

**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 CELLCO)
PARTNERSHIP by the Kansas Universal)
Service Fund (KUSF) Administrator) Docket No. 26-CELZ-029-KSF
Pursuant to K.S.A. 66-2010(b) for KUSF)
Operating Year 28, Fiscal Year March)
2024–February 2025.)

**ORDER TO KANSAS UNIVERSAL SERVICE FUND ADMINISTRATOR
TO COMMENCE AUDIT OF CELLCO PARTNERSHIP AND ORDER SETTING
PROCEDURAL SCHEDULE**

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 records, the Commission finds and concludes:

1. As required by K.S.A. 66-2002(h), the Commission established the Kansas Universal Service Fund (“KUSF”) by Order dated December 27, 1996, in Docket No. 94-GIMT-478-GIT (“94-478 Docket”). Through the competitive bidding process required by K.S.A. 66-2010, the Commission selected a third party to administer the KUSF. The current third-party administrator is Vantage Point Solutions, Inc. (“VPS”).

2. K.S.A. 66-2010(b) provides that VPS shall be responsible for:

(1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF;

(2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF;

(3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and

(4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.

3. In the 94-478 Docket, the Commission clarified that to fulfill its K.S.A. 66-2010(b) obligations, the KUSF administrator shall conduct audits of selected carriers' relevant revenue information to verify such carriers are reporting revenue information in a consistent manner. VPS is to audit all related data, including assessments owed and collected from subscribers, to ensure carriers meet their KUSF obligations. VPS is also to audit federal and Kansas Lifeline Service Program (“KLSP”) data to ensure a Lifeline service provider is meeting its obligations and accurately receiving Lifeline service revenue reimbursement.

4. The Commission opened Docket No. 24-GIMT-229-GIT in order to determine the assessment percentage for KUSF Year 28. On July 23, 2025, in that docket, VPS filed a letter in which it listed sixteen companies selected for KUSF Year 28 carrier audits pursuant to the current selection criteria.¹ Carriers were selected for audit depending upon whether the carrier qualifies as a Group One, Two, Three, or Four Company.

5. Group One is comprised of one to three companies that each contribute an amount greater than five percent of the yearly KUSF receipts. Each Group One carrier will be audited at least once every four years. Group Two, from which the KUSF administrator will audit one to three companies each year, is comprised of companies with contributions to the KUSF representing the next 50% of yearly KUSF receipts after removing Group One. Group Three, with

¹ Order Accepting the VPS' KUSF Fiscal Year 28 Audit Selections, Docket No. 24-GIMT-229-GIT (Jul. 29, 2025).

eight to thirteen companies to be audited each year, is comprised of the remaining companies contributing to the KUSF. Group Four is comprised of companies claiming no Kansas retail revenue, one of which will be randomly selected each KUSF audit year. The Commission intends to audit all companies at some point in time and it may adjust or supplement its selection criteria over time to ensure this result. Additional audits, supplementary to those identified above, may be performed if VPS or Commission Staff observes reporting abnormalities, significant discrepancies between KUSF-reported revenues and Commission or public reports or other inconsistencies.

6. If material deficiencies are found in a carrier's KUSF reporting procedures, it will be scheduled for a follow-up KUSF audit to ensure that corrections have been implemented to cure deficiencies.

7. Cellco Partnership (“Cellco”) falls into Group One. VPS shall audit Cellco, which shall assemble the information requested by VPS, so that VPS may complete the audit and file its Audit Report by June 30, 2026. The information provided to VPS may be treated as confidential when a trade secret or proprietary information is involved, including the following: (1) material or documents that contain information relating directly to specific customers; (2) employee-sensitive information; (3) marketing analyses or other market-specific information relating to services offered in competition with others; (4) reports, work papers or other documentation related to work produced by internal or external auditors or consultants; (5) strategies employed, to be employed, or under consideration; (6) contract negotiations; and, (7) information concerning trade secrets, as well as private technical, financial, and business information.² VPS will use generally accepted accounting practices in the performance of the audit.

² See also, K.S.A. 66-1220a.

8. After VPS has completed the audit, it shall file a report in this docket containing the results of the audit and any recommendation it deems appropriate and serve a copy of the report on Cellco no later than June 30, 2026. The report shall be provided in two versions if necessary. One version shall contain any confidential information and one version shall have any confidential information redacted for public disclosure. Cellco may file with the Commission a response to VPS's audit report no later than thirteen (13) days from the date VPS files the report with the Commission. If a response is not filed within thirteen (13) days, Cellco is deemed to have fully concurred with VPS's report. If Cellco disputes the recommendations and results contained in VPS's report and has filed its response in a timely manner, it may request a hearing.

9. The Commission finds and concludes that VPS shall begin an audit of Cellco as directed above.

IT IS THEREFORE, BY THE COMMISSION ORDERED THAT:

A. Vantage Point Solutions, Inc. shall begin an audit of Cellco Partnership to verify that its revenue and all related data and Lifeline credits requested for reimbursement, if applicable, are accurate and are reported in a consistent manner. VPS shall file its audit report and recommendations no later than June 30, 2026, and Cellco Partnership shall file its response to the report no later than thirteen (13) days from the date on which VPS files the audit report with the Commission.

B. 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).³

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

³ K.S.A. 66-118b; K.S.A. 77-503(c); and K.S.A. 77-531(b).

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 08/07/2025

A handwritten signature in blue ink, appearing to read 'Celeste Chaney-Tucker', is positioned above a horizontal line.

Celeste Chaney-Tucker
Executive Director

BWB

CERTIFICATE OF SERVICE

26-CELZ-029-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 08/07/2025.

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/S/ KCC Docket Room

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