

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

STATE CORPORATION COMMISSION

MAR 18 2009

In the Matter of Filing the Audit Report For)
the Kansas Universal Service Fund Fiscal)
Year 2004-2005.)

Docket No. 09-GIMT-639-AUD

Susan K. Duffy
Docket Room

MOTION OF COMMISSION STAFF TO ACCEPT AUDIT REPORT

COMES NOW the Staff of the State Corporation Commission of the State of Kansas (Staff and Commission, respectively) and for its Motion of Commission Staff to Accept Audit Report states as follows:

1. On February 10, 2009, the Commission received Solix, Inc.'s (Solix) annual report of the audits performs for the Kansas Universal Service Fund (KUSF) fiscal year March 2006 – February 2007. The Report is attached to this motion. These audits are performed pursuant to K.S.A. 66-2010(b) to ascertain the accuracy of data submitted to the KUSF administrator by KUSF contributors. Solix states sixteen contributors to the KUSF were selected for review in accordance with the selection criteria (attached to the report). Solix reported:

Of the sixteen companies selected for review, two had no material findings. In addition, Symtelco, LLC ceased operations in Kansas and its certificate was cancelled (Docket No. 08-SYMC-056-KSF, February 4, 2008 Order); therefore, an audit report was filed without recommendations.

The remaining 13 companies had the following findings

:

- Seven reported calculated, instead of actual, revenues to the KUSF;
- One reported estimated revenues instead of actual revenues to the KUSF;
- Five did not report all assessable revenues to the KUSF;
- Six reported non-assessable revenues to the KUSF;
- One used an industry average uncollectible rate instead of reporting actual uncollectible revenues;
- Two had not performed annual traffic studies;

- One did not report monthly recurring charges to the KUSF
- Seven used incorrect or unapproved intrastate allocation percent when reporting revenue to the KUSF or calculating the KUSF surcharge on customer bills;
- Five incorrectly collected the KUSF assessment from customers by applying the KUSF surcharge to incorrect revenue categories on customer bills;
- One used the prior KUSF assessment rate for customer bills in which the assessment rate changed;
- One charged the Local Number Portability Fee to Lifeline customers;
- One provided Lifeline customer with an incorrect discount;
- One did not offer the Lifeline program to customers;
- One did not retain proper Lifeline documentation.

2. Solix made no recommendations for future audits.

3. In conformance with past practice, Staff serves this motion by posting it on the Commission's web site. Staff will also direct the KUSF administrator to post the audit report on its web site. Staff recommends the Commission issue an order accepting Solix's audit report; Staff does not recommend comments since Solix made no recommendations for future audits. Staff recommends the order accepting the audit report be served on all contributors to the KUSF.

WHEREFORE Staff requests the Commission issue an order accepting the audit report for the 2006-2007 KUSF fiscal year, and for such other and further relief as the Commission deems just and proper.

Respectfully submitted,



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VERIFICATION

STATE OF KANSAS)
)
COUNTY OF SHAWNEE)

SS:

Colleen R. Harrell, of lawful age being first duly sworn upon oath states:

That she is the attorney for the Corporation Commission Staff in this matter; that she has read and is familiar with the foregoing motion and that the statements made therein are true and correct to the best of her information, knowledge and belief.

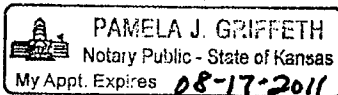
Colleen R. Harrell

Colleen R. Harrell

Subscribed and sworn to before me this 18th day of March 2009.

Pamela J. Griffeth

Notary Public



My appointment expires: *August 17, 2011*

CERTIFICATE OF SERVICE

(09-GIMT-639-AUD)

On this 18th day of March, 2009, the above and foregoing *Motion of Commission Staff to Accept Audit Report* was served to all parties by posting it on the Commission's web site: www.kcc.ks.gov.



Pamela Griffeth
Administrative Specialist