

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-32.07
on its own motion, seeking to)
conduct an inquiry into the)
failure of various companies to) ORDER TO SHOW CAUSE
comply with Commission Rules or)
Orders and to impose)
administrative fines.) Entered: July 15, 2008

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

As part of its regulatory authority pursuant to the Nebraska Telecommunications Universal Service Fund Act¹ (the NUSF Act) the Commission has adopted requirements to verify the accuracy of Nebraska Universal Service Fund remittances. Pursuant to Neb. Rev. Stat. § 86-324(2)(d), the Commission "shall require, as reasonably necessary, an annual audit of any telecommunications company to be performed by a third-party certified public accountant to insure the billing, collection, and remittance of a surcharge for universal service. The costs of any audit required pursuant to this subdivision shall be paid by the telecommunications company being audited."

Consistent with this statutory requirement, on April 10, 2007, the Commission entered an Order in Docket No. NUSF-33², adopting remittance audit requirements for all telecommunications carriers contributing to the Nebraska Universal Service Fund (NUSF). As required by Commission Order, remittance audits are to be performed by an independent third party, with audit results for a calendar year being due before the end of the next calendar year.

The Commission initiates this Order to Show Cause to determine whether the companies listed below should be fined for filing their audit after the extension due date granted by the Commission, and if so, the appropriate penalty. The companies subject to this Show Cause Order are as follows:

¹ See Neb. Rev. Stat. § 86-315 et seq. (Cum. Supp. 2006).

² See NUSF- 33, *In the Matter of the Nebraska Public Service Commission, on its own motion, seeking to investigate the audit requirements related to the Nebraska Universal Service Fund*, Order (April 10, 2007).

KDDI America, Inc.
Intellical Operator Services
Ernest Communications, Inc.

The above-listed companies are each required to appear before the Commission at 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska on **August 26, 2008 at 11:00 a.m.** and show cause why it failed to timely comply with its April 10, 2007 Order in Docket No. NUSF-33 and, why the Commission should not impose administrative penalties against it pursuant to Neb. Rev. Stat. § 75-156 (Cum. Supp. 2006) for failing to timely comply with the Commission's audit requirements.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the above-listed companies, be and are hereby ordered, to show cause why the Commission should not assess upon said companies administrative penalties for failure to timely comply with its Order entered in Docket No. NUSF-33 on April 10, 2007.

IT IS FURTHER ORDERED that said companies appear before the Commission on **August 26, 2008 at 11:00 a.m.**, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska for a hearing on this Show Cause Order.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of July, 2008.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director