

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) Application No. 911-018/PI-
Public Service Commission, on) 117
its own motion, seeking to)
establish audit requirements) ORDER ADOPTING AMENDED AUDIT
related to the Wireless Enhanced) POLICIES
911 Fund.)
) Entered: July 31, 2012
)

BY THE COMMISSION:

On April 10, 2007, the Nebraska Public Service Commission entered an order adopting audit policies related to the Wireless Enhanced 911 Fund (Fund). On May 30, 2012, the Commission entered an order releasing an amended audit policy modifying the criteria for seeking an audit waiver for E911 remittances. No written comments were received. A hearing on the amended policy was held on July 17, 2012.

Ms. Sue Vanicek testified in support of the amended policy stating that because eligibility for a waiver in the current policy is based upon revenues rather than remittances for purposes of the Wireless Enhanced 911 remittances audit, some carriers were not entitled to seek a waiver regardless of the fact that they remitted only de minimus amounts that did not justify the cost of an audit.

No other witnesses provided testimony.

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

The Commission may require an audit of any wireless carrier's books and records concerning the collection and remittance of any amounts collected, pursuant to the Enhanced Wireless 911 Services Act. Neb. Rev. Stat. Section 86-459(3) (Reissue 2008).

The Commission has a statutory responsibility to ensure that all wireless carriers are properly collecting and remitting the Enhanced Wireless 911 surcharge. Reasonable criteria for the frequency and conduct of audits of remittances must be employed to limit the administrative costs to the Fund, rate payers, and carriers.

The Commission's finds that the audit policy should be sufficiently flexible to address the varying circumstances of

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carriers. Therefore, the Commission finds that the current audit policy should be amended. Therefore, the attached Amended Remittance Audit Policies for the Nebraska Universal Service Fund and the Enhanced Wireless 911 Fund attached hereto as Appendix A and incorporated herein by this reference, is adopted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the **Amended Remittance Audit Policies for the Nebraska Universal Service Fund and the Enhanced Wireless 911 Fund** as set forth in Appendix A and described herein, is adopted.

MADE AND ENTERED at Lincoln, Nebraska, this 31st day of July, 2012.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Tim Schram

Chairman

Rod Johnson

Anne Boyle

ATTEST:

Gerald L. Cox

Michael H. Hall

Executive Director

//s// Rod Johnson

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Appendix A

Amended Remittance Audit Policies for the Nebraska Universal Service Fund and the Enhanced Wireless 911 Fund

The Nebraska Public Service Commission hereby adopts the foregoing policies to be applied to audits of remittances to the Nebraska Universal Service Fund (NUSF) and Enhanced Wireless 911 Fund (E911).

1. **Two Tiers.** There shall be a two-tiered remittance audit program for NUSF. In the first tier, carriers with more than \$1 million in annual assessable revenue shall be subject to annual remittance audits. The second tier requires a remittance audit once every three years for carriers with annual assessable revenue of less than \$1 million. In order to qualify for the second tier, a carrier's revenue must be less than \$1 million for each of the preceding three (3) years. For purposes of remittance audits for the Enhanced Wireless 911 Fund, the tier assigned for the NUSF audit shall apply.
2. **Notice and Filing.** Notices of audits will be sent to carriers by the Commission **no later than June 1st**. Audits shall be due **on December 31st** or, the next following business day, if this falls on a weekend.
3. **Audit Waivers.**

NUSF Audit Waivers: In order to be eligible for consideration for a NUSF remittance audit waiver: (1) a carrier shall have annual NUSF assessable revenue of under \$100,000 in each of the three prior years, (2) shall have no late-filed NUSF remittance occurrences in each of the three prior years, (3) shall have been in compliance with all applicable Commission Rules & Regulations and, (4) shall provide a satisfactory explanation for any variances that are greater than ten percent, and over \$500 where applicable, from any month to the next proceeding month in any information contained on the NUSF waiver form including but not limited to NUSF surcharge, and revenues.

Notwithstanding the above NUSF waiver criteria, companies with under \$2,000 in monthly NUSF assessable revenue and less than four late-filed NUSF remittance occurrences may submit a waiver request which will be reviewed for approval on a case-by-case basis.

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Appendix A

E911 Audit Waivers: In order to be eligible for consideration for an E911 remittance audit waiver: (1) a carrier shall have annual E911 surcharge remittance of under \$7,000 in each of the three prior years, (2) shall have no late-filed E911 remittance occurrences in each of the three prior years, (3) shall have been in compliance with all applicable Commission Rules & Regulations and, (4) shall provide a satisfactory explanation for any variances that are greater than ten percent, and over \$500 where applicable, from any month to the next proceeding month in any information contained on the E911 waiver form including but not limited to E911 surcharge and subscriber lines.

Notwithstanding the above E911 waiver criteria, companies with under \$150 of monthly E911 surcharge remittance and less than four late-filed E911 remittance occurrences may submit a waiver request which will be reviewed for approval on a case-by-case basis.

A waiver may be denied at the discretion of the Commission even if the audit waiver criteria have been met.

Carriers seeking a waiver shall make a written request on the supplied waiver form to the Commission **no later than September 1st** prior to the remittance audit due date, attesting that the audit waiver criteria have been met.

4. **Coordination between NUSF and E911.** NUSF and E-911 remittance audits shall be conducted simultaneously when circumstances permit, however, the period being audited and the scope of each audit may include different years for non-annual remittance audits.
5. **Audit Scope.** Each non-annual remittance audit shall include a review of not less than one year of remittances; however, the Commission reserves the right to extend the scope of the audit to include other time periods when irregularities are observed.
6. **Audit Expenses.** All remittance audits shall be conducted at the expense of the carrier.
7. **Records Retention.** Carriers shall retain at least five years of remittance records.