

**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 USCOC of)
Nebraska/Kansas LLC by the Kansas)
Universal Service Fund (KUSF)) Docket No. 24-USCZ-106-KSF
Administrator Pursuant to K.S.A. 66-)
2010(b) for KUSF Operating Year 26, Fiscal)
Year March 2022-February 2023.)

ORDER GRANTING PETITION FOR RECONSIDERATION

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and record, the Commission makes the following findings:

1. On August 15, 2023, the Commission opened this Docket to audit USCOC of Nebraska/Kansas LLC (US Cellular) 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.¹

2. On April 25, 2024, Vantage Point Solutions (VPS), the third-party administrator of the KUSF,² filed its audit report with the Commission. The Audit Report recommends directing US Cellular to correct its KUSF reporting and collection procedures to exclude its international calling usage revenues within 60 days of a Commission Order.³ Collecting the KUSF surcharge on international calling usage results in an overpayment of \$2,236.20 to the KUSF.⁴ The Audit

¹ Order to Kansas Universal Service Fund Administrator to Commence Audit of USCOC of Nebraska/Kansas LLC and Order Setting Procedural Schedule, Aug. 15, 2023, Ordering Clause A.

² *Id.*, ¶ 1.

³ Audit Report, Mar. 22, 2024, p. 1.

⁴ *Id.*

Report notes that U.S. Cellular agrees with the auditor's finding, and is currently implementing changes to its processes so it no longer reports any portion of its long-distance toll revenue as intrastate for KUSF purposes and will no longer assess KUSF fees on the charges for toll service on customer bills.⁵ However, US Cellular claims it will need more than 60 days to process the changes in the billing system and refund the \$2,236.20.⁶

3. On May 21, 2024, the Commission issued its Order Adopting the Audit Report, which directed: (1) US Cellular to correct the deficiencies identified in the Audit Report within 60 days and (2) VPS to file a Compliance Report within 90 days to confirm US Cellular corrected the identified deficiencies.⁷

4. On June 4, 2024, US Cellular filed a Petition for Reconsideration, explaining that its billing system cannot be updated before the end of August, and issuance of credits cannot occur until the billing system is updated.⁸ US Cellular estimates it will take 180 days to issue the refund and update its billing system to exclude KUSF surcharges from international calling usage revenues.⁹ Thus, US Cellular seeks an extension of the: (1) 60-day deadline to November 18, 2024, and (2) the deadline for VPS to submit its compliance report to December 18, 2024.¹⁰

5. On June 13, 2024, Commission Staff (Staff) filed its Response to the Petition for Reconsideration, explaining it does not oppose US Cellular's proposed extension, but requested requiring US Cellular to update Staff on its progress on correcting the deficiencies identified in the Audit Report.¹¹

⁵ *Id.*, p. 4.

⁶ *Id.*

⁷ Order Adopting Audit Report, May 21, 2024, Ordering Clause A.

⁸ Petition for Reconsideration, June 4, 2024, ¶ 5.

⁹ *Id.*, ¶ 6.

¹⁰ *Id.*, ¶ 7.

¹¹ Response to Petition for Reconsideration of Order Adopting Audit Report, June 13, 2024, p. 2.

6. K.A.R. 82-1-217(b) allows the Commission to extend any deadline for good cause. Since there is nothing in the record to suggest that US Cellular's claim that it needs 180 days to correct the deficiencies identified in the Audit Report is false or designed to unnecessarily delay compliance, the Commission grants the Petition for Reconsideration. The Commission extends the deadline for U.S. Cellular to correct the deficiencies identified in the Audit Report, including updating its billing system and refunding the \$2,236.20 in overpayment to the KUSF, to November 18, 2024. However, the Commission directs U.S. Cellular to send monthly informal, written updates on its progress to Staff. The Commission also extends VPS's deadline to file its Compliance Report to December 18, 2024.

THEREFORE, THE COMMISSION ORDERS:

A. U.S. Cellular's Petition for Reconsideration is granted. The deadline for U.S. Cellular to correct the deficiencies identified in the Audit Report is extended to November 18, 2024. The deadline for VPS to submit its compliance report is extended to December 18, 2024.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 07/02/2024



Lynn M. Retz
Executive Director

BGF

CERTIFICATE OF SERVICE

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I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 07/02/2024.

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/s/ KCC Docket Room
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