

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

| | | |
|-----------------------------------|---|-----------------------------|
| In the Matter of the Commission, |) | Application No. NUSF-32.15 |
| on its own motion, seeking to |) | |
| conduct an inquiry into the |) | |
| failure by certain telecommunica- |) | ORDER INITIATING SHOW CAUSE |
| tions companies to comply with |) | AND SETTING HEARING |
| Commission Rules or Orders and to |) | |
| impose administrative fines. |) | Entered: July 12, 2016 |

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

[S]hall 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-33, adopting remittance audit requirements for all telecommunications carriers contributing to the Nebraska Universal Service Fund (NUSF).² As required by that Order, remittance audits are to be performed by an independent third party, with audit results for a randomly selected audit period. In addition, consistent with that Order, the remittance audit was due on or before December 31st in the year the Commission notified the company of the audit requirement.

According to the Commission's records, **Legacy Long Distance International, Inc.** ("Legacy Long Distance") (NE000192) failed to file its audit report. Legacy Long Distance applied for and

¹ See Neb. Rev. Stat. § 86-315 et seq. (2008).

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).

Application No. NUSF-32.15

PAGE 2

received four extension requests with a warning that no further audit extensions would be permitted. The remittance audit was due July 1, 2016. Accordingly, the Commission finds it appropriate to initiate a Show Cause proceeding requiring Legacy Long Distance to appear before the Commission at 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska on **August 30, 2016** at 1:30 p.m. central time, and Show Cause why it failed to timely comply with the Commission's audit filing requirement and why the Commission should not impose administrative penalties against it pursuant to Neb. Rev. Stat. § 75-156 (Cum. Supp. 2012) for failing to timely comply with the Commission rules and orders described herein.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Legacy Long Distance, be and it is hereby, Ordered to Show Cause why the Commission should not assess upon said company 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 company appear before the Commission on **August 30, 2016** at 1:30 p.m. central time, in the Commission Hearing Room, 300 The Atrium Building, 1200 N Street, Lincoln, Nebraska, for a hearing on this Show Cause Order.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 12th day of July, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Quaid Hays
Crystal Gaudes
R. E. Landis

//s//Frank E. Landis
//s//Tim Schram

Tim Schram

Chairman

ATTEST:

Jeffrey L. Puley

Executive Director