

**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 TWC Digital Phone LLC)
by the Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2014 Supp.) Docket No. 16-TWCZ-029-KSF
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 TWC Digital Phone LLC (TWC Digital) for Kansas Universal Service Fund (KUSF) purposes.

2. On June 16, 2016, GVNW filed its Audit Report of even date covering GVNW's audit of TWC Digital stating that the company was current with its KUSF obligations. GVNW's Audit Report identified two reporting deficiencies, including the applicable reporting standard for each, and made recommendations.

3. In response to GVNW's June 16, 2016, Audit Report and the noted reporting deficiencies, the Commission issued its Order of July 12, 2016, directing TWC Digital to (1) submit Quarterly True-ups within forty-five (45) days of the end of each KUSF quarter; and (2) file within thirty (30) days from the date of the Order, an affidavit executed by an officer of the

company attesting to and explaining TWC Digital's inability to identify revenues related to discounts.

4. On October 27, 2016, GVNW submitted its Compliance Report of even date addressing TWC Digital's deficiencies and the company's responses thereto. GVNW states that on August 25, 2016, TWC Digital submitted a notarized affidavit attesting that the company could not reasonably identify revenue related to discounts because the revenues that are booked to the general ledger are net revenues. TWC Digital affirmed that the company did not have a reasonable method of reporting based on gross revenues. On October 19, 2016, TWC Digital filed a supplemental affidavit by an officer of the company noting that the company does not track gross revenue in its general ledger, but for compliance purposes, it calculated the estimated gross revenues related to discounts by using certain bill presentment information for the period March 2014-September 2015. TWC Digital provided True-ups showing an additional \$18,688.74 owed to the KUSF. Based on a review of the information provided to GVNW and the Commission Staff, the additional assessment owed to the KUSF is a reasonable approximation for purposes of this audit docket.¹ GVNW further states that on October 27, 2016, TWC Digital paid the additional \$12,789.58 in assessments to the KUSF. TWC Digital elected to net a \$5,899.16 credit to offset the amount owed to the KUSF. Concluding its Compliance Report, GVNW recommends that the above-captioned docket be closed.²

5. The Commission has reviewed GVNW's Compliance Report filed in this matter on October 27, 2016, and finds that it should accept and adopt the Compliance Report and close this docket.

¹ Compliance Report, page 1.

² Id., page 2.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

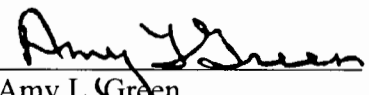
A. The Commission accepts and adopts GVNW Consulting, Inc.'s Compliance Report filed in this matter on October 27, 2016, and this docket is hereby closed.

B. The Commission retains jurisdiction over TWC Digital Phone 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: NOV 03 2016


Amy L. Green
Secretary to the Commission

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Order Mailed Date

NOV 04 2016

CERTIFICATE OF SERVICE

16-TWCZ-029-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 NOV 03 2016.

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/S/ DeeAnn Shupe

DeeAnn Shupe

Order Mailed Date

NOV 04 2016