

**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 ADOPTING AUDIT REPORT
NUNC PRO TUNC

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:

1. On June 3, 2025, the Commission issued its Order Adopting Audit Report in the above captioned docket. That Order erred in that it contained findings and conclusions pertaining to another business entity, Combined Public Communications, which is unrelated to the business entity named in above case caption. Rather, that order should read as follows:

2. 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.

3. On May 5, 2025, VPS filed its Audit Report for BCI regarding Operating Year 27 (March 2023–February 2024) that included the following findings:

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.

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.

4. VPS conducted the audit of BCI in accordance with the Commission's KUSF Review Procedures. The Audit Report provides a detailed analysis to support the VPS findings and recommends:

- a. 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;
- b. Remit \$360.45 to the KUSF;
- c. Update its billing system to include KUSF surcharge collection for VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues;
- d. Update its KUSF reporting procedures to include VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues in its reporting and to report the actual KUSF surcharge collection collected from customers in Block C of its CRWs;
- e. 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

f. File an affidavit, signed by an officer of the Company, attesting that the Company: (1) remitted \$360.45 to the KUSF; (2) corrected its billing system to include KUSF surcharge collection from its VoIP Telephone Features, Late Fees, and Paper Billing Fees revenues; (3) 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; (4) submitted a pleading affirming its use of a company-specific traffic factor study to allocate revenues between the interstate and intrastate jurisdictions, the periods 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) the affidavit should provide the date the corrective actions were implemented.

5. BCI operates as a Voice over Internet Protocol (VoIP) provider and is headquartered in Rye Brook, New York. It has not been certificated as an Eligible Telecommunications Carrier (ETC) in Kansas. Therefore, it does not offer Lifeline services to its customers. Based on its review, VPS found BCI reports revenue and remits its assessment to the KUSF based on the unbundled service price for Kansas assessable revenue. It uses the same allocation methodology for federal Universal Service Fund purposes. BCI is current with its KUSF obligations.

6. The Commission, having reviewed VPS's Audit Report, filed May 5, 2025, finds that it should be adopted, including the recommendation that BCI be directed to take corrective

actions within 30 days of the Commission's Order and VPS should file a Compliance Report in the above captioned docket within 60 days of this order.

IT IS THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts Vantage Point Solutions' Audit Report filed May 5, 2025.

B. BCI Telephone of Kansas, LLC, shall file within 30 days of the issuance of this order an affidavit attesting that the company has taken corrective actions as recommended in VPS' Audit Report.

C. VPS shall file a Compliance Report within 60 days of the issuance of this order.

D. 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).¹

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

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 06/10/2025



Celeste Chaney-Tucker
Executive Director

BWB

¹ K.S.A. 66-118b; K.S.A. 77-503(c); and K.S.A. 77-531(b).

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 06/10/2025.

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/S/ KCC Docket Room

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