

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Brian J. Moline, Chair
 Robert E. Krehbiel
 Michael C. Moffet

In the Matter of Filing the Audit Report for)
the Kansas Universal Service fund Fiscal) Docket No. 05-GIMT-003-AUD
Year 2002/2003 and Providing)
Recommendations for Future Audits.)

ORDER ACCEPTING AUDIT RECOMMENDATIONS

NOW COMES the above captioned matter for consideration and determination by the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records and being fully advised in the premises, the Commission finds and concludes as follows:

1. On July 6, 2004, Commission staff (Staff) filed a Motion to Accept Audit Report and Consider Recommendations in this docket. Staff explained that the National Exchange Carrier Association (NECA), which administers the Kansas Universal Service Fund (KUSF), had filed its reports on the audits performed annually to ascertain the accuracy of the reporting by contributors to the KUSF for fiscal year 2002/2003, in accordance with K.S.A. 66-210(b), and that NECA had also provided certain recommendations for future audits. As in previous years, Staff's Motion was served by posting it to the Commission's web site.

2. On July 30, 2004, the Commission issued an Order in this docket approving NECA's Audit Report for the 2002/2003 KUSF fiscal year. In that Order, the Commission also solicited comments on two recommendations provided by NECA for applications to future KUSF audits. They are:

- a. Continue to permit desk audits on "zero-contributor" companies.

- b. Revise the audit calendar so that the audit agreement and sample selection occurs immediately after the end of the audit period so that audits could commence sooner after the end of the KUSF year.

3. The Commission requested comments on NECA's recommendations by August 31, 2004. That Order, with NECA's Audit Report attached, was served on all contributors to the KUSF. It informed all KUSF contributors that the final Order would be posted on the Commission's web page: <http://www.kcc.state.ks.us>.

4. The Commission received no comments on NECA's recommendations.

5. The Commission finds that NECA's recommendations for future audits shall be approved. The Commission further finds that this Order shall be served by posting on the Commission's web page.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

- A. NECA's recommendations for future audits are approved.
- B. This Order shall be served by posting on the Commission's home web page.
- C. The parties have fifteen days, plus three days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118; K.S.A. 2003 Supp. 77-529(a)(1).
- D. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Moline, Chr.; Krehbiel, Com.; Moffet, Com..

Dated: **OCT 13 2004**

ORDER MAILED

OCT 13 2004

 Executive
Director

Susan K. Duffy
Executive Director