



GVNW CONSULTING, INC.

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December 7, 2016

Ms. Amy L. Green
Secretary to the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

RE: Docket No. 16-CSCZ-035-KSF
In the Matter of the Audit of Consumer Cellular, Incorporated by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2014 Supp. 66-2010(b) for KUSF Operating Year 18, Fiscal Year March 2014-February 2015.

Dear Ms. Green:

On November 9, 2016, GVNW Consulting, Inc. (GVNW) submitted a Compliance Report regarding Consumer Cellular, Incorporated's (Consumer Cellular or Company) compliance with the Kansas Corporation Commission's (KCC or Commission) Order issued August 18, 2016. This Addendum is offered to clarify that the amounts contained in GVNW's Audit Report reflected the period of March 2014 through March 2016. In contrast, the Compliance Report reflected amounts for the period of March 2014 through July 2016. This Addendum further clarifies the following:

- 1) Consumer Cellular's Audit True-ups for March 2014 - July 2016 show the Company owed an additional \$226.73 of assessments to the KUSF and reflects the following:
 - a. Finding No. 1: Consumer Cellular had applied, and collected, the KUSF surcharge to the Federal USF surcharge and FCC regulatory fees and reported the associated revenues to the KUSF; thus over-collecting \$9,693.08 from its customers;
 - b. Finding No. 3: The Company reported calculated revenue instead of its actual revenue to the KUSF and under-paid \$7,633.39 of assessments to the KUSF; and
 - c. Finding No. 4: Consumer Cellular reported revenues to the KUSF after deducting customer discounts; thereby under-paying \$2,286.42 in assessments to the KUSF.

- 2) Consumer Cellular filed a pleading and an affidavit signed by a Company official to verify that Consumer Cellular uses the traffic study methodology to allocate revenue for both Kansas Universal Service Fund (KUSF) and Federal USF purposes.

For March 2014 through July 2016, the Company owed a net total of \$226.73 to the KUSF, which the Company paid. The Company stopped applying and collecting the KUSF surcharge on the Federal surcharge and FCC fees and began reporting actual revenue to the KUSF effective with the August 2016 data reported in September 2016.

K.S.A. 66-2008 authorizes the Company to collect an amount equal to or less than its assessment from customers. Discussions between GVNW, KCC Staff and Consumer Cellular (collectively the Parties) in combination with a more detailed review of Company data indicated the majority of the amount related to Finding No. 3 arises from recent periods. The Parties, therefore, recognize that this unique company-specific circumstance would allow for the audit adjustments arising from Findings No. 1 and 3 to be netted together, resulting in the amount of the over-collection by the Company to be reduced to \$2,059.69. Therefore, Consumer Cellular should refund \$2,059.69 to its customers through one-time, equal billing credits.

Sincerely,

A handwritten signature in black ink, appearing to be 'David Winter', with a stylized, flowing script.

David Winter
Senior Consultant

cc: Sandy Reams


CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of December 2016, the above Kansas Universal Service Fund Compliance Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604

Otto Newton, Litigation Counsel
Otto Newton
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Jill Leonetti
Consumer Cellular, Inc.
12447 SW 69th Avenue
Portland, OR 97223
Email: JillL@ConsumerCellular.com

A handwritten signature in black ink, appearing to read "D.G. Winter", is written over a horizontal line.

David G. Winter