

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska ) Application No. NUSF-33/PI-68  
Public Service Commission, on )  
its own motion, seeking to ) PROGRESSION ORDER NO. 4  
investigate the audit )  
requirements related to the )  
Nebraska Universal Service Fund. ) Entered: May 24, 2006

BY THE COMMISSION:

1. The Nebraska Public Service Commission (Commission) opened this docket on November 26, 2002, to investigate the audit requirements related to the Nebraska Universal Service Fund (NUSF).

2. The Commission enters this Progression Order to seek further comment to address the concerns raised by the State Auditor's Office that every company remitting the surcharge to the NUSF be audited. After considering this issue, the NUSF Department has developed a staff proposal. The Commission seeks comment on the staff proposal which is attached hereto as "Attachment A" and fully incorporated herein.

3. Comments on the staff proposal should be filed on or before June 30, 2006. Reply comments should be filed on or before July 31, 2006. Commenters must file five (5) paper copies and one (1) electronic copy which can be emailed to [brandy.zierott@psc.ne.gov](mailto:brandy.zierott@psc.ne.gov).

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the staff proposal contained herein be and it is hereby open for public comment.

IT IS FURTHER ORDERED that comments responsive to this inquiry be filed on or before June 30, 2006 and reply comments be filed on or before July 31, 2006 in the manner prescribed above.

MADE AND ENTERED at Lincoln, Nebraska this 24<sup>th</sup> day of May, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

Attachment A  
Staff Proposal Related to Remittance Audits

1. The staff proposes to keep the requirement that every company that has assessable revenue equal to or greater than \$1 million a year have an annual audit performed. The expense of the audit shall continue to be borne by the company. This proposal represents no changes to the current rule in Neb. Admin. Code, Title 291, Ch. 10, § 003.05. Audits would continue to be due on or before December 31<sup>st</sup> of every year.

2. For companies with more than \$100,000.00 in assessable revenue but less than \$1 million in assessable revenue for the year the staff proposes a requirement to have those companies be audited every three years. The audit period would be a one-year period. The Commission staff would divide the companies into three groups staggering the audit periods for the companies falling into this category. The cost of the audit would also be borne by the company. The Commission would notify the companies ahead of time of the perspective audit year so that companies may properly plan and budget for having the audit completed. Audits would be due on or before December 31<sup>st</sup>.

3. The staff proposes that companies having less than \$100,000.00 in assessable revenue for a given year would be audited every five years. The Commission staff proposes to have these audits be paid for out of the NUSF fund. The audit test period would be a one-year period. The Commission staff would notify the companies to be audited in advance of the audit and determine a date when the audit must be completed. The Commission staff proposes to release a Request for Proposal (RFP) in order to request bids from third party auditors. The Commission would then select an auditor to perform the audits for all companies falling into this category.

4. Notwithstanding the above, the Commission would reserve the ability to require an audit of any company for any reason without prior notice.