

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

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

In the Matter of the Audit of CenturyLink)
Communications, LLC by the Kansas Universal)
Service Fund (KUSF) Administrator Pursuant to) Docket No. 16-QWCT-032-KSF
K.S.A. 2014 Supp. 66-2010(b) for KUSF)
Operating Year 18, Fiscal Year March 2014-)
February 2015.)

**ORDER ACCEPTING AND ADOPTING
COMPLIANCE REPORT AND CLOSING DOCKET**

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 July 30, 2015, the Commission directed GVNW Consulting, Inc. (GVNW) to perform an audit of CenturyLink Communications, LLC (CenturyLink Communications) for Kansas Universal Service Fund (KUSF) purposes.

2. On June 20, 2016, GVNW filed its Audit Report of even date covering GVNW's audit of CenturyLink Communications identifying the following reporting deficiencies:

Audit Finding No. 1:

Standard: Pass-through charges, fees, assessments and taxes are excluded from KUSF assessments.

Finding: CenturyLink Communications reported fees for Federal USF and KUSF surcharges, interstate prescribed line charges, interstate carrier cost recovery fees and other non-assessable revenues to the KUSF. As a result, CenturyLink Communications over-paid \$59,675.48 in KUSF assessments. The company modified its reporting to the KUSF, effective with the January 2015 revenues reported in February 2015.

Recommendation: On March 17, 2015, CenturyLink Communications submitted Audit True-ups for Operating Year 18 to support the refund recommended by GVNW. The Commission should direct the KUSF Administrator to refund \$59,675.48 to the company.

Audit Finding No. 2:

Standard: Carriers contributing to the KUSF are to report gross revenues prior to any service discounts for KUSF reporting purposes.

Finding: CenturyLink Communications reported revenues gross of end-user discounts to the KUSF, with the exception of a handful of discounts recognized for KUSF reporting purposes. For the period March 2014 through September 2015, by recognizing discounts, CenturyLink Communications reported less Kansas intrastate revenues to the KUSF and under-paid its KUSF assessments by approximately \$763.47. Due to the legal and regulatory uncertainties regarding this issue, CenturyLink Communications has not made any changes to its KUSF reporting processes.

Recommendation: GVNW recommends that CenturyLink Communications be directed to submit Audit True-ups for March 2014 through September 2015 to correct this audit deficiency within sixty (60) days of the issuance of an Order. Any amount owed to the KUSF should be netted against the Audit Finding No. 1 recommended refund. After GVNW has reviewed the company's submission, GVNW will submit a Compliance Report.

In an Order issued July 12, 2016, the Commission adopted GVNW's June 20, 2016 Audit Report and recommendations, and directed the KUSF Administrator and CenturyLink Communications to complete the requirements associated with GVNW's recommendations.

3. On July 28, 2016, GVNW submitted a Compliance Report of even date confirming completion of the requirements of ordering paragraph B of the Commission's July 12, 2016 Order which included (i) a one-time refund of \$59,675.48 to CenturyLink Communications from the KUSF Administrator; (ii) CenturyLink Communications' submission of Audit True-ups for the period of March 2014 through September 2015 and remittance of \$763.47 netted against the \$59,675.48 refund to the company; and (iv) GVNW's submission of a Compliance Report. Inasmuch as the foregoing requirements have been completed, the Commission finds that this docket should be closed.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts GVNW Consulting, Inc.'s Compliance Report filed in this matter on July 28, 2016.


B. The KUSF Administrator and CenturyLink Communications, LLC have completed the requirements of the Commission's Order issued in this matter on July 12, 2016, and this docket is hereby closed.

C. The Commission retains jurisdiction over CenturyLink Communications, 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.

Emler, Chairman; Albrecht, Commissioner; Apple, Commissioner

Dated: AUG 04 2016



Amy L. Green
Secretary to the Commission

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Order Mailed Date

AUG 05 2016

CERTIFICATE OF SERVICE

16-QWCT-032-KSF

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on AUG 04 2016.

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/s/ DeeAnn Shupe
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Order Mailed Date
AUG 05 2016