

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

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## 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 )  
investigate the audit ) ORDER ADOPTING REMITTANCE  
requirements related to the ) AUDIT POLICY  
Nebraska Universal Service Fund. )  
 ) Entered: May 5, 2020

BY THE COMMISSION:

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

The Nebraska Public Service Commission opened this docket on its own motion on November 26, 2002, seeking to establish remittance audit requirements related to the Nebraska Universal Service Fund (NUSF). The Commission established an audit policy which was later codified in its Universal Service Fund Rules and Regulations.<sup>1</sup> This policy was developed and applied to a revenues-based contribution mechanism.

In light of the Commission's adoption of a connections-based contribution mechanism for residential services in its Order in NUSF-111, the Commission finds it necessary to modify the remittance audit policy. The modifications are set forth in "Attachment A" to this Order and are incorporated herein. The modified policy in "Attachment A" is designed to keep the tiered audit designations and carrier obligations the same. The threshold dollar amounts for the tiers equate approximately to the revenues-based dollar amount thresholds. Instead of using revenues, however, the threshold amounts are based upon the dollar amount of the remittance obligation. This policy continues the two-tiered system requiring annual audits or three-year audits, depending upon the annual remittances of the carrier. The policy also includes the waiver process for smaller carriers.

## O R D E R

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<sup>1</sup> Due to the fact that the NUSF Departments and E-911 Departments were combined, on April 10, 2007, the Commission entered an order amending its remittance audit policy. The two departments have since been separated but the audits for both departments continue to be conducted collaboratively.

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IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the revised remittance audit policy set forth in "Attachment A" to this Order shall be, and it is hereby, adopted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 5th day of May, 2020.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



Chair

ATTEST:

  
Executive Director

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## ATTACHMENT A

### **Remittance Audit Policy for the Nebraska Universal Service Fund and the Enhanced Wireless 911 Fund**

The Nebraska Public Service Commission hereby adopts the foregoing policy 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 remittances greater than \$70,000 in a given calendar year shall be subject to annual remittance audits. The second tier requires a remittance audit once every three years for carriers with annual remittances lower than \$70,000. In order to qualify for the second tier, a carrier's remittance obligation must be less than \$70,000 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 1<sup>st</sup>**. Audits shall be due **on December 31<sup>st</sup>** or, the next following business day, if this falls on a weekend.
3. **Audit Waivers.** In order to be eligible for consideration for a remittance audit waiver: (1) a carrier shall have annual remittances of under \$7,000 in each of the prior three years (2) shall have no late-filed 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 or E911 waiver form including but not limited to surcharge, revenues, lines, and subscribers.

Notwithstanding the above waiver criteria, companies with monthly remittance obligations of less than \$150 and fewer than four late-filed remittance occurrences may submit a

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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 1<sup>st</sup>** 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. For companies in the second tier the Commission can assign any one of the proceeding three years for the required year to be audited.
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.