

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of the Audit of T-Mobile Central LLC)
by the Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2012 Supp. 66-2010(b)) Docket No. 14-TMCZ-052-KSF
for KUSF Operating Year 16, Fiscal Year March 2012-)
February 2013.)

ORDER ON KUSF AUDIT REPORT AND RECOMMENDATIONS

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 as follows:

1. On August 6, 2013, the Commission directed the Kansas Universal Service Fund (KUSF) administrator and auditor, GVNW Consulting, Inc. (GVNW), to perform a KUSF carrier audit of T-Mobile Central LLC (T-Mobile) to ensure that the data submitted to the KUSF via the KUSF Carrier Remittance Worksheet (CRW), the assessment paid, and the calculation and application of the flow-through surcharge billed to and collected from T-Mobile's customers, if applicable, are appropriate and accurate.

2. On June 16, 2014, GVNW submitted its Audit Report of even date finding that T-Mobile was current with its KUSF obligations. However, GVNW did make a single finding (Audit Finding No. 1) wherein it states that T-Mobile does not report gross revenues to the KUSF in accordance with Commission orders. GVNW, citing the Commission's August 13, 1999 Order issued in 94-GIMT-478-GIT, asserts that gross revenues, prior to any service discounts, are to be reported to the KUSF. GVNW also references an Order issued by the

Commission in Docket No. 14-GIMT-105-GIT. However that Order is dated January 23, 2014 and therefore, does not apply to the March 2012-February 2013 audit period.

3. On June 27, 2014, T-Mobile filed its Response to GVNW's Audit Finding No. 1 wherein T-Mobile maintains that its reporting methodology is consistent with other Kansas telecommunications providers. Citing proceedings in Docket No. 14-GIMT-105-GIT, in particular the solicitation and receipt of comments from telecommunications companies regarding KUSF contribution policies, T-Mobile contends that the subject GVNW audit finding is an issue of general applicability to all telecommunications providers and should be resolved globally for all companies before penalties are assessed.

4. The Commission has reviewed its August 13, 1999 Order issued in Docket No. 94-GIMT-478-GIT styled *Order on Issue of Uncollectible Revenue and Additional KUSF Revenue Reporting Issues*. In the Findings and Conclusions section of that Order, the Commission "...concludes that all companies shall deduct their own company-specific amount for *uncollectibles* before reporting intrastate revenues to the KUSF administrator". In ordering paragraph (1) the Commission reiterates its finding. The August 13, 1999 Order does not contain any findings or orders regarding the issue of *reporting gross revenues prior to the application of discounts* for KUSF purposes. Consequently, the Commission does not agree that the August 13, 1999 Order issued in Docket No. 94-GIMT-478-GIT establishes a basis for GVNW's finding. Therefore, the Commission cannot accept GVNW's Audit Finding No. 1. The Commission does accept and adopt GVNW's follow-up audit determining T-Mobile's compliance regarding GVNW's Finding Nos. 1, 2, and 3 first reported in Docket No. 10-TMCZ-076-KSF.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts GVNW Consulting, Inc.'s Audit Report for T-Mobile Central LLC, filed in this docket on June 16, 2014, with the exception of the alleged violation, finding, and penalty language of Audit Finding No. 1 contained therein. The Commission does not accept or adopt GVNW's Audit Finding No. 1 for the reasons stated above.


B. Pursuant to K.S.A. 66-118b, the parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date of this Order in which to petition the Commission for reconsideration of any matter decided herein.

C. The Commission retains jurisdiction over T-Mobile Central LLC and the subject matter of this Docket for the purpose of issuing such additional orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Com.; Apple, Com.

Dated: JUL 08 2014


ORDER MAILED JUL 09 2014
Thomas A. Day
Acting Executive Director

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PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET
TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
DAVID G. WINTER, SENIOR CONSULTANT GVNW CONSULTING, INC. 2270 LA MONTANA WAY PO BOX 25969 COLORADO SPRINGS, CO 80936		
OTTO NEWTON, LITIGATION COUNSEL 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 ***Hand Delivered***		
BRYAN FLEMING, VP TECHNICAL SYSTEMS & BUSINESS OPERATIONS T-MOBILE 12920 SE 38TH ST BELLEVUE, WA 98006		

ORDER MAILED **JUL 09 2014**

The Docket Room hereby certified that on this _____ day of _____, 20_____, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.