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May 13, 2016

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

RE: Docket No. 16-UTDT-041-KSF

In the Matter of the Audit of United Telephone of Kansas d/b/a CenturyLink (Toll/IXC) 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 United Telephone of Kansas d/b/a CenturyLink (Toll/IXC) (CenturyLink IXC or Company) to ensure that the data submitted to the KUSF via the KUSF Carrier Remittance Worksheets (CRW), the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from CenturyLink IXC'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. CenturyLink IXC's audit does not require a separate confidential report; therefore, only the enclosed public audit report for CenturyLink IXC 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 black ink, appearing to read "DW", with a stylized flourish extending from the end.

David Winter
Senior Consultant

cc w/encl: Sandy Reams

DW/dc - Encl.

KANSAS UNIVERSAL SERVICE FUND AUDIT REPORT

Docket No: 16-UTDT-041-KSF
United Telephone of Kansas d/b/a CenturyLink
(Toll/IXC)

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: Gerald Flurer
Donnie Aultman

Date of On-Site Visit: March 2 and 3, 2016

Date Submitted to Company: May 9, 2016

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 United Telephone of Kansas d/b/a CenturyLink (Toll/IXC) (CenturyLink IXC or Company) and recommends this Docket be closed.

Current KUSF Obligations

CenturyLink IXC is current with its KUSF obligations.²

Background

CenturyLink IXC is an interchange carrier (IXC) headquartered in Monroe, Louisiana. The Company is required to report its revenues and pay the related assessments to the KUSF on a monthly basis.³ CenturyLink IXC is authorized to collect an amount equal to or less than its assessment from customers,⁴ and does so. The Company does not offer Lifeline services.

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 May 6, 2016 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.

On July 30, 2015, the Kansas Corporation Commission (KCC) issued Order No. 1 in Docket No. 16-039 directing GVNW to conduct an audit for KUSF purposes.

For services that may be bundled, the Company has established intrastate rate plans for these products⁵ with the stand-alone tariff rate of the assessable service reported as intrastate revenue by the Company.⁶ CenturyLink IXC does not recognize end-user discounts for KUSF reporting purposes.⁷

Audit Findings

GVNW conducted the audit of CenturyLink IXC in accordance with the KUSF Carrier Review Procedures adopted by the KCC.⁸

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

⁵ Source: CenturyLink IXC response to DR No. 9.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ Docket 14-105, July 7, 2015, Order.

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of May, 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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