

**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 Netelligent)
Corporation by the Kansas Universal Service)
Fund (KUSF) Administrator Pursuant to) Docket No. 24-NCPV-118-KSF
K.S.A. 66-2010(b) for KUSF Operating Year)
26, Fiscal Year March 2022-February 2023.)

ORDER ADOPTING AUDIT REPORT

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records and being duly advised in the premises, the Commission makes the following findings:

1. On August 17, 2023, the Commission directed Vantage Point Solutions (VPS) to perform an audit of Netelligent Corporation (Netelligent) for Kansas Universal Service Fund (KUSF) purposes.

2. On May 10, 2024, VPS filed its Audit Report making three findings for Netelligent in Operating Year 26.¹ The VPS Audit Report, includes the findings set out below:

Audit Finding No. 1:

Netelligent reported and collected the KUSF surcharge on its Fax IP services, resulting in an overpayment of \$303.98.

Audit Finding No. 2:

Netelligent reported and collected the KUSF surcharge on Number Portability Fees, resulting in an overpayment of \$2,618.77 to the KUSF.

¹Netelligent Corporation FY26 Final Audit Report (May 10, 2024).

Audit Finding No. 3:

Netelligent filed its July 2022 CRW in error and did not file a revised CRW to report the actual revenues for July 2022, nor did it correct it on its Annual True-up submission for FY26. This resulted in an overpayment of \$284.34.

3. The Commission finds the VPS Audit Report to be thorough and complete and accepts it as filed. The Audit Report provides a detailed analysis to support the VPS findings. VPS recommends the Commission issue an Order directing Netelligent to do the following:

- a) File audit True-ups for FYs 25, 26, and 27 to exclude Fax IP service revenues and Local Number Portability for Existing Numbers revenues from its reporting, and to correct the revenues for the July 2022 reporting period that were originally filed in error;
- b) Issue one-time billing credits in the amount of \$2,922.75 to its affected customers, on a pro-rata basis;
- c) Update its billing system to exclude KUSF surcharge collection from Fax IP services and Local Number Portability for Existing Number charges;
- d) Update its KUSF reporting procedures to exclude reporting of Fax IP service revenues and Local Number Portability for Existing Number charges;
- e) Provide VPS with four (4) customer bills supporting that the refund process has been completed; and
- f) File an affidavit, signed by an officer of the Company, attesting that the Company:
 - i) Corrected its KUSF reporting procedures to omit Fax IP services and Local Number Portability for Existing Numbers charges from its reporting revenues;
 - ii) Corrected its billing system to exclude KUSF surcharge collection from Fax IP services and Local Number Portability for Existing Numbers charges;
 - iii) Issued refunds through one-time billing credits, totaling \$2,922.75, to its affected customers, on a pro-rata basis; and
 - iv) Corrected the July 2022 revenues that were reported in error.

The affidavit should provide the date the corrective actions were implemented. VPS recommends Netelligent be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 90-days of the Order.

4. Netelligent is a Voice over Internet Protocol (VoIP) provider headquartered in Chesterfield, Missouri. It collects KUSF assessments from its Kansas customers. It is required to report revenue and pay related assessments to the KUSF on a semi-annual basis. However, the Company reports and pays its assessments on a monthly basis. Netelligent is not designated as an Eligible Telecommunications Carrier and does not offer Lifeline service to its customers. In determining revenue for KUSF purposes, Netelligent does not offer assessable and non-assessable services in a bundle. It states it uses the same methodology for Federal USF and KUSF reporting purposes.

5. The Commission adopts the recommendations of VPS in its Audit Report and Finding Nos. 1, 2 and 3. Netelligent is directed to take the corrective actions recommended by VPS in paragraph 3, above.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts Vantage Point Solutions' Audit Report filed May 10, 2024 and directs Netelligent Corporation to correct deficiencies set forth in the Audit Report.

B. Netelligent Corporation shall:

1. File audit True-ups for FYs 25, 26, and 27 to exclude Fax IP service revenues and Local Number Portability for Existing Numbers revenues from its reporting, and to correct the revenues for the July 2022 reporting period that were originally filed in error;
2. Issue one-time billing credits in the amount of \$2,922.75 to its affected customers, on a pro-rata basis;
3. Update its billing system to exclude KUSF surcharge collection from Fax IP services and Local Number Portability for Existing Number charges;

4. Update its KUSF reporting procedures to exclude reporting of Fax IP service revenues and Local Number Portability for Existing Number charges;
5. Provide VPS with four (4) customer bills supporting that the refund process has been completed; and
6. File an affidavit, signed by an officer of the Company, attesting that the Company:
 - a. Corrected its KUSF reporting Corrected its KUSF reporting procedures to omit Fax IP services and Local Number Portability for Existing Numbers charges from its reporting revenues;
 - b. Corrected its billing system to exclude KUSF surcharge collection from Fax IP services and Local Number Portability for Existing Numbers charges;
 - c. Issued refunds through one-time billing credits, totaling \$2,922.75, to its affected customers, on a pro-rata basis; and
 - d. Corrected the July 2022 revenues that were reported in error.

C. Netelligent's affidavit should provide the date the corrective actions were implemented. Further, Netelligent shall take all corrective actions within 60-days from the date of the Commission's Order.

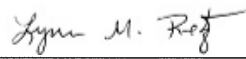
D. Vantage Point Solutions then shall file a Compliance Report within 90 days of the issuance of this Order to confirm completion of the actions directed by the Commission.

E. 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).²

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 06/18/2024



Lynn M. Retz
Executive Director

AAL

²K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

CERTIFICATE OF SERVICE

24-NCPV-118-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 06/18/2024.

DAWN CARTELLONE, ADMINISTRATIVE ASSISTANT
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE, SUITE B
SPRINGFIELD, IL 62704
dawn.cartellone@vantagepnt.com

RICHARD HARKINS, CONTROLLER
NETELLIGENT CORPORATION
16401 SWINGLEY RIDGE ROAD
SUITE 500
CHESTERFIELD, MO 63017
rharkins@intervision.com

WENDY HARPER, USF SERVICES MANAGER
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE, SUITE B
SPRINGFIELD, IL 62704
wendy.harper@vantagepnt.com

SHOMARI JACKSON
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE SUITE B
SPRINGFIELD, IL 62704
shomari.jackson@vantagepnt.com

AHSAN LATIF, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
a.latif@kcc.ks.gov

ORVIN MOORE, ATTORNEY IN FACT
NETELLIGENT CORPORATION
1595 PEACHTREE PARKWAY
SUITE 204-337
CUMMING, GA 30041
orvin.moore@claconnect.com

DENNIS SMITH
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE STE B
SPRINGFIELD, IL 62704
dennis.smith@vantagepnt.com

NICOLE STEPHENS, KUSF ADMINISTRATOR MANAGER
VANTAGE POINT SOLUTIONS
2930 MONTVALE DRIVE SUITE B
SPRINGFIELD, IL 62704
nicole.stephens@vantagepnt.com

/S/ KCC Docket Room
KCC Docket Room
