report at pages 3 through 5.

4. GVNW states that on March 26, 2012, Kansas #15 submitted Audit True-ups for Operating Year 14 and quarterly True-ups for Operating Year 15. According to GVNW, the Audit True-ups reflect correction of the revenue categories identified in GVNW's findings identified in subparagraphs 3. (i) through (iv) above and support the company refunds recommended by GVNW. GVNW concludes that Kansas #15 is now in compliance with the audit findings. Based on KUSF Carrier Review Procedures for KUSF Year 14, GVNW recommends the Commission direct GVNW, as KUSF Administrator, to refund to Kansas #15 the sum of \$121,131.52, and further direct that GVNW issue \$114,487.90 in refunds to its current customers through one-time equal billing credits in order to correct the reporting deficiencies identified in subparagraphs 3. (i) through (iv).

² The Commission takes administrative notice of its Order issued May 15, 2012 in Docket No. 11-GIMT-201-GIT, wherein Kansas #15 was authorized to use the traffic study methodology and intrastate percentages approved in the December 10, 2008 Order issued in Docket No. 09-GIMT-272-GIT and May 10, 2011 and October 21, 2011 filings (11-GIMT-201-GIT) for U.S. Cellular. The May 15, 2012 Order also assessed Kansas #15 a monetary penalty under K.S.A. 2011 Supp. 66-138 for the company's failure to update its traffic factor annually.

5. GVNW states that Kansas #15 is now in compliance with deficiency 3. (v) referenced above regarding the company's failure to request or receive authorization from the Commission to allocate its revenues for KUSF purposes through a company-specific traffic factor. According to GVNW, Kansas #15 changes its intrastate factor each year when the KUSF rate changes. Consequently, the company will need to file annual updates to its traffic study factor applied for KUSF purposes. GVNW recommends the Commission approve the Kansas #15's company-specific traffic factors, effective March 2010. Audit Report at page 5. However, the Commission notes that in its May 15, 2012 Order issued in Docket No. 11-GIMT-201-GIT, it approved Kansas #15's request to use the intrastate percentages reflected in the Commission's December 10, 2008 Order issued in Docket No. 09-GIMT-272-GIT and May 10, 2011 and October 21, 2011 filings in Docket No. 11-GIMT-201-GIT for U.S. Cellular. The Commission's December 10, 2008 Order approved U.S. Cellular's traffic factor, effective November 1, 2008.

6. Notwithstanding GVNW's determination that Kansas #15 is now in compliance with the findings of the April 17, 2012 Audit Report, GVNW, nevertheless, recommends the Commission consider assessing penalties, in accordance with K.S.A. 2011 Supp. 66-138, for Kansas #15's non-compliance with Commission orders. GVNW also recommends that on a going-forward basis, Kansas #15 file its traffic factor updates in the annual KUSF docket consistent with the Commission's January 24, 2012, Order issued in docket No. 12-GIMT-168-GIT. Audit Report at pages 2 and 5.

7. The Commission has reviewed GVNW's Audit Report and finds that the same should be accepted and adopted, as filed. The Commission further finds that GVNW's recommendations contained in the Audit Report should be adopted in part. Inasmuch as Kansas #15 was assessed a monetary penalty pursuant to the Commission's Order issued May 15, 2012

in Docket No. 12-GIMT-201-GIT, no additional monetary penalty will be assessed in this docket. Consistent with the determination made in its Order of May 15, 2011 issued in Docket No. 11-GIMT-201-GIT, the Commission will approve Kansas #15's company-specific traffic factors, effective retroactive to November 1, 2008 and direct Kansas #15 to make the annual traffic factor updates as recommended by GVNW.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts GVNW Consulting, Inc.'s April 17, 2012 Audit Report and recommendations.

B. The Commission directs that GVNW, as KUSF Administrator, make a KUSF refund to Kansas #15 Limited Partnership in the amount of \$121,131.52 and that Kansas #15 refund to its current customers through one-time, equal billing credits the sum of \$114,487.90 within sixty (60) days from the date of this Order. Upon Kansas #15's completion of the customer refund it shall file in this docket an Affidavit by an officer of the company attesting to Kansas #15's completion of the \$114,487.90 refund. Upon Kansas #15's completion of the customer refund and filing of the required Affidavit, this docket will be closed.

C. Kansas #15's company-specific traffic factors are approved, effective retroactive to November 1, 2008. On a going-forward basis, Kansas #15 is directed to file its traffic factor updates in the annual KUSF docket, in accordance with the Commission's Order of January 24, 2012 issued in Docket No. 12-GIMT-168-GIT.

D. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2011 Supp. 77-529(a)(1).

E. The Commission retains jurisdiction over Kansas #15 Limited Partnership 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.

Sievers, Chmn.; Loyd, Comm.; Wright, Comm.

Dated: MAY 30 2012



ORDER MAILED MAY 30 2012

Patrice Petersen-Klein
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
DAVID G. WINTER, SENIOR CONSULTANT GVNW CONSULTING, INC. 2270 LA MONTANA WAY PO BOX 25969 COLORADO SPRINGS, CO 80936		
Stephanie Cassioppi, LEGAL AND REGULATORY AFFAIRS KANSAS #15 LIMITED PARTNERSHIP 8410 BRYN MAWR SUITE 700 CHICAGO, IL 60631		
OTTO NEWTON, LITIGATION COUNSEL 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		

ORDER MAILED MAY 30 2012

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.