

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

In the Matter of an Audit of Twin Valley)
Telephone, Inc. to Determine its Cost-Based) Docket No. 15-TWVT-213-AUD
Kansas Universal Service Fund Support)
Pursuant to K.S.A. 66-2008.)

**MOTION OF COMMISSION STAFF REQUESTING THE COMMISSION ORDER
TWIN VALLEY TELEPHONE, INC. TO SUBMIT TO AN AUDIT FOR PURPOSES OF
DETERMINING ITS COST-BASED KANSAS UNIVERSAL SERVICE FUND SUPPORT
PURSUANT TO K.S.A. 66-2008**

The Staff of the Kansas Corporation Commission (Staff and Commission, respectively) hereby moves for the Commission to issue an order directing Twin Valley Telephone, Inc. (Twin Valley) to submit to an audit for purposes of determining its cost-based Kansas Universal Service Fund (KUSF) support pursuant to K.S.A. 66-2008. In support of its motion, Staff states the following:

1. In Docket No. 08-GIMT-154-GIT, the Commission established an “expenditure test” to determine whether carriers should be audited for purposes of determining adequate KUSF support. The expenditure test compares annual KUSF and federal USF support received by a company to certain expenditures to gauge whether a company appears to be over-collecting KUSF support.
2. On September 18, 2014, in Docket No. 14-GIMT-468-GIT, and based upon Twin Valley’s expenditure test results, the Commission issued an Order directing Staff to conduct an audit of Twin Valley to determine whether any adjustments to its KUSF support were necessary given its current financial standing. The Commission upheld its Order by denying Twin Valley’s Petition for Reconsideration on October 30, 2014.

3. Staff met with Twin Valley on October 13, 2014, and has subsequently communicated with Twin Valley's consultant via e-mail. Based upon discussions with Twin Valley, and preliminary calculations based upon Twin Valley's Annual Reports, Staff continues to believe an audit of the carrier is necessary.

4. Staff believes that Twin Valley should be required to submit the data required under K.A.R. 82-1-231 for purposes of the KUSF audit, including but not limited to the eighteen (18) sections found in K.A.R. 82-1-231(c). Additionally, Twin Valley should be required to submit testimony from an officer of the company, and documentation supporting its allocations, separations, and affiliate transactions.

5. Staff requests that Twin Valley be required to file the information by March 31, 2015, utilizing a test year of the twelve months ending December 31, 2014. Staff believes that this will provide adequate time for Twin Valley to prepare the necessary information. Staff also recognizes, through discussions with Twin Valley, that the company may not possess audited financials as of March 31, 2015. If that is the case, Staff requests that Twin Valley be required to file unaudited financials on March 31, 2015, and supplement the information with audited financial data by April 30, 2015.

Jurisdiction

6. The Commission is given full power, authority and jurisdiction to supervise and control telecommunications public utilities doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction. *See* K.S.A. 66-1,187 and K.S.A. 66-1,188. All grants of power, authority and jurisdiction to the Commission are to be liberally construed. K.S.A. 66-1,194. The Commission has specific statutory authority to examine and audit any and all books, accounts, papers, records, property

and memoranda kept by a public utility. K.S.A. 66-129. K.S.A. 66-2008(d)(1) specifically authorizes the Commission to periodically review the KUSF and the costs of providing local service and to make any necessary modifications to the KUSF. A review of Twin Valley's KUSF support is properly within the scope of the Commission's jurisdiction.

WHEREFORE, Staff respectfully requests that the Commission issue an order directing Twin Valley to submit to an audit and file the data referenced in K.A.R. 82-1-231(c), testimony and documentation supporting its allocations, separations, and affiliate transactions, and any other information as the Commission may deem just and reasonable. Staff requests that the filing be due from Twin Valley on March 31, 2015, utilizing a test year for the twelve months ending December 31, 2014. Staff requests that if Twin Valley does not possess audited financials by March 31, 2015, it be required to file unaudited financials, and supplement its information by April 30, 2015, with audited financial data.

Respectfully Submitted,



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STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

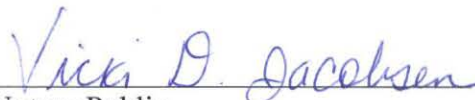
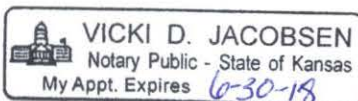
VERIFICATION

Michael Neeley, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Motion of Commission Staff Requesting the Commission Order Twin Valley Telephone, Inc. to Submit to an Audit for Purposes of Determining its Cost-Based Kansas Universal Service Fund Support Pursuant to K.S.A. 66-2008*, and that the statements contained therein are true and correct to the best of his knowledge, information and belief.



Michael Neeley # 25027
Kansas Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 21st day of November, 2014.


Notary Public

My Appointment Expires: June 30, 2018

CERTIFICATE OF SERVICE

15-TWVT-213-AUD

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing docket was served via electronic service this 21st day of November, 2014, to the following:

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