



GVNW CONSULTING, INC.

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September 17, 2015

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

RE: Docket No. 16-TWRT-042-KSF
In the Matter of the Audit of Time Warner Cable Information Services (Kansas), LLC 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 Time Warner Cable Information Services (Kansas) LLC (TWCIS Kansas 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 TWCIS Kansas' 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. TWCIS Kansas' audit does not require a separate confidential report; therefore, only the enclosed public audit report for TWCIS Kansas 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 long horizontal line extending to the right.

David Winter
Senior Consultant

cc w/encl: Sandy Reams
DW/dc - Encl.

Kansas Universal Service Audit Report

Docket No.: 16-TWRT-042-KSF
Time Warner Cable Information Services (Kansas)
LLC

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)

Date of On-Site Visit: Desk Audit

Company Representatives: Mark Swan
Vincent Paladini
Jerri McCain
Brandi Drake

Date Submitted To Company: September 14, 2015

Executive Audit Summary

Consistent with the Kansas Universal Service Fund (KUSF) Carrier Review Procedures for Operating Year 18,¹ GVNW Consulting, Inc. (GVNW) has completed its review of Time Warner Cable Information Services (Kansas) LLC (TWCIS Kansas or Company).

GVNW's audit, supported by an affidavit from an officer of the Company, indicates TWCIS Kansas has not generated any intrastate retail revenues that are subject to the KUSF reporting requirements. TWCIS Kansas should be directed to continue to remit its Annual Company Identification and Operations Form, referred to as Attachment B, to the KUSF and report intrastate retail revenue to the KUSF Administrator at any point in time that it does generate Kansas intrastate retail revenues that are subject to the KUSF. Therefore, GVNW recommends that the docket be closed.

Background

TWCIS Kansas is a certified complete local exchange company (CLEC) headquartered in Charlotte, North Carolina. The Company states it is not generating any Kansas intrastate retail revenue subject to the KUSF; therefore, it is not required to report revenue and pay the related assessments to the KUSF until such time as

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.

revenue is generated.² The KUSF Administrator's records show that the Company has not reported Kansas retail intrastate revenues to the KUSF since June 2013.

Audit Findings

GVNW performed its audit consistent with the Kansas Corporation Commission's (KCC or Commission) KUSF audit procedures. Whenever a Company reports that it has not generated any intrastate retail revenues subject to the KUSF, an officer of the Company is to remit an affidavit to that fact. GVNW requested, and the Company provided, a notarized affidavit, included as Attachment A to this report. The affidavit states TWCIS Kansas' customers were transferred to an affiliate in 2013 and that TWCIS Kansas does not have any Kansas intrastate retail revenues subject to the KUSF for the audit period and through present 2015.

GVNW also reviewed the Company's revenue reporting records as a further test of TWCIS Kansas' representation that it had not generated any Kansas intrastate retail revenues. No discrepancies were noted.

TWCIS Kansas has remitted the required Attachment B for Operating Years 17, 18, and 19 to the KUSF Administrator. Attachment B for Operating Years 18 and 19 indicates that the Company anticipates generating \$10,000 or less in annual Kansas intrastate retail revenue.

A search of the Kansas Secretary of State's Corporate Annual Reports (Annual Report) indicates that the Company is incorporated in the state of Delaware and is properly registered with the Kansas Secretary of State as a "Foreign Limited Liability" company and is currently listed as "active and in good standing."³

TWCIS Kansas' Federal Communications Commission's (FCC) Form 499-A specifies that the Company is an interconnected VoIP provider Kansas. The Company and its various sister companies provide service in a total of 30 states.⁴

GVNW recommends that TWCIS Kansas continue to file its Annual Attachment B as long as it holds a Certificate to Operate in Kansas. TWCIS Kansas should be directed to report to the KUSF Administrator, at any point in time, that it generates intrastate retail revenues that are subject to the KUSF reporting requirements. GVNW further recommends that this docket be closed.

² Docket No. 06-GIMT-332-GIT, January 23, 2006, Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements.

³ <https://www.kansas.gov/bess/flow/main?execution=e1s5> last viewed on September 11, 2015.

⁴ <http://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=824497> last viewed on September 11, 2015.

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Attachment A
Docket No. 16-TWRT-042-KSF
Page 1 of 1

In the Matter of the Audit of Time Warner)
Cable Information Services (Kansas) by the)
Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2014 Supp.)
66-2010(b) for Kansas Operating Year 18,)
Fiscal Year March 2014 – February 2015.)

Docket No. 16-TWRT-042-KSF

Declaration of MEREDITH GARWOOD
(Name)

I am ASSISTANT TREASURER (Position) of Time Warner Cable Information Services (Kansas), LLC d/b/a Time Warner Cable ("TWCIS(KS)" or "Company"), I am authorized to provide this affidavit on the Company's behalf and the facts set forth herein are true and correct to the best of my knowledge.

1. In 2013, certain customers in Kansas who subscribe to interexchange and interstate high-capacity point-to-point and point-to-multipoint services (i.e., Ethernet and cell backhaul services) were transferred from TWCIS(KS) to Time Warner Cable Business LCC d/b/a Time Warner Cable ("TWCB"), which was granted authority to provide interexchange services in Kansas.
2. At no time after the aforementioned transfer of operations has TWCIS(KS) provided intrastate retail telecommunication services to customers with a primary service or billing address in the state of Kansas.
3. As such, TWCIS(KS) certifies that it did not generate any Kansas intrastate retail telecommunication services revenues during the periods March 1, 2014 through February 28, 2015; and March 1, 2015 to present; from telecommunications services subject to the Kansas Universal Service Fund ("KUSF") contribution requirements.
4. TWCIS shall report all revenues and pay any assessments to the KUSF, should the Company generate intrastate retail revenues subject to the KUSF rules.

Name: Meredith Garwood

Date: 8/20/15

Subscribed and sworn to before me this 20th day of August, 2015.

My Commission expires: February 26, 2017 Linda H. Crawford
Notary



CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of September, 2015, 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
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David G. Winter