



GVNW CONSULTING, INC.

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January 4, 2016

Ms. Amy L. Gilbert
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 16-GCIZ-038-KSF
In the Matter of the Audit of GreatCall, Inc. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2014 Supp. 66-2010(b) for KUSF Operating Year 18, Fiscal Year March 2014-February 2015.

Dear Ms. Gilbert:

In its July 30, 2015 order the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of GreatCall, Inc. (GreatCall or Company) 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 GreatCall'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. GreatCall's audit does not require a separate confidential report; therefore, only the enclosed public audit report for GreatCall 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,

A handwritten signature in blue ink, appearing to read "Jim Worlton", is written over a blue horizontal line.

Jim Worlton
Consultant

cc w/encl: Sandy Reams
JW/dc – Encl.

KANSAS UNIVERSAL SERVICE FUND AUDIT REPORT

Docket No: 16-GCIZ-038-KSF
GreatCall, Inc.

Prepared For: Kansas Corporation Commission
Kansas Universal Service Fund

Prepared By: David Winter
GVNW Consulting, Inc.

Audit Period: March 1, 2014 through February 28, 2015
Kansas Operating Year 18 (Operating Year 18)

Company Representatives: Mark Lammert
Chuck Scheiwe

Date of On-Site Visit: December 3 and 4, 2015

Date Submitted to Company: December 31, 2015

Audit Summary

Based on the Kansas Universal Service Fund (KUSF) Carrier Review Procedures for Operating Year 18,¹ GVNW Consulting, Inc. (GVNW) did not identify any KUSF deficiencies regarding GreatCall, Inc. (GreatCall or Company) and recommends this Docket be closed.

Current KUSF Obligations

GreatCall is current with its KUSF obligations.²

Background

GreatCall is a wireless service provider headquartered in San Diego, California. The Company is required to report its revenues and pay the related assessments to the KUSF on a monthly basis.³ GreatCall is authorized to collect an amount equal to or less than its assessment from customers,⁴ and does so.

On July 30, 2015, the KCC issued Order No. 1 in this Docket directing GVNW to conduct an audit of the Company for KUSF purposes.

¹ Docket No. 14-GIMT-105-GIT (Docket 14-105), July 7, 2015, Order Accepting GVNW's KUSF Year 18 Audit Selections, Proposed Revisions to Selection Criteria and Audit Review Procedures.

² Confirmed on December 31, 2015, with the KUSF Administrator.

³ Docket No. 06-GIMT-332-GIT (Docket 06-332), January 23, 2006, Order Setting the Kansas Universal Service Fund Assessment Rate For Year Ten and Establishing Reporting Requirements.

⁴ K.S.A. 66-2008.

In its October 20, 2015, Order⁵ on KUSF contribution policies,⁶ the KCC authorized companies to report bundled service revenue to the KUSF using one of two safe harbor methodologies⁷ or an alternative methodology to assign or allocate revenue to assessable service(s). The Commission directed that when performing a KUSF carrier audit, the KUSF Administrator is to advise the Commission if a carrier uses one of the safe harbors or an alternative allocation methodology. The Commission's December 3, 2015, Order on the Petitions for Reconsideration clarified that when a company reports bundled-service revenues using either of the safe harbors; the company may also recognize end-user discounts; however, if a company elects to use an alternative methodology, it may not report end-user discounts for KUSF purposes.

When a carrier uses an alternative methodology, the KUSF Administrator is to advise the Commission of the results of its review of the alternative methodology and any recommendations regarding the review of the alternative methodology.

Bundled Services Methodology

GreatCall reports revenue to the KUSF using the Safe Harbor methodology of reporting the total price of its bundle voice services.⁸ The Company does not offer end-user discounts at this time.

Audit Findings

GVNW conducted the audit of GreatCall in accordance with the KUSF Carrier Review Procedures adopted by the KCC.⁹

GVNW did not identify any KUSF audit deficiencies related to the current audit period and recommends closing this Docket.

⁵ Docket 14-105, October 20, 2015, Order Determining KUSF Contribution Methodology.

⁶ Issued addressed in the Order were: 1) Discounts; 2) Bundled Services; 3) VoIP Packages; 4) Electronic Billing/Revenue Records; 5) Early Termination Fees; and 6) Global Issue of KUSF Contributions.

⁷ Carrier may report: 1) the stand-alone price of KUSF assessable services; or 2) the total price of the bundle containing the service.

⁸ GreatCall's voice plans include call waiting, caller ID, long distance and roaming.

⁹ Docket 14-105, July 7, 2015, Order.

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of January, 2016, 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:

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