

COLLEEN R. JAMISON
JAMISON LAW, LLC

July 24, 2019

Ms. Lynn M. Retz, Secretary
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604

RE: United Telephone Association, Inc.
Application for an Increase in its Cost-Based KUSF Support

Dear Ms. Retz:

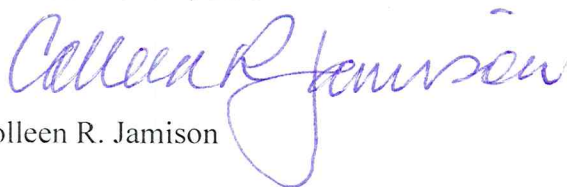
Attached for filing please find Parts 1 and 2 of United Telephone Association, Inc.'s application for an increase in its cost-based KUSF support. Pursuant to K.S.A. 66-1220a, United is requesting confidential treatment of Sections 14 (Cost Allocation Manual), 15 (Affiliate Agreements), and 16 (independent auditor's report) in that this information is United's confidential commercial information.

It is my understanding that United's consultants are working on the first set of standard Staff data requests and should have those to Staff shortly.

Please let me know if you have any questions.

Cordially yours,

JAMISON LAW, LLC



Colleen R. Jamison

Encl.

cc: Todd Houseman
Stacey Brigham

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

20-UTAT-032-KSF

In the Matter of the Application and Request)
of United Telephone Association, Inc. for an)
Increase in its Cost-Based Kansas Universal)
Service Fund Support.)

Docket No. 19-UTAT-_____-KSF

**APPLICATION AND REQUEST OF UNITED TELEPHONE ASSOCIATION, INC.
FOR AN INCREASE IN ITS
COST-BASED KANSAS UNIVERSAL SERVICE FUND SUPPORT**

COMES NOW United Telephone Association, Inc. (“United” or “the Company”) hereby files with the Commission this application requesting the Commission review the Company’s enclosed schedules filed in conformity with the requirements of K.A.R. 82-1-214, and determine that the Company’s demonstrated costs, revenue requirement, investments and expenses necessary to provide sufficient and efficient service is such that its Kansas Universal Service Fund (“KUSF”) support must be increased. In support of its application and request, the Company respectfully shows the Commission as follows:

1. United is a Kansas corporation holding one or more Certificates of Convenience and Authority to engage in the business of providing local exchange and exchange access telecommunications service in designated geographic areas within the State of Kansas. It is a rural telephone company as defined by K.S.A. 66-1,187(1).

2. United’s principal place of business is at 1107 McArtor Rd., Dodge City, KS 67801.

3. United operates under traditional rate of return regulation and serves as the carrier of last resort for telecommunications customers within its designated service area. The

Commission designated United as an eligible telecommunications carrier in an order dated December 5, 1997, in Docket No. 98-GIMT-241-GIT.

4. United's intrastate access and local exchange service rates, set by the Commission pursuant to K.S.A. 66-2005(c) and K.S.A. 66-2005(e), together with its currently-authorized KUSF support, are insufficient to afford United a reasonable opportunity to recover its costs and investments, and are insufficient to afford United a reasonable opportunity to earn a reasonable return on such investments. Such insufficiencies are contrary to the public's interest in reliable, affordable, sufficient, and efficient telecommunications public utility service. Such insufficiencies are also further contrary to United's rights under traditional rate of return regulation.


5. The proposed increase in United's receipt of KUSF support is based on the Company's embedded costs, revenue requirement, investments, and expenses, and is necessary to allow United to continue the provision of sufficient and efficient telecommunications service and is in the public interest.

6. The test year to be used in the evaluation of this application is the year ending December 31, 2018.

WHEREFORE, for the reasons set forth above, United respectfully requests the Commission review its application and request for increased KUSF support based on the Company's embedded costs, revenue requirement, investments, and expenses, filed contemporaneously herewith and as appropriately reflected in the schedules included with this application, and for such other and further relief as the Commission deems just and equitable.

Respectfully submitted,

JAMISON LAW, LLC



Colleen R. Jamison, KS Bar #16121

PO Box 128

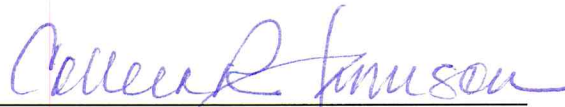
Tecumseh, KS 66542

Ph: 785-331-8214

colleen.jamison@jamisonlaw.legal

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am an attorney for United Telephone Association, Inc. and that the foregoing is true and correct. Executed on July 24, 2019.



Colleen R. Jamison

SECTION 1

COLLEEN R. JAMISON
JAMISON LAW, LLC

June 5, 2019

Lynn M. Retz, Secretary
Kansas Corporation Commission
1500 SW Arrowhead Rd.
Topeka, KS 66604


RE: United Telephone Association, Inc.
Request for additional KUSF

Dear Ms. Retz:

By this letter I am notifying the Commission that United Telephone Association, Inc. intends to file an application with the Commission within the next 30-90 days requesting a review of its embedded costs, revenue requirement, investments, and expenses. This application will request the Commission determine the increase necessary in United's cost-based KUSF support to enable it to continue to provide sufficient and efficient service to its end users.

Please let me know if you have any questions.

Cordially yours,


Colleen R. Jamison
JAMISON LAW, LLC

cc: Todd Houseman
Daniel Meszler

Introduction

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

Q. What is your name?

A. My name is Stacey Brigham.

Q. By whom are you employed and in what capacity?

A. I am the Regulatory Director of TCA, Inc - Telcom Consulting Associates (“TCA”) at 526 Chapel Hills Drive, Suite 100, Colorado Springs, CO 80920. My principal role is directing the TCA Regulatory Team, which analyzes, advocates, and interprets federal and state regulatory actions on behalf of our clients. TCA provides financial, regulatory, marketing and management consulting services to small and mid-size carriers throughout the United States.

Q. Briefly describe your educational background and work experience.

A. I have been employed with TCA since 2007. I have testified in multiple state high cost fund proceedings in front of the the Nebraska Public Service Commission. I have also participated in several proceedings, both at the Federal Communications Commission (“FCC”) and in multiple states on high cost and universal service fund issues. Many of these proceedings have involved the determination of jurisdictional revenue requirement for rate-of-return (“RoR”) regulated local exchange carriers (“LECs”). I have worked directly with the companies in these proceedings on the measurement, gathering, and allocation of the costs necessary to provide regulated telecommunications services in compliance with FCC rules contained in Part 32

1 (Uniform System of Accounts), Part 64 (Subpart I, Allocation of Costs), and Part 36
2 (Jurisdictional Separations Procedures).

3
4 I received a Bachelor of Science degree in business management from Colorado
5 Christian University in 2010.

6
7 **Q. On whose behalf are you presenting testimony?**

8 A. I am presenting testimony on behalf of United Telephone Association, Inc. (“UTA”),
9 supporting its application for additional funding from the KUSF. On June 5, 2019, UTA
10 filed notice with the Commission, indicating that it would be filing an application with
11 the Commission requesting a review of its embedded costs, revenue requirement,
12 investments and expenses to allow the Commission to determine the increase necessary
13 in its cost-based KUSF support to enable UTA to continue to provide sufficient and
14 efficient service to its end user customers.

15
16 **Summary**

17 **Q. What is the purpose of your testimony?**

18 A. The purpose of my testimony is to explain the schedules filed by UTA as required by
19 K.A.R. 82-1-231. I will also explain the adjustments UTA has made to the test year
20 results of operations. Finally, I will address UTA’s cost allocation procedures and cost
21 of capital issues.

22

1 **Q. Were the Schedules and Workpapers contained in the application prepared by**
2 **you or someone under your supervision?**

3 A. Yes, they were.
4

5 **Q. How much additional support from the KUSF is UTA requesting in this**
6 **application?**

7 A. The schedules in UTA's application reflect an intrastate revenue deficiency of
8 \$2,287,253 and UTA requests the Commission issue an order increasing its KUSF draw
9 by this amount.
10

11 **Q. Please briefly explain the process used to generate the total company and**
12 **jurisdictional amounts reflected in the Schedules contained in UTA's application.**

13 A. UTA is a rate-of-return regulated LEC in both federal and state jurisdictions.
14 Accordingly, UTA follows FCC rules guiding the measurement, gathering, and
15 allocation of the costs necessary to provide regulated telecommunications services.
16 The Commission has historically required its jurisdictional LECs to follow the FCC
17 rules. Therefore, UTA has prepared this application using the FCC rules contained in
18 Part 32 (Uniform System of Accounts), Part 64 (Subpart I, Allocation of Costs), and
19 Part 36 (Jurisdictional Separations Procedures).
20

21 **Q. Please describe the Part 36 jurisdictional separations study process UTA used in**
22 **this application.**

1 A. As mentioned above, Part 36 separations rules are used to allocate investment and
2 expenses between the interstate and intrastate jurisdictions. As a member of NECA,
3 UTA files an annual interstate cost study, which determines its revenue requirement
4 recovery attributable to investment and expenses allocated to the interstate jurisdiction.
5 The company's NECA study is then adjusted to include end-of-period balances to more
6 accurately correspond with the Commission's eligibility for KUSF determinates. This
7 version of the study is also included in Section 12 and is the basis for the jurisdictional
8 allocation factors used throughout the filing.

9
10 **Q. Do you propose to reflect updated separations factors once Staff's audit is**
11 **complete?**

12 A. No, I do not. Based on previous audits and Staff testimony related thereto, UTA agrees
13 that updating allocation factors is not necessary.

14
15 **Q. What is the next step once the Part 36 separations study is complete?**

16 A. The amounts shown throughout UTA's application as "test year unadjusted" or "cost
17 study" amounts are 2018 book amounts applied to the 2018 Part 36 study included in
18 the application. Already embedded in these numbers are adjustments made in
19 compliance with Part 32 and Part 64 rules, and other NECA guidelines. As a result,
20 UTA has presented Schedules that begin with book amounts, and then add or subtract
21 2018 cost study adjustments to arrive at the cost study balance.

22

1 **Q. Please describe the remaining steps to determine UTA's adjusted intrastate**
2 **revenue requirement.**

3 A. Next, UTA identified and quantified normalizing adjustments, which are discussed
4 later in my testimony. These normalized balances were then allocated to the interstate
5 and intrastate jurisdictions using the allocation ratios from the KUSF version of the
6 study.

7

8 **Q. Please continue with a discussion of the schedules contained in Section 3.**

9 A. Section 3, pursuant to K.A.R. 82-1-231, contains a schedule that reflects a summary of
10 rate base, operating income, and the RoR for the adjusted test year. The general results
11 shown on these schedules are discussed above.

12

13 **Q. What information is included in Section 4?**

14 A. Section 4 contains information required by K.A.R. 82-1-231 relating to plant
15 investments. Schedule 1 is the summary of rate base, and Schedule 2 shows total
16 company plant investment by primary account for the years 2015-2018.

17

18 **Q. What information is included in Section 5?**

19 A. Section 5 consists of a single schedule that shows test year unadjusted and adjusted
20 jurisdictionally allocated accumulated depreciation and amortization.

21

22 **Q. Please explain Section 6 of the application.**

1 A. According to K.A.R. 82-1-231, Section 6 is to contain information pertaining UTA's
2 to working capital. The calculation of cash working capital that is included in UTA's
3 adjusted test year rate base is shown here.

4

5 **Q. Please continue with a description of the information contained in Section 7.**

6 A. K.A.R. 82-1-231 requires that Section 7 contain information relating to capital and the
7 cost of money. Accordingly, Section 7 reflects UTA's actual capital structure, actual
8 cost of debt and requested rate of return.

9

10 **Q. Please describe the schedules contained in Section 8.**

11 A. Section 8 contains the financial and operating data required by K.A.R. 82-1-231
12 (c)(4)(H).

13

14 **Q. What is contained in Section 9?**

15 A. Section 9 contains the test year and normalized income statement and related
16 information. Schedule 1 contains the summary information, and Schedule 2 contains
17 a summary of the test year revenue and expense adjustments. Finally, the test year
18 adjustments are further supported by workpapers IS1 through IS5.

19

20 **Q. Does the information contained in Section 10 comply with K.A.R. 82-1-
21 231(c)(4)(J)?**

22 A. Yes. UTA's test year and normalized depreciation expense is reflected by primary plant
23 account classification.

1

2 **Q. Does UTA provide information required by K.A.R. 82-1-231(c)(4)(K)?**

3 A. Yes. Section 11 contains the required information regarding taxes chargeable to
4 operations.

5

6 **Q. Please describe the information UTA has included in Section 12.**

7 A. K.A.R. 82-1-231(c)(4)(L) asks for information regarding the ratios used for the
8 allocations of amounts between jurisdictions and areas of operations. K.A.R. 82-1-
9 231(c)(4)(L) "Section 12: allocation ratios" states in full:

10 This section shall contain complete detail for all ratios used in the
11 allocations between jurisdictions, areas of operations, departments,
12 classes of customers and other allocable items. In addition, this section
13 shall include a narrative description of the rationale for the allocation
14 ratio, the components included in the calculation of the ratio and their
15 source, the allocation percentages applicable to jurisdictions or
16 departments and what is being allocated by the ratio.

17

18 UTA has provided its cost allocation procedures in Section 12, addressing the issues
19 brought up in K.A.R. 82-1-231(c)(4)(L). Specifically, UTA provides a narrative of its
20 1) lines of business, 2) time reporting and allocation procedures, and 3) cost allocation
21 procedures. Section 12 also contains a summary of UTA's Part 36 jurisdictional
22 allocation ratios for the 2018 interstate cost study.

23

24 **Q. What information is contained in Section 16 of the application?**

25 A. As required by K.A.R. 82-1-231(c)(4)(L) Section 16 contains a copy of the independent
26 auditor's report and consolidated financial statements that relate to the test year.

1

2

Rate Base Adjustments

3

Q. Has UTA made any adjustments to Rate Base?

4

A. Yes, it has. UTA's Adjustment RB1 includes estimated work order closures that are expected to be in service prior to Staff's on-site visit.

6

7

Q. Please explain UTA's Adjustment RB2.

8

A. Adjustment RB2 coincides with Adjustment RB1 and recognizes the retirement of assets that are being replaced by the facilities added in 2019.

10

11

Income Statement Adjustments

12

Q. Please explain UTA's Adjustment IS1.

13

A. UTA's Adjustment IS1 recognizes the most recent "known and measurable" level of ongoing High-Cost Loop Support ("HCLS").

15

16

Q. Please explain UTA's Adjustment IS2.

17

A. UTA's Adjustment IS2 recognizes the Year 23 KUSF revenues for UTA as calculated in the testimony of Sandy Reams.¹

19

20

Q. Please explain UTA's Adjustment IS3.

¹ See Direct Testimony of Sandy Reams in KCC Docket No. 19-GIMT-056-GIT (December 1, 2018).

1 A. Adjustment IS3 recognizes the decrease in test year intrastate terminating switched
2 access revenues as mandated by the FCC's transition to bill-and-keep intercarrier
3 compensation ("ICC") regime.²
4

5 **Q. Please continue with a discussion of Adjustment IS4.**

6 A. UTA's Adjustment IS4 normalizes depreciation expense based on adjusted plant
7 balances. This adjustment is necessary in order to reflect the level of depreciation
8 expense UTA can expect to incur on a going-forward basis. The net change to
9 depreciation expense also recognizes decreases related to the net balance in specific
10 accounts. In other words, if a particular plant account was anticipated to become fully
11 depreciated, UTA accordingly reduced the test year pro forma depreciation expense.
12

13 **Q. Please continue with a discussion of Adjustment IS5.**

14 A. Adjustment IS5 increases test year expenses to reflect an estimated amount of expense
15 UTA will incur as a result of this proceeding. The total estimated expense is amortized
16 over a 5-year period, consistent with what the Commission has granted in prior KUSF
17 rate cases. As usual, this amount must be updated and adjusted as this proceeding nears
18 completion. Also, UTA has not included in this estimate the cost of a return on equity
19 rebuttal witness, which, if necessary, could add substantially to UTA's total cost related
20 to this proceeding.

² See Connect America Fund, WC Docket No. 10-90, A National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing an Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Lifeline and Link-Up, WC Docket No. 03-109, Universal Service Reform – Mobility Fund, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov.18, 2011) at para. 851. (“USF/ICC Transformation Order”)

1

2

Cost of Capital

3 **Q. What authorized RoR has UTA proposed in its KUSF filing?**

4 A. UTA has used the federal authorized RoR effective July 1, 2019 of 10.25% in
5 calculating its Kansas jurisdictional revenue requirement.³

6

7 **Q. Has UTA provided any additional information related to its capital structure?**

8 A. No.

9

10 **Q. Is the Federal RoR appropriate to use in the State Jurisdiction?**

11 A. Yes, many states have chosen to use the RoR authorized by the FCC in state high-cost
12 fund proceedings. For example, both the Nebraska and Wyoming commissions have
13 used the FCC's authorized RoR for years, and the Utah Legislature passed legislation
14 in 2017 requiring the use of the FCC's prescribed RoR for state high cost fund
15 proceedings.⁴

16

17 **Q. Does that conclude your testimony?**

18 A. Yes, it does.

³ See Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, FCC 16-33, para. 326 (2016) (“*Rate-of-Return Reform Order*”).

⁴ [Utah Code § C54-8b-15-5a](#)

1 **Q. Please state your name and business address.**

2 A. My name is Todd Houseman. My business address is 1107 McArtor Rd., Dodge City, KS
3 67801.
4

5 **Q. Please identify your employer and your position with the company.**

6 A. I am employed as the General Manager/Chief Executive Officer of the United Telephone
7 Association, Inc. (“UTA”) and its subsidiary and affiliate.
8

9 **Q. Briefly describe your educational background and work experience.**

10 A. I earned my MBA from Wichita State University in 1998. I have been employed by UTA
11 for 8 1/2 years, spending nearly 2 years as Assistant General Manager prior to becoming
12 the General Manager/CEO in 2015. Prior to my employment at United I held various other
13 jobs in telecommunications over the last 25 years – Financial/Regulatory consultant, CFO,
14 and a prior role as the GM for another telephone company.
15

16 **Q. Please begin with a discussion of UTA's corporate structure.**

17 A. UTA provides local exchange telecommunication service, as the carrier of last resort, to
18 ten exchanges in southwestern Kansas. UTA is the parent company of United Wireless
19 Communications, Inc., which offers fixed and mobile wireless services across a 17-county
20 territory in southwestern Kansas. UTA is also affiliated with United Communications
21 Association, Inc. (UCA), we utilize the same Board of Trustees, management team, and
22 staff. UCA is a competitive local exchange telecommunications service provider, and also

1 offers several non-regulated services, including, CATV, long distance, and internet
2 services.

3

4 **Q. What is the purpose of your testimony?**

5 A. I am providing this testimony in support of UTA's request for an increase in support from
6 the Kansas Universal Service Fund ("KUSF"). While UTA has retained the consulting firm
7 of TCA, Inc. to calculate its KUSF shortfall – which is supported by the direct testimony
8 of Stacey Brigham - I have been informed that the Commission also requires an official
9 company representative to file direct testimony and to be available as a witness at the
10 evidentiary hearing during KUSF proceedings. As the General Manager/CEO of UTA, I
11 will offer the testimony the Commission requires, and I will be available at the evidentiary
12 hearing, if the parties feel my participation is necessary.

13

14 **Q. Does this conclude your testimony?**

15 A. Yes, it does.

16

SECTION 3

United Telephone Association, Inc.

Dkt No.

Computation of Earnings

YE 12/31/18

Section 3
Schedule 1

	(A)	(B)
Source	Total Company	Total State
(1) Rate Base	\$ 17,808,404	\$ 11,845,708
(2) Rate of Return	10.25%	10.25%
(3) Allowable Return	1,825,361	1,214,185
(4) Operating Income	(111,650)	(1,073,068)
(5) Deficiency (Excess)	1,937,012	2,287,253
(6) Net to Gross Multiplier	1.000000	1.000000
(7) Revenue Deficiency (Excess)	1,937,012	2,287,253
Realized return on rate base	-0.63%	-9.06%

SECTION 4

United Telephone Association, Inc.
 Dkt No.
 Summary of Rate Base
 YE 12/31/18

Section 4
 Schedule 1

Line	Acct	Description	(A) Book Balance	(B) Cost Study Adjustments	(C) Cost Study Balance	(D) Normalizing Adjustments	(E) Normalized Balance	(F) Allocation--/	(G) Intrastate	(H) Interstate	(I) Intrastate
1	2111	LAND	292,763	-	292,763	-	\$	0.326872	0.673128	95,696	197,067
2	2112	MOTOR VEHICLES	674,762	(420,205)	245,557	-	245,557	0.326872	0.673128	80,266	165,291
3	2112.2	MOTOR VEHICLES NON-PLANT	76,215	(48,479)	27,736	-	27,736	0.326872	0.673128	9,066	18,670
4	2115	GARAGE WORK EQUIPMENT	23,560	(14,999)	8,561	-	8,561	0.326872	0.673128	2,805	5,756
5	2116	OTHER WORK EQUIPMENT	1,086,425	(691,058)	395,368	-	395,368	0.326872	0.673128	129,235	266,133
6	2121	BUILDINGS - SO ENGLEWOOD	2,816,528	-	2,816,528	-	2,816,528	0.326872	0.673128	920,644	1,895,885
7	2121.1	BUILDINGS - SO ENGLEWOOD	28,630	-	28,630	-	28,630	0.326872	0.673128	9,358	19,272
8	2122	FURNITURE	424,797	(121,358)	303,439	-	303,439	0.326872	0.673128	99,188	204,253
9	2123.1	OFFICE SUPPORT EQUIPMENT	90,015	(25,716)	64,299	-	64,299	0.326872	0.673128	21,017	43,281
10	2123.2	COMPANY COMMUNICATIONS EQUIPMEN	100,381	(23,577)	71,704	-	71,704	0.326872	0.673128	23,438	48,266
11	2124	GENERAL PURPOSE COMPUTERS	3,305,242	(843,568)	2,461,674	(1,566)	2,460,108	0.326872	0.673128	804,140	1,655,968
12											
13		Total General Support Facilities	8,919,338	(2,203,060)	6,716,278	(1,566)	6,714,712			2,194,850	4,519,862
14											
15	2212	DIGITAL ELECTRONIC CO OFFICE	890,801	239,076	1,129,877	400,235	1,530,113	0.849499	0.150501	1,299,829	230,284
16	2212.1	CENTRAL OFFICE EQUIPMENT	7,254	-	7,254	-	7,254	0.849499	0.150501	6,162	1,092
17	2232	CARRIER & CIRCUIT EQUIPMENT	13,966,086	(389,047)	13,577,039	(112,138)	13,464,901	0.354484	0.645516	4,769,544	8,695,357
18	2232	CARRIER & CIRCUIT EQUIPMENT 2013	4,331,375	(281,807)	4,049,568	110,261	4,159,828	0.354484	0.645516	1,474,592	2,685,237
19	2232.1	CARRIER & CIRCUITS EQ - SO ENG	115,642	-	115,642	-	115,642	0.354484	0.645516	40,993	74,649
20	2232.1	CARRIER & CIRCUITS EQ - OK 2013	42,248	-	42,248	-	42,248	0.354484	0.645516	14,976	27,272
21	2232.2	FIBER CONNECTION EQUIPMENT	226,024	-	226,024	25,700	251,724	0.354484	0.645516	89,232	162,492
22											
23		Total Central Office Equipment	19,579,430	(441,779)	19,137,652	424,058	19,561,709			7,695,328	11,866,382
24											
25	2351	Public Telephone Equipment	-	-	-	-	-	-	-	-	-
26											
27		Total Info Orig/Term Equipment	-	-	-	-	-	-	-	-	-
28											
29	2421	AERIAL CABLE	26,131	(26,131)	-	-	-	0.301645	0.698355	-	-
30	2422	UNDERGROUND CABLE	252,171	-	252,171	(25,512)	226,659	0.301645	0.698355	68,371	158,288
31	2423	BURIED CABLE	43,057,640	(1,095,533)	41,962,107	176,605	42,138,712	0.301645	0.698355	12,710,951	29,427,761
32	2423.1	BURIED CABLE-SO ENG	856,370	-	856,370	190	856,561	0.301645	0.698355	258,378	598,183
33	2431	AERIAL WIRE	39,042	(39,042)	-	-	-	0.301645	0.698355	-	-
34	2431	C & W - MAP COM	858,487	-	858,487	-	858,487	0.301645	0.698355	258,959	599,528
35	2441	CONDUIT SYSTEMS	694,759	-	694,759	694,759	694,759	0.301645	0.698355	209,571	485,188
36	2441.1	CONDUIT SYSTEMS SO ENGLEWOOD	1,835	-	1,835	-	1,835	0.301645	0.698355	554	1,282
37		Total Cable and Wire Facilities	45,786,435	(1,160,706)	44,625,729	151,283	44,777,012			13,506,782	31,270,230
38											
39	2681	Capital Lease	-	-	-	-	-	1.000000	-	-	-
40	2690	Intangibles	1,905	-	1,905	1,905	1,905	0.326872	0.673128	623	1,283
41											
42											
43											
44		Telephone Plant	74,287,109	(3,805,545)	70,481,565	573,775	71,055,339			23,397,583	47,657,756
45											
46	3100	Accumulated Depreciation	(59,164,759)	3,194,778	(55,969,981)	1,802,454	(54,167,527)	0.327259	0.672741	(17,726,798)	(36,440,729)
47	MISC	Misc Accum. Depr and Amort	-	-	-	-	-	-	-	-	-
48		Net Telephone Plant	15,122,351	(670,767)	14,511,584	2,376,228	16,887,812			5,670,785	11,217,027
49											
50											
51	1220	Materials and Supplies	732,048	-	732,048	-	732,048	0.698355	0.301645	220,819	511,229
52	1402	RTB Stock	-	-	-	-	-	0.326872	0.673128	-	-
53	1403	Goodwill	-	-	-	-	-	1.000000	-	-	-
54	1410	Other Noncurrent Asset	2,452,245	(1,648,523)	803,722	(803,722)	-	0.326872	0.673128	-	-
55	2003	TPUC - Short Term	1,554,843	-	1,554,843	(1,554,843)	-	0.326872	0.673128	-	-
56	4361	Deferred Income Taxes	-	-	-	-	-	0.326872	0.673128	-	-
57	4040	Customer Deposits	-	-	-	-	-	0.326872	0.673128	(147)	(303)
58	MISC	Other Credit Accounts	(450)	-	(450)	-	(450)	0.326872	0.673128	-	-
59											
60		Net Investment	19,861,036	(2,259,289)	17,601,746	17,664	17,619,410			5,891,457	11,727,953
61											
62		Cash Working Capital	188,994	-	188,994	-	188,994			71,239	117,755
63											
64		Total Rate Base	\$ 20,050,030	\$ (2,259,289)	\$ 17,790,740	\$ 17,664	\$ 17,808,404	1.000000	0.326872	\$ 5,962,696	\$ 11,845,708

United Telephone Association, Inc.
Dkt No.
Comparative Plant Balances

Section 4
Schedule 2

KCC REPORT - KANSAS ONLY. SCHEDULE 8.

Line	Description	2015	2016	2017	2018
1	2111 Land	\$ 198,360	\$ 198,874	\$ 197,820	\$ 197,381
2	2112 Vehicles	678,127	647,922	530,275	506,309
3	2114 Special Purpose Vehicles				
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment	683,994	715,162	744,595	748,365
6	2121 Buildings	1,913,639	1,916,901	1,906,737	1,898,904
7	2122 Furniture	287,820	288,566	287,036	286,398
8	2123 Office Equipment	133,772	134,119	131,384	128,365
9	2124 General Purpose Computers	2,195,343	2,240,708	2,249,609	2,228,394
10	2212 Digital Electric Switching Equip.	127,126	126,240	135,157	135,157
11	2231 Radio Systems				
12	2232 Circuit Equipment	11,085,817	10,889,348	11,217,353	12,073,608
13	2311 Station Apparatus				
14	2321 Customer Premises Wiring				
15	2351 Public Telephone Equipment				
16	2362 Other Terminal Equipment				
17	2411 Poles				
18	2421 Aerial Cable	17,143	18,811	18,247	18,211
19	2422 Underground Cable	249,833	251,558	250,990	175,738
20	2423 Buried Cable	22,511,803	22,940,542	26,935,628	30,006,869
21	2424 Submarine Cable				
22	2426 Intrabuilding Network Cable				
23	2431 Aerial Wire	27,137	27,324	603,942	625,487
24	2441 Conduit Systems	482,914	486,247	485,151	484,178
25	2690 Intangibles				
26	2005 Telephone Plant Adjustment				
27					
28	Total	<u>\$ 40,592,828</u>	<u>\$ 40,882,323</u>	<u>\$ 45,693,924</u>	<u>\$ 49,513,364</u>

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P RB 1

Purpose:

To Include 2019 Estimated Work Order Closings

Acct	Description	Adjustment
2212.0000	DIGITAL ELECTRONIC CO OFFICE	400,235
2232.0001	CARRIER & CIRCUIT EQUIPMENT 2013	127,076
2232.2000	FIBER CONNECTION EQUIPMENT	29,774
2423.0000	BURIED CABLE	1,818,952
2423.1000	BURIED CABLE-SO ENG	190
2003.0000	Telephone Plant Under Construction	(1,554,843)

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P RB 2

Purpose:

To Include 2019 Estimated Retirements

Acct	Description	Adjustment
2124.0000	GENERAL PURPOSE COMPUTERS	(1,566)
2232.0000	CARRIER & CIRCUIT EQUIPMENT	(112,138)
2232.0001	CARRIER & CIRCUIT EQUIPMENT 2013	(16,815)
2232.2000	FIBER CONNECTION EQUIPMENT	(4,075)
2422.0000	UNDERGROUND CABLE	(25,512)
2423.0000	BURIED CABLE	(1,642,348)
3124.0000	A/D COMPUTERS	1,566
3232.0000	A/D CARRIER/CIRCUIT	112,138
3232.0001	A/D CARRIER/CIRCUIT 2013	16,815
3232.2000	A/D FIBER CONNECTION EQUIPMENT	4,075
3422.0000	A/D UNDERGROUND CABLE	25,512
3423.0000	A/D BURIED CABLE	1,642,348
Total		<u><u>0</u></u>

SECTION 5

United Telephone Association, Inc.

Dkt No.

Accumulated Depreciation and Amortization

YE 12/31/18

Section 5
Schedule 1

Line	Account	Description	(A) Book Balance	(B) Cost Study Adjustments	(C) Cost Study Balance	(D) Normalizing Adjustments	(E) Normalized Balance	(F) Allocation		(H) Interstate	(I) Intrastate
								Interstate	Intrastate		
1	3112	A/D MOTOR VEHICLES PLANT	(674,762) \$	429,205	(245,557)		(245,557)	0.326872	0.673128	(80,266) \$	(165,291)
2	3112.2	A/D VEHICLE NONPLANT	(76,215) \$	48,479	(27,736)		(27,736)	0.326872	0.673128	(9,066)	(18,670)
3	3115	A/D GARAGE WORK EQUIP	(23,560) \$	14,999	(8,581)		(8,581)	0.326872	0.673128	(2,805)	(5,776)
4	3116	A/D OTHER WORK EQUIP	(1,086,425) \$	691,058	(395,368)		(395,368)	0.326872	0.673128	(129,235)	(266,133)
5	3121	A/D BUILDING	(2,358,334) \$	-	(2,358,334)		(2,358,334)	0.326872	0.673128	(770,873)	(1,587,461)
6	3121.1	A/D BUILDING SO ENGLEWOOD	(9,848) \$	-	(9,848)		(9,848)	0.326872	0.673128	(3,219)	(6,629)
7	3122	A/D FURNITURE	(424,797) \$	121,358	(303,439)		(303,439)	0.326872	0.673128	(99,186)	(204,253)
8	3123.1	A/D OFFICE SUPPORT EQ	(90,015) \$	25,716	(64,299)		(64,299)	0.326872	0.673128	(21,017)	(43,281)
9	3123.2	A/D OTHER COMM EQUIP	(100,381) \$	28,677	(71,704)		(71,704)	0.326872	0.673128	(23,438)	(48,266)
10	3124	A/D COMPUTER	(3,305,242) \$	843,568	(2,461,674)	1,566	(2,460,108)	0.326872	0.673128	(804,140)	(1,655,968)
11											
12		General Support Facilities	(8,149,600)	2,203,060	(5,946,539)	1,566	(5,944,973)	0.326872	0.673128	(1,943,244)	(4,001,729)
13											
14	3212	A/D DIGITAL CO	(811,046)		(811,046)		(811,046)	0.849499	0.150501	(688,983)	(122,064)
15	3212.1	A/D DIGITAL CO EQUIP	(7,254)		(7,254)		(7,254)	0.849499	0.150501	(6,162)	(1,092)
16											
17		Total Central Office Switching	(818,300)	-	(818,300)	-	(818,300)	0.849499	0.150501	(695,145)	(123,155)
18											
19	3232	A/D CARRIER/CIRCUIT	(13,966,086)	399,047	(13,567,039)	112,138	(13,454,901)	0.354484	0.645516	(4,769,544)	(8,685,357)
20	3232.0001	CARRIER/CIRCUIT - DEP 2013	(1,329,977)	31,336	(1,298,641)	16,815	(1,281,826)	0.354484	0.645516	(454,386)	(827,439)
21	3232.1	A/D CARRIER & CIRCUIT SE ENG	(115,642)		(115,642)		(115,642)	0.000000	1.000000	-	(115,642)
22	3232.1001	CARRIER & CIRCUITS OK - DEP 13	(28,937)		(28,937)		(28,937)	0.000000	1.000000	-	(28,937)
23	3232.2	FIBER CONNECTION EQUIPMENT	(57,604)		(57,604)	4,075	(53,529)	0.354484	0.645516	(18,975)	(34,554)
24											
25		Total Central Office Transmission	(15,498,246)	430,384	(15,067,862)	133,028	(14,934,834)	0.354484	0.645516	(5,294,156)	(9,640,678)
26											
27	3351	Public Telephone Equipment	-	-	-	-	-	0.000000	0.000000	-	-
28											
29		Total Info Orig/Term Equipment	-	-	-	-	-	-	-	-	-
30											
31											
32	3421	A/D AERIAL CABLE	(24,494)	24,494	-		-	0.30164546	0.698355	-	-
33	3422	A/D UNDERGROUND CABLE	(252,171)		(252,171)	25,512	(226,659)	0.30164546	0.698355	(68,371)	(158,288)
34	3423	A/D BURIED CABLE	(32,820,419)	497,798	(32,322,621)	1,642,348	(30,680,273)	0.30164546	0.698355	(9,194,236)	(21,286,037)
35	3423.1	A/D - BC SO ENG	(856,370)		(856,370)		(856,370)	0.30164546	0.698355	(258,320)	(598,050)
36	3431	A/D AERIAL WIRE	(39,042)	39,042	-		-	0.30164546	0.698355	-	-
37	3431.0002	A/D C & W - MAP COM	(209,574)		(209,574)		(209,574)	0.30164546	0.698355	(63,217)	(146,357)
38	3441	A/D UNDERGROUND CONDUIT	(694,759)		(694,759)		(694,759)	0.30164546	0.698355	(209,571)	(485,188)
39	3441.1	UNDERGRND CONDUIT SENG-ACC	(1,784)		(1,784)		(1,784)	0.30164546	0.698355	(538)	(1,246)
40											
41		Cable and Wire Facilities	(34,698,613)	561,334	(34,137,279)	1,667,860	(32,469,419)	0.30164546	0.69835545	(9,794,253)	(22,675,167)
42											
43		Total Accumulated Depreciation	(59,164,759)	3,194,778	(55,969,981)	1,802,454	(54,167,527)	0.327259	0.672741	(17,726,798)	(36,440,729)
44											
45		Intangibles	-	-	-	-	-	0.326872	0.000000	-	-
46											
47		Total Accum. Depr and Amort.	(59,164,759) \$	3,194,778	(55,969,981) \$	1,802,454	(54,167,527)	0.327259	0.672741	(17,726,798) \$	(36,440,729)

SECTION 6

United Telephone Association, Inc.
 Dkt No.
 YE 12/31/18

Section 6

Purpose:

To include the intrastate portion of cash working capital in rate base

Cash Working Capital

	Total Company	Interstate	Intrastate
Total Expenses	\$ 8,196,544	\$ 2,918,441	\$ 5,278,103
Less non-cash expenses:			
Depreciation and Amortization	3,598,040	1,185,086	2,412,955
Net Cash Expense before taxes	4,598,504	1,733,356	2,865,149
Federal Income Taxes	-	-	-
State Income Taxes	-	-	-
Interest Expense	-	-	-
Total Cash Expenses	4,598,504	1,733,356	2,865,149
Cash Working Capital (15 days)	\$ 188,994	\$ 71,239	\$ 117,755
<i>(Total cash exp * .041096)</i>			

SECTION 7

United Telephone Association, Inc.
Dkt No.
Capital and Cost of Money
YE 12/31/18

Section 7
Schedule 1

Requested Capital Structure/Rate of Return

Ln	(A) Description	(B) 12/31/2016	(C) Allocation	(D) Average Cost
1	Total Long Term Debt	-	0.00%	
2	Total Equity	66,543,913	100.00%	
3	Total Capital	<u>\$ 66,543,913</u>	<u>100.00%</u>	
4	<i>Requested Cost of Capital</i>			10.25%

SECTION 8

United Telephone Association, Inc.
Dkt No.
Four Year Comparative Balance Sheet

Section 8
Schedule 1

KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.

Acct No.	Account Title	12/31/15 Balance	12/31/16 Balance	12/31/17 Balance	12/31/18 Balance
<u>Current Assets</u>					
1130	Cash	\$ 9,827,491	\$ 9,734,712	\$ 6,142,513	\$ 3,572,660
1140	Special Cash Deposits				
1150	Working Cash Advance				
1160	Temporary Cash Investments				
1180	Telecommunications Accounts Receivable	2,024,610	1,710,638	1,665,194	2,395,924
1181	Accts Receivable Allowance-Telecommunications	(8,402)	(1,563)	(1,089)	(1,637)
1190	Other Accounts Receivable				
1191	Accounts Receivable Allowance - Other				
1200	Notes Receivable				
1201	Notes Receivable Allowance				
1210	Interest and Dividends Receivable				
1220	Materials and Supplies	472,532	508,276	808,455	732,048
1290	Prepaid Rents				
1300	Prepaid Taxes				
1310	Prepaid Insurance				
1320	Prepaid Directory Expenses				
1330	Other Prepayments	377,979	319,673	352,009	311,444
1350	Other Current Assets				
	Total Current Assets	12,694,209	12,271,735	8,967,083	7,010,440
<u>NonCurrent Assets</u>					
1401	Investments in Affiliated Companies	19,979,342	17,770,483	13,410,001	11,514,087
1402	Investments in Nonaffiliated Companies			13,265	8,122
1406	Nonregulated Investments				
1407	Unamortized Debt Issuance Expense				
1408	Sinking Funds				
1410	Other Noncurrent Assets		2,591,675	2,848,907	2,452,245
1438	Deferred Maintenance and Retirements				
1439	Deferred Charges				
1500	Other Jurisdictional Assets - Net				
	Total Noncurrent Assets	19,979,342	20,362,158	16,272,173	13,974,454
<u>Property, Plant & Equipment</u>					
2001	Telecommunications Plant in Service	60,792,404	61,036,748	68,311,633	74,287,109
2002	Property Held for Future Telecommunications Use				
2003	Telecommunications Plant Under Const - Short Term	181,807	2,371,792	2,727,443	1,554,843
2004	Telecommunications Plant Under Const - Long Term				
2005	Telecommunications Plant Adjustment				
2006	Nonoperating Plant				
2007	Goodwill				
	Gross Regulated Property, Plant & Equipment	60,974,211	63,408,539	71,039,076	75,841,952

United Telephone Association, Inc.
Dkt No.
Four Year Comparative Balance Sheet

Section 8
Schedule 1

KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.

Acct No.	Account Title	12/31/15 Balance	12/31/16 Balance	12/31/17 Balance	12/31/18 Balance
	<u>Depreciation and Amortization</u>				
3100	Accumulated Depreciation	53,060,717	55,068,668	57,169,405	59,164,759
3200	Accumulated Depreciation - Held for Future Use				
3300	Accumulated Depreciation - Nonoperating				
3410	Accumulated Amortization - Capitalized Leases				
3420	Accumulated Amortization - Leasehold Improve				
3500	Accumulated Amortization - Intangible				
3600	Accumulated Amortization - Other				
	Total Depreciation and Amortization	53,060,717	55,068,668	57,169,405	59,164,759
	Total Assets and Other Debits	40,587,046	40,973,764	39,108,927	37,662,087
	Other Nonregulated Assets				
	Accumulated Depr & Amort-Other Nonreg Assets				
	Net Nonregulated Assets				
	Total Assets and Other Debits	\$ 40,587,046	\$ 40,973,764	\$ 39,108,927	\$ 37,662,087
	<u>Current Liabilities</u>				
4010	Accounts Payable	\$ 933,674	\$ 1,998,846	\$ 1,571,304	\$ 1,524,208
4020	Notes Payable				
4030	Advance Billing and Payments				
4040	Customers' Deposits	1,500	1,000	900	450
4050	Current Maturities - Long Term				
4060	Current Maturities - Capital Leases				
4070	Income Taxes - Accrued				
4080	Other Taxes - Accrued				
4100	Net Current Deferred Operating Income Taxes	122,711	97,171	87,979	78,854
4110	Net Current Deferred Nonoperating Income Taxes				
4120	Other Accrued Liabilities				
4130	Other Current Liabilities	633,276	633,559	684,829	655,223
	Total Current Liabilities	1,691,160	2,730,575	2,345,012	2,258,735
	<u>Long Term Debt</u>				
4210	Funded Debt				
4220	Premium on Long Term Debt				
4230	Discount on Long Term Debt				
4240	Reacquired Debt				
4250	Obligations Under Capital Leases				
4260	Advances from Affiliated Companies				
4270	Other Long Term Debt				
	Total Long Term Debt	0	0	0	0

United Telephone Association, Inc.
Dkt No.
Four Year Comparative Balance Sheet

Section 8
Schedule 1

KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.

Acct No.	Account Title	12/31/15 Balance	12/31/16 Balance	12/31/17 Balance	12/31/18 Balance
	<u>Other Liabilities and Deferred Credits</u>				
4310	Other Long Term Liabilities				
4320	Unamortized Operating Investment Tax Credits-Net	275	144	108	102
4330	Unamortized Nonoperating Investment Tax Credits-Net				
4340	Net Noncurrent Deferred Operating Income Taxes				
4350	Net Noncurrent Deferred Nonoperating Income Taxes				
4360	Other Deferred Credits	58,333	52,083	45,833	39,583
4370	Other Jurisdictional Liabilities and Deferred Credits-Net				
	Total Other Liabilities and Deferred Credits	58,608	52,227	45,942	39,685
	<u>Stockholders' Equity</u>				
4510	Capital Stock				
4520	Additional Paid-in Capital				
4530	Treasury Stock				
4540	Other Capital	529,197	529,197	529,197	529,197
4550	Retained Earnings	38,308,081	37,661,765	36,188,776	34,834,470
	Total Stockholders Equity	38,837,277	38,190,962	36,717,973	35,363,667
	Total Liabilities and Other Credits	\$ 40,587,046	\$ 40,973,764	\$ 39,108,927	\$ 37,662,087

United Telephone Association, Inc.
Dkt No.
Four Year Comparative Income Statement

Section 8
Schedule 2

KCC REPORT - KANSAS ONLY. SCHEDULE 6.

Acct No.	Line Title	12/31/2015 Balance	12/31/2016 Balance	12/31/2017 Balance	12/31/2018 Balance
	<u>Telephone Operating Income</u>				
5000	Operating Revenues	\$ 6,890,829	\$ 6,781,888	\$ 6,233,424	\$ 7,581,721
6000	Operating Expenses	6,805,427	6,864,414	7,211,160	8,059,666
7100	Other Operating Income & Expenses - Net				
7210	Operating Investment Tax Credits	(174)	(131)	(35)	(6)
7220	Federal Income Taxes - Operating				
7230	State & Local Income Taxes - Operating				
7240	Other Operating Taxes	201,866	153,648	138,632	124,601
7250	Provision for Deferred Operating Inc. Taxes - Net				
7200	Total Operating Taxes	201,692	153,518	138,597	124,595
	Operating Income	(116,290)	(236,044)	(1,116,332)	(602,539)
	<u>NonOperating Income and Expenses</u>				
7310	Dividend Income				
7320	Interest Income				
7330	Income from Sinking and Other Funds				
7340	Allowance for Funds Used During Const				
7350	Gain or Loss from Disposition of Property	10,720	234,804	17,683	(816)
7360	Other Nonoperating Income	(8,787)	776	(7,705)	32,129
7370	Special Charges	(710)	(4,941)	(5,161)	(5,514)
7380	Equity Undistributed Sub. Earnings				
7300	Nonoperating Income & Expenses - Net	1,223	230,639	4,817	25,799
7400	Total Nonoperating Taxes				
	Total Nonoperating Income & Expenses	1,223	230,639	4,817	25,799
	Income Available for Fixed Charges	(115,067)	(5,405)	(1,111,515)	(576,740)
	<u>Fixed Charges</u>				
7510	Interest on Funded Debt	(100,070)	(87,806)	(74,385)	(38,129)
7520	Interest Expense - Capital Leases				
7530	Amortization of Debt Issuance Expense				
7540	Other Interest Charges				
7500	Total Interest & Related Items	(100,070)	(87,806)	(74,385)	(38,129)
7600	Total Extraordinary Items				
	Net Income (after Nonoperating, Fixed Charges, and Extraordinary Items)	(14,997)	82,401	(1,037,131)	(538,611)
7910	Effect of Jurisdictional Ratemaking Diff-Net				
7990	Nonregulated Net Income	0	0	0	0
	Net Income (After ratemaking differences including Nonregulated Net Income)	\$ (14,997)	\$ 82,401	\$ (1,037,131)	\$ (538,611)

United Telephone Association, Inc.
Dkt No.
4 Year Comparative Operating Revenues

Section 8
Schedule 3

KCC REPORT - TOTAL KANSAS. SCHEDULE 18.

Acct No.	Account Title	12/31/2015 Balance	12/31/2016 Balance	12/31/2017 Balance	12/31/2018 Balance
<u>Local Network Service Revenue</u>					
5001	Basic Area Revenue	\$ 879,018	\$ 850,256	\$ 846,897	\$ 846,394
5002	Extended Area Revenues	18,483	15,493	13,496	11,853
5003	Cellular Mobile Service Revenue				
5004	Other Mobile Service Revenue				
5010	Public Telephone Revenue				
5040	Local Private Line Revenue	41,410	19,989	11,047	8,994
5050	Customer Premises Revenue				
5060	Other Local Exchange Revenue	126,962	149,317	166,875	160,806
	Other Revenues				
	Other Revenues				
	Total Local Network Service Revenues	<u>1,065,873</u>	<u>1,035,055</u>	<u>1,038,314</u>	<u>1,028,047</u>
	Federal USF Support	3,967,614	3,613,701	2,951,840	3,828,943
5264	State KUSF Support	332,691	316,253	309,466	302,605
<u>Network Access & L. D. Service Revenue</u>					
5081	End User Revenue	426,917	421,900	411,939	419,832
5082	Interstate Switched Access	(253,568)	(100,814)	(33,527)	325,483
5083	Interstate Special Access	729,058	826,965	909,364	973,929
5084	Intrastate Switched Access	57,090	42,942	31,605	26,998
5084	Intrastate Special Access	25,829	27,982	28,910	29,127
5080	Other Access Revenue				
5100	Long Distance Service Revenue	5	0	0	0
	Total Network Access Revenue	<u>985,332</u>	<u>1,218,975</u>	<u>1,348,291</u>	<u>1,775,369</u>
<u>Miscellaneous Revenue</u>					
5230	Directory Revenue	84,042	88,005	91,298	80,814
5240	UNE Revenue				
5240	Other Rent Revenue	316,520	348,618	320,063	402,136
5250	Corporate Operations Revenue				
5260	Other Miscellaneous Revenue (w/o KUSF)	28,134	21,984	29,807	14,986
	Carrier Billing & Collections Revenue (Interstate)	5,993	5,474	5,719	5,191
	Carrier Billing & Collections Revenue (Intrastate)	8,081	7,909	8,089	7,143
	Total Miscellaneous Revenue	<u>442,770</u>	<u>471,990</u>	<u>454,976</u>	<u>510,271</u>
<u>Uncollectible Revenue</u>					
5300	Uncollectible Revenue	2,191	10,539	2,197	1,594
	Total KCC Regulated Operating Revenue	<u>6,796,471</u>	<u>6,666,514</u>	<u>6,105,084</u>	<u>7,446,829</u>
5280	Nonregulated Operating Revenue				
5000	Total Operating Revenue	<u>\$ 6,796,471</u>	<u>\$ 6,666,514</u>	<u>\$ 6,105,084</u>	<u>\$ 7,446,829</u>

United Telephone Association, Inc.
Dkt No.
4 Year Comparative Operating Expenses

Section 8
Schedule 4

KCC REPORT - TOTAL KANSAS. SCHEDULE 21.

Acct No.	Operating Expense Accounts	12/31/2015 Balance	12/31/2016 Balance	12/31/2017 Balance	12/31/2018 Balance
<u>PLANT SPECIFIC OPERATIONS EXPENSE</u>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle Expense	\$ 19,524	\$ 28,542	\$ 20,380	\$ 17,871
6113	Aircraft Expense				
6114	Special Purpose Vehicle Expense	28,426	43,373	33,063	42,446
6115	Garage Work Equipment Expense				
6116	Other Work Equipment Expense				
	Total Network Support Expense	<u>47,951</u>	<u>71,915</u>	<u>53,443</u>	<u>60,317</u>
<u>General Support Expenses</u>					
6121	Land & Building Expenses	244,748	232,997	237,452	274,404
6122	Furniture and Art Works Expense	4,847	22	36	(108)
6123	Office Equipment Expense	28,020	29,039	30,227	31,103
6124	General Purpose Computers Expense	376,715	341,682	202,500	177,392
	Total General Support Expenses	<u>654,330</u>	<u>603,740</u>	<u>470,215</u>	<u>482,790</u>
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic Expense				
6212	Digital Electronic Expense	195,479	124,290	118,229	110,576
6215	Electro-Mechanical Expense				
	Total Central Office Switching Expenses	<u>195,479</u>	<u>124,290</u>	<u>118,229</u>	<u>110,576</u>
6220	Operators System Expense				
6230	Central Office Transmission Expense	<u>657,051</u>	<u>901,512</u>	<u>861,546</u>	<u>1,065,130</u>
<u>Information/Origination/Termination Expenses</u>					
6311	Station Apparatus Expense				
6341	Large Private Branch Expense				
6351	Public Telephone Terminal Equipment Expense	252	36		
6362	Other Terminal Equipment Expense				
	Total Inf./Orig./Termination Expenses	<u>252</u>	<u>36</u>	<u>0</u>	<u>0</u>
<u>Cable and Wire Facilities Expenses</u>					
6411	Poles Expense	1,698	1,875	3,164	3,164
6421	Aerial Cable Expense	8,651	6,924	6,472	4,787
6422	Underground Cable Expense		642		
6423	Buried Cable Expense	843,143	774,853	809,185	836,239
6424	Submarine Cable Expense				
6425	Deep Sea Cable Expense				
6426	Intrabuilding Network Cable Expense				
6431	Aerial Wire Expense		68	484	100
6441	Conduit Systems Expense				
	Total Cable and Wire Facilities Expenses	<u>853,492</u>	<u>784,362</u>	<u>819,305</u>	<u>844,290</u>
	Total Plant Specific Operations Expense	<u>2,408,554</u>	<u>2,485,855</u>	<u>2,322,738</u>	<u>2,563,104</u>

United Telephone Association, Inc.
Dkt No.
4 Year Comparative Operating Expenses

Section 8
Schedule 4

KCC REPORT - TOTAL KANSAS. SCHEDULE 21.

Acct No.	Operating Expense Accounts	12/31/2015 Balance	12/31/2016 Balance	12/31/2017 Balance	12/31/2018 Balance
PLANT NONSPECIFIC OPERATIONS EXPENSE					
<u>Other Property Plant and Equipment Expenses</u>					
6511	Property Held for Future Telecom Use Exp				
6512	Provisioning Expense	26,780	30,766	50,040	57,451
	Total Other Prop. Plant and Equip. Expenses	<u>26,780</u>	<u>30,766</u>	<u>50,040</u>	<u>57,451</u>
<u>Network Operations Expenses</u>					
6531	Power Expense	10,400	10,400	12,954	12,330
6532	Network Administration Expense				
6533	Testing Expense	49,692	31,217	42,993	39,735
6534	Plant Operations Administration Expense	10,570	30,749	14,272	16,929
6535	Engineering Expense				
	Total Network Operations Expenses	<u>70,662</u>	<u>72,366</u>	<u>70,219</u>	<u>68,993</u>
6540	Access Expense	<u>134,815</u>	<u>69,670</u>	<u>103,463</u>	<u>101,318</u>
<u>Depreciation and Amortization Expenses</u>					
6561	Depr. Expense - Telecom Plant in Service	2,236,586	2,417,778	2,704,830	3,342,660
6561.1	Amortization of Extraordinary Retirements				
6562	Depr Expense-Prop Held for Future Telecom				
6563	Amortization Expense-Tangible				
6564	Amortization Expense-Intangible				
6565	Amortization Expense-Other				
	Total Depreciation and Amortization Expenses	<u>2,236,586</u>	<u>2,417,778</u>	<u>2,704,830</u>	<u>3,342,660</u>
	Total Plant Nonspecific Operations Expense	<u>2,468,843</u>	<u>2,590,580</u>	<u>2,928,552</u>	<u>3,570,422</u>
CUSTOMER OPERATIONS EXPENSE					
6610	Marketing	26,578	33,621	38,528	76,186
6620	Services	442,078	415,675	534,976	460,793
	Total Customer Operations Expense	<u>468,656</u>	<u>449,296</u>	<u>573,504</u>	<u>536,979</u>
CORPORATE OPERATIONS EXPENSE					
6710	Executive and Planning	481,486	439,792	461,112	406,128
6720	General and Administrative	977,887	898,892	925,253	983,033
6790	Provision for Uncollectible Notes Receivable				
	Total Corporate Operations Expense	<u>1,459,373</u>	<u>1,338,683</u>	<u>1,386,365</u>	<u>1,389,161</u>
	TOTAL OPERATING EXPENSE	<u>\$ 6,805,427</u>	<u>\$ 6,864,414</u>	<u>\$ 7,211,160</u>	<u>\$ 8,059,666</u>

United Telephone Association, Inc.
Dkt No.
Annual Payrolls

Section 8
Schedule 5

KCC REPORT - TOTAL KANSAS. SCHEDULE 26.

Description	2015	2016	2017	2018
<i>Salaries & Wages</i>				
Plant Specific Operations	\$ 834,176	\$ 774,195	\$ 737,114	\$ 790,776
Plant Non-specific Operations	51,270	44,254	57,777	62,384
Customer Operations	136,929	136,854	146,835	172,629
Corporate Operations	548,621	465,568	481,904	479,501
Total	\$ 1,572,996	\$ 1,420,871	\$ 1,423,630	\$ 1,505,289
<i>Pensions & Benefits</i>				
Plant Specific Operations	\$ 529,306	\$ 519,228	\$ 478,235	541,439
Plant Non-specific Operations	28,393	26,784	35,745	40,459
Customer Operations	90,782	89,823	93,095	119,950
Corporate Operations	239,663	226,120	218,004	248,543
Total	\$ 888,145	\$ 861,955	\$ 825,080	\$ 950,391
<i>Total Payrolls</i>				
Plant Specific Operations	\$ 1,363,482	\$ 1,293,424	\$ 1,215,349	\$ 1,332,215
Plant Non-specific Operations	79,663	71,038	93,522	102,843
Customer Operations	229,712	226,676	239,930	292,579
Corporate Operations	788,284	691,688	699,908	728,044
Total	\$ 2,461,141	\$ 2,282,826	\$ 2,248,710	\$ 2,455,680

United Telephone Association, Inc.
Dkt No.
Monthly Intrastate Access Minutes

Section 8
Schedule 6

Month	Interstate	Intrastate Interlata	Intrastate Intralata	Total
Jan-16	389,670	83,907	139,236	612,813
Feb-16	404,079	82,297	142,546	628,922
Mar-16	371,223	82,236	141,303	594,762
Apr-16	376,683	85,232	146,265	608,180
May-16	347,625	78,975	149,737	576,337
Jun-16	359,907	81,308	146,429	587,644
Jul-16	341,345	87,020	129,905	558,270
Aug-16	324,247	84,046	155,000	563,293
Sep-16	328,100	73,863	109,196	511,159
Oct-16	322,031	69,690	141,878	533,599
Nov-16	331,068	81,956	129,002	542,026
Dec-16	313,732	73,257	121,632	508,621
Jan-17	320,708	70,607	118,487	509,802
Feb-17	337,431	76,919	125,352	539,702
Mar-17	303,275	72,944	109,861	486,080
Apr-17	319,962	76,009	120,064	516,035
May-17	296,752	70,943	114,979	482,674
Jun-17	289,436	72,080	111,370	472,886
Jul-17	241,945	62,745	102,755	407,445
Aug-17	282,035	71,985	108,501	462,521
Sep-17	286,228	75,539	110,392	472,159
Oct-17	239,680	56,126	79,883	375,689
Nov-17	332,215	87,202	138,508	557,925
Dec-17	317,628	67,758	99,621	485,007
Jan-18	268,105	67,058	94,199	429,362
Feb-18	279,006	94,138	111,221	484,365
Mar-18	245,061	91,053	91,959	428,073
Apr-18	262,160	86,897	97,346	446,403
May-18	257,092	67,593	106,201	430,886
Jun-18	257,103	62,600	107,674	427,377
Jul-18	240,231	70,206	91,181	401,618
Aug-18	248,957	103,373	88,579	440,909
Sep-18	232,317	99,720	83,809	415,846
Oct-18	227,808	101,816	80,021	409,645
Nov-18	249,108	90,542	97,527	437,177
Dec-18	234,398	63,953	89,020	387,371
Total 2016	4,209,710	963,787	1,652,129	6,825,626
Total 2017	3,567,295	860,857	1,339,773	5,767,925
Total 2018	3,001,346	998,949	1,138,737	5,139,032
SER = Intrastate/InterLATA				
SRA = Intrastate/IntraLATA				

SECTION 9

United Telephone Association, Inc.
 Dkt No.
 Test Year and Normalized Income Statement
 YE 12/31/18

Section 9
 Schedule 1

Line	Description	(A) Book Balance	(B) Cost Study Adjustments	(C) Cost Study Balance	(D) Normalizing Adjustments	(E) Normalized Balance	(F) Allocation	(G) Intrastate	(H) Interstate	(I) Intrastate
Operating Revenues										
1	5001 Local Network Services Revenues	\$ 1,037,005	\$ -	\$ 1,037,005	\$ -	\$ 1,037,005				\$ -
2	Federal High Cost Loop Support	1,812,872	-	1,812,872	\$ 441,181	2,254,053				-
3	Kansas Universal Service Support	235,488	-	235,488	\$ 49,542	285,030				-
4	5080 Network Access Revenue	3,930,792	-	3,930,792	(1,075)	3,929,717				3,874,657
5	5100 Long Distance Network Service Rev	-	-	-	-	-				-
6	5270 Billing and Collection	12,335	-	12,335	-	12,335				7,143
7	5270 Misc Revenue	565,161	-	565,161	-	565,161				565,161
8	5280 Non-regulated revenue	-	-	-	-	-				-
9	5300 Uncollectible Revenue	1,594	-	1,594	-	1,594				1,594
10	Total Revenues	7,595,245	-	7,595,245	489,649	8,084,894				3,879,858
Plant Specific Operations Expenses										
11	6110 Network Support Expense	60,317	-	60,317	-	60,317	0.326872	0.673128	19,716	40,601
12	6120 General Support Expense	482,790	(217,456)	265,324	-	265,324	0.326872	0.673128	86,727	178,597
13	6210 Central Office Switching Expense	121,398	(36,985)	84,412	-	84,412	0.385314	0.614686	32,525	51,887
14	6230 Central Office Transmission Expense	1,057,625	-	1,057,625	-	1,057,625	0.385314	0.614686	407,518	650,107
15	6310 Information Orig./Farm Expense	845,339	(15,866)	830,473	-	830,473	0.000000	0.000000	-	-
16	6410 Cable and Wire Facilities Exp	2,568,469	(270,318)	2,298,151	-	2,298,151	0.301645	0.698355	250,508	579,965
17	Total Plant Specific Operations Expenses	5,350,318	(500,115)	4,850,203	-	4,850,203	0.301645	0.698355	796,994	1,501,157
Plant Non-Specific Operations Expense										
18	6510 Other Plant Expense	57,451	-	57,451	-	57,451	0.326872	0.673128	18,779	38,672
19	6530 Network Operations Expense	68,993	-	68,993	-	68,993	0.326872	0.673128	22,552	46,441
20	6540 Access Expense	101,318	5,135	106,453	-	106,453	1.000000	0.000000	106,453	-
21	6560 Depreciation & Amortization	3,351,007	(76,083)	3,274,924	323,116	3,598,040	0.326872	0.673128	1,185,086	2,412,955
22	6565 Amort of Plant Acquisition Adjustment	-	-	-	-	-	0.326872	0.673128	-	-
23	Total Plant Non-Specific Operations Expenses	3,578,769	(70,948)	3,507,821	323,116	3,830,937	0.326872	0.673128	1,332,870	2,498,068
Customer Operations Expense										
24	6610 Marketing Expense	76,186	-	76,186	-	76,186	0.269406	0.730594	20,525	55,661
25	6620 Directory Expense	91,127	-	91,127	-	91,127	0.269406	0.730594	24,550	66,577
26	6620 Services Expense	369,666	-	369,666	-	369,666	0.269406	0.730594	99,590	270,076
27	Total Customer Operations Expense	536,979	-	536,979	-	536,979	0.269406	0.730594	144,665	392,314
Corporate Operations Expense										
28	6710 Executive and Planning Exp	406,128	(1,881)	404,246	-	404,246	0.389361	0.610639	157,398	246,849
29	6720 General and Administrative Exp	983,033	(6,587)	976,447	30,000	976,447	0.458151	0.541849	447,360	529,086
30	6720 General and Administrative (Rate Case Expense)	-	-	-	30,000	30,000	0.000000	1.000000	-	30,000
30	Total Corporate Operations Expense	1,389,161	(8,468)	1,380,693	30,000	1,410,693	0.389361	0.610639	604,758	805,935
Operating Taxes & Other Operating Expenses										
31	7210 Amortization of ITC	-	-	-	-	-	-	-	-	-
32	7220 Operating Federal Income Taxes	-	-	-	-	-	-	-	-	-
33	7230 Operating State Income Taxes	-	-	-	-	-	-	-	-	-
34	7240 Other Operating Taxes	124,601	(4,838)	119,764	-	119,764	0.326872	0.673128	39,147	80,616
35	7250 Deferred Operating Income Taxes	-	-	-	-	-	0.000000	0.000000	-	-
36	7340 Allowance for Funds Used During Construction	5,514	(5,514)	-	-	-	0.000000	0.000000	-	-
37	7370 Contributions and Fees	-	-	-	-	-	0.000000	0.000000	-	-
38	5240 Rent Revenue	-	-	-	-	-	0.000000	0.000000	-	-
39	7310 Dividend & Interest	-	-	-	-	-	0.000000	0.000000	-	-
40	7360 Other Income	-	-	-	-	-	0.000000	0.000000	-	-
41	7500 Interest Expense	-	-	-	-	-	0.000000	0.000000	-	-
42	Total Operating Taxes & Other Operating Exp.	20	(10,352)	119,784	-	119,784	0.326872	0.673128	39,154	80,630
43	Total Operating Expenses	8,203,513	(360,085)	7,843,428	353,116	8,196,544			2,918,441	5,278,103
44	Net Operating Income	(608,268)	\$ 360,085	(248,183)	\$ 136,532	(111,650)			\$ 861,417	\$ (1,073,068)

United Telephone Association, Inc.
 Dkt No.
 Summary of Income Statement Adjustments
 YE 12/31/18

Section 9
 Schedule 2

Acct	Description	Adj #	Amount	Source
5082	Universal Service Fund Payments <i>To update Federal Universal Service Fund Receipts to the most recent USAC Projections</i>	IS 1	\$ 441,181	W/P IS 1
5084	KUSF Revenue Adjustment <i>To Reflect KUSF Year 21 per Testimony of Sandy Reams</i>	IS 2	\$ 49,542	W/P IS 2
5084	Intrastate ICC Revenue Requirement <i>To reflect 5% Reduction in Intrastate Terminating ICC</i>	IS 3	\$ (1,075)	W/P IS 3
Total Revenue Adjustments			<u>\$ 489,649</u>	
6560	Depreciation Expense <i>To Normalize Depreciation</i>	IS 4	\$ 323,116	W/P IS 4
6720	KUSF Audit Expenses (5 yr Ammortization) <i>To Include KUSF Proceeding Expenses</i>	IS 5	\$ 30,000	W/P IS 5
Total Expense Adjustments			<u>\$ 353,116</u>	

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P IS1

Purpose:

To update Federal Universal Service Fund Receipts to the most recent USAC Projections

<i>Account</i>	<i>Description</i>		Annual Amount
5082	<i>USF Revenue (High Cost Loop) - 2018 Recorded</i>	\$	1,812,872
	<i>USF Revenue (High Cost Loop) - 2019 Projected</i>	\$	<u>2,254,053</u>
5082	Revenue Adjustment	\$	441,181

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P IS2

Purpose:

To Reflect KUSF Year 21 per Testimony of Sandy Reams

<u>Account</u>	<u>Description</u>	<u>Annual Amount</u>
5084	<i>KUSF Revenue - Year 22 Recorded</i>	\$ 235,488
	<i>KUSF Revenue - Year 23 Estimated</i>	<u>\$ 285,030</u>
5084	KUSF Revenue Adjustment	\$ 49,542

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P IS3

Purpose:

To reflect 5% Reduction in Intrastate Terminating ICC

<u>Account</u>	<u>Description</u>	<u>Annual Amount</u>
5084	<i>2018/2019 Intrastate Terminating Revenue Req.</i>	\$ 51,139
	<i>2019/2020 Intrastate Terminating Revenue Req.</i>	<u>\$ 50,064</u>
5084	Revenue Adjustment	<u>\$ (1,075)</u>

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P IS4

Purpose:
To Normalize Depreciation

Account Description	Annual Amount
6560.00 Depreciation Expense	\$ 323,116

United Telephone Association, Inc.
Dkt No.

YE 12/31/18

W/P IS5

Purpose:

To Include Estimated Proceeding Expense

Acct	Description	Amount
6720	Estimated Proceeding Expenses	\$ 150,000
	<i>Amortization period</i>	<u>5</u>
6720	KUSF Audit Expenses to include	\$ 30,000

SECTION 10

SECTION 11

United Telephone Association, Inc.
 Dkt No.
 Operating Taxes
 YE 12/31/18

Section 11
 Schedule 1

Section 11 (i) Taxes chargeable to Operations	Source	12/31/2018 Balance	Jurisdictional Allocation	
			Intrastate %	Intrastate Amt
Total Payroll Taxes	Payroll Records	354,942	<i>N/A - various accounts</i>	
Total Property Taxes	Acct. 7240	119,764	0.673128	80,616
Total Operating Taxes		<u>474,705</u>		

Section 11 (ii - iv)

As a Telephone Cooperative, UTA does not pay income taxes on their regulated operations.

United Telephone Association, Inc.
 Dkt No.
 Operating Taxes
 YE 12/31/18

Section 11
 Schedule 1

Section 11 (i) Taxes chargeable to Operations	Source	12/31/2018 Balance	Jurisdictional Allocation	
			Intrastate %	Intrastate Amt
Total Payroll Taxes	Payroll Records	354,942	<i>N/A - various accounts</i>	
Total Property Taxes	Acct. 7240	119,764	0.673128	80,616
Total Operating Taxes		<u>474,705</u>		

Section 11 (ii - iv)

As a Telephone Cooperative, UTA does not pay income taxes on their regulated operations.

SECTION 12

United Telephone Association, Inc.
2018 Cost Study (KUSF)
Part 36

Slic3 v2018.1
7/22/2019 12:39

Line	Description	Source Allocator	TOTAL	MESSAGE TOLL SERVICE				PRIVATE LINE				CHCF		Local Exchange
				InterLATA	IntraLATA	InterSTATE	IntraSTATE	InterLATA	IntraLATA	InterSTATE	IntraSTATE	M	N	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	SUMMARY													
2	RATE BASE (INVESTMENT)													
3	General Support Facilities	GSF	6,631,827	1,606,902	4,268	380,416	1,684,400	556,587	0	4,233	16,775	0	0	2,378,245
4	Central Office Equipment	COE	18,315,149	4,832,070	12,100	987,439	4,263,981	2,212,913	0	21,583	41,980	0	0	5,943,083
5	Info Orig/Term Equipment	IOT	0	0	0	0	0	0	0	0	0	0	0	0
6	Cable & Wire Facilities	CWF	42,430,893	9,886,789	26,998	2,497,083	11,164,747	2,885,299	0	17,195	111,675	0	0	15,841,108
7	Tangible Assets	TTA	0	0	0	0	0	0	0	0	0	0	0	0
8	Intangible Assets	ING	1,905	462	1	109	484	160	0	1	5	0	0	683
9	Total 2001 Rate Base		67,379,774	16,326,222	43,368	3,865,046	17,113,612	5,654,959	0	43,012	170,435	0	0	24,163,119
10	Distribution	2001	1,000,000	0,242,302	0,000,644	0,057,362	0,253,987	0,083,927	0,000,000	0,000,638	0,002,529	0,000,000	0,000,000	0,358,611
11														
12	Non 2001 Rate Base	N2001RB	4,082,025	1,067,222	2,510	228,911	1,000,151	322,427	0	2,456	9,698	0	0	1,448,649
13	Accum Depr & Amort	TD&A	(54,892,485)	(13,195,075)	(35,146)	(3,156,034)	(13,965,971)	(4,686,687)	0	(36,072)	(139,044)	0	0	(19,677,556)
14	Other Credits	TOTHR	(675)	(164)	(0)	(39)	(171)	(57)	0	(0)	(2)	0	0	(242)
15	NET RATE BASE		16,568,639	4,197,306	10,732	937,884	4,147,620	1,290,643	0	9,396	41,087	0	0	5,933,970
16	Distribution	NRB	1,000,000	0,253,328	0,000,648	0,056,606	0,250,330	0,077,897	0,000,000	0,000,567	0,002,480	0,000,000	0,000,000	0,358,145
17														
18	RATE OF RETURN	ROR		0.106250	0.106250	0.100000	0.100000	0.106250	0.106250	0.100000	0.100000	0.106250	0.106250	0.100000
19	RETURN ON INVESTMENT	15 * 18	1,691,231	445,964	1,140	93,788	414,762	137,131	0	940	4,109	0	0	593,397
20	Distribution	ROI	1,000,000	0,263,692	0,000,674	0,055,456	0,245,243	0,081,083	0,000,000	0,000,556	0,002,429	0,000,000	0,000,000	0,350,867
21														
22	EXPENSES													
23	Plant Specific Expenses	PLNTSPE	2,298,151	573,714	1,493	129,125	567,109	221,788	0	1,890	5,627	0	0	797,406
24	Plant NonSpecific Expenses	PLNTNSPE	232,897	137,091	81	7,253	37,115	10,612	0	81	320	0	0	45,344
25	Depr & Amort Expense	TD&AE	3,274,924	823,338	2,160	185,740	824,632	253,163	0	1,811	8,224	0	0	1,175,855
26	Customer Operations Expense	TCUST	536,979	290,763	94	20,219	59,396	0	0	0	0	0	0	166,507
27	Corporate Operations Expense	TCORP	1,380,693	505,374	700	66,343	276,622	98,684	0	851	2,453	0	0	429,666
28	Operating Taxes	TOPTX	119,764	29,019	77	6,870	30,418	10,051	0	76	303	0	0	42,948
29	Other Income & Expense	TOIE	20	5	1	1	5	2	0	0	0	0	0	7
30	TOTAL EXPENSES	SUM(23:29)	7,843,428	2,359,303	4,605	415,552	1,790,298	594,299	0	4,710	16,927	0	0	2,657,734
31	Distribution	TEX	1,000,000	0,300,800	0,000,587	0,052,981	0,228,255	0,075,770	0,000,000	0,000,600	0,002,158	0,000,000	0,000,000	0,338,849
32														
33	AFUDC	TAFUDC	0	0	0	0	0	0	0	0	0	0	0	0
34														
35	INCOME TAXES													
36	Federal	FEDINCTAX	0	0	0	0	0	0	0	0	0	0	0	0
37	State	STATEINCTX	0	0	0	0	0	0	0	0	0	0	0	0
38														
39	NET REVENUE REQUIREMENT		9,534,659	2,805,267	5,745	509,340	2,205,060	731,430	0	5,649	21,036	0	0	3,251,131
40	Distribution	NRR	1,000,000	0,294,218	0,000,603	0,053,420	0,231,268	0,076,713	0,000,000	0,000,592	0,002,206	0,000,000	0,000,000	0,340,980

United Telephone Association, Inc.
2018 Cost Study (KUSF)
Part 36

Slit3 v2018.1
7/22/2019 12:39

Line	Description	Source Allocator	TOTAL	MESSAGE TOLL SERVICE						PRIVATE LINE						
				INTERSTATE		INTRASTATE		INTERSTATE		INTRASTATE		INTERSTATE		INTRASTATE		
				InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		
1	STATE INCOME TAX COMPUTATION															
2																
3	Return On Investment	ROI	1,691,231	445,964	1,140	93,788	414,762	137,131	0	940	4,109	0	0	0	593,397	
4	Interest Expense	INTEXP	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Income Adjustment SIT	INCADJST	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Federal Tax	FEDTX	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Base State Inc Tax	SUM(3:6)	1,691,231	445,964	1,140	93,788	414,762	137,131	0	940	4,109	0	0	0	593,397	
8			1,000,000	0.263692	0.000674	0.055456	0.245243	0.081083	0.000000	0.000556	0.002429	0.000000	0.000000	0.000000	0.350867	
9	Allocated Rate Level	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	State Tax Base Allocation %	0	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
11	State Tax Base By Rate Level															
12	50,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	50,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	50,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	50,000	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	50,000	0.00%	(1,691,231)	(445,964)	(1,140)	(93,788)	(414,762)	(137,131)	0	(940)	(4,109)	0	0	0	(593,397)	
17	Effective Rate Gross-up Rate															
18	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Total Tax		0	0	0	0	0	0	0	0	0	0	0	0	0	
24	Less Credits		0	0	0	0	0	0	0	0	0	0	0	0	0	
25	Net State Income Tax	STINCTX	0	0	0	0	0	0	0	0	0	0	0	0	0	
26		ASIT	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
27			0.00%													
28	CASH WORKING CAPITAL COMPUTATION															
29	Total Expenses	TEX	7,843,428	2,359,303	4,605	415,552	1,790,298	594,299	0	4,710	16,927	0	0	0	2,657,734	
30	Add Back Rent Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	
31	Less Non Cash Expenses:															
32	Depreciation & Amortization	TD&AE	3,274,924	823,338	2,160	185,740	824,632	253,163	0	1,811	8,224	0	0	0	1,175,855	
33	Net Cash Expense Before Taxes		4,568,504	1,535,965	2,445	229,811	965,666	341,136	0	2,898	8,703	0	0	0	1,481,879	
34	Federal Income Taxes	FIT/ITC	0	0	0	0	0	0	0	0	0	0	0	0	0	
35	State Income Taxes	SIT	0	0	0	0	0	0	0	0	0	0	0	0	0	
36	Interest Expense	FIX	0	0	0	0	0	0	0	0	0	0	0	0	0	
37	Total Cash Expenses		4,568,504	1,535,965	2,445	229,811	965,666	341,136	0	2,898	8,703	0	0	0	1,481,879	
38	Minimum Bank Balance	MINBANK	0	0	0	0	0	0	0	0	0	0	0	0	0	
39	Cash Working Capital	CWC	187,747	63,122	100	9,444	39,685	14,019	0	119	358	0	0	0	60,899	
40		ACWC	1,000,000	0.336207	0.000535	0.050303	0.211375	0.074671	0.000000	0.000634	0.001905	0.000000	0.000000	0.000000	0.324369	

United Telephone Association, Inc.
 2018 Cost Study (KUSF)
 Part 36

Slic3 v2018.1
 7/22/2019 12:39

Line	Description B	Source		TOTAL D	MESSAGE TOLL SERVICE						PRIVATE LINE						CHCF	Local Exchange
		Allocator C	C		INTERSTATE		INTRASTATE		INTERSTATE		INTRASTATE		M	N	O			
					InterLATA E	IntraLATA F	InterLATA G	IntraLATA H	InterLATA I	IntraLATA J	InterLATA K	IntraLATA L						
1	SEPARATION AMOUNTS, FACTORS, AND ALLOCATION DEVELOPMENT																	
2	Loops			3,923														
3	SFP			1.000000	0.249316	0.000684	0.062854	0.282728	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.404418	
4	Allocator From Ln3 & Ln4			1.000000	0.248744	0.000682	0.062710	0.282079	0.001020	0.000000	0.000255	0.001020	0.000000	0.000000	0.000000	0.000000	0.403490	
5	Allocates COE Cat 4.13 & CWF Cat 1 (Exchange Line)																	
6	Exch Trnk Term COE 4.12			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Exch Trnk MOU COE 4.12			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
8	Allocator From Ln8 & Ln9			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
9	Exch Trnk Miles CWF Cat 2.1			124	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Exch Trnk MOU CWF Cat 2.1			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
11	Allocator From Ln12 & Ln13			1.000000	0.000000	0.000000	0.000000	0.000000	0.975806	0.000000	0.000000	0.024194	0.000000	0.000000	0.000000	0.000000	0.000000	
12	Wdbnd Xch Trnk COE 4.11			1	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Wdbnd Xch MOU COE 4.11			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
14	Allocator From Ln16 & Ln17			1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
15	Wdbnd Interexch Trnks COE			964,561	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	Wdbnd Interexch MOU COE			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
17	Allocator From Ln20 & Ln21			1.000000	0.000000	0.000000	0.000000	0.000000	0.975680	0.000000	0.000000	0.024320	0.000000	0.000000	0.000000	0.000000	0.000000	
18	Allocates COE Cat 4.22 Wideband Interexchange Circuit																	
19	Wdbnd Interexch CCT Mi			2,505,934	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Wdbnd Interexch MOU CWF			0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
21	Allocator From Ln25 & Ln26			1.000000	0.000000	0.000000	0.000000	0.000000	0.975669	0.000000	0.000000	0.024331	0.000000	0.000000	0.000000	0.000000	0.000000	
22	Allocates CWF Cat 3.2 Wideband Interexchange																	
23	Circuit Terminations COE			863	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	Other Interexch CM COE			1.000000	0.490830	0.000891	0.142273	0.366006	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
25	Allocator From Ln30 & Ln31			1.000000	0.474336	0.000861	0.137492	0.353707	0.002317	0.000000	0.027810	0.003476	0.000000	0.000000	0.000000	0.000000	0.000000	
26	Allocates COE Cat 4.23 Other Interexchange																	
27	Circuit Miles CWF			5,361	0	0	0	0	0	0	0	0	0	0	0	0	0	
28	Other Interexch CMM CWF			1.000000	0.490830	0.000891	0.142273	0.366006	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
29	Allocator From Ln35 & Ln36			1.000000	0.474350	0.000861	0.137496	0.353717	0.002425	0.000000	0.028166	0.002985	0.000000	0.000000	0.000000	0.000000	0.000000	
30	Allocates CWF 3.3 Other Interexchange																	
31	Circuit Miles CWF			5,361	0	0	0	0	0	0	0	0	0	0	0	0	0	
32	Other Interexch CMM CWF			1.000000	0.490830	0.000891	0.142273	0.366006	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
33	Allocator From Ln35 & Ln36			1.000000	0.474350	0.000861	0.137496	0.353717	0.002425	0.000000	0.028166	0.002985	0.000000	0.000000	0.000000	0.000000	0.000000	
34	Allocates CWF 3.3 Other Interexchange																	
35	Circuit Miles CWF			5,361	0	0	0	0	0	0	0	0	0	0	0	0	0	
36	Other Interexch CMM CWF			1.000000	0.490830	0.000891	0.142273	0.366006	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
37	Allocator From Ln35 & Ln36			1.000000	0.474350	0.000861	0.137496	0.353717	0.002425	0.000000	0.028166	0.002985	0.000000	0.000000	0.000000	0.000000	0.000000	
38	Allocates CWF 3.3 Other Interexchange																	
39	Circuit Miles CWF			5,361	0	0	0	0	0	0	0	0	0	0	0	0	0	
40	Other Interexch CMM CWF			1.000000	0.490830	0.000891	0.142273	0.366006	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
41	Allocator From Ln35 & Ln36			1.000000	0.474350	0.000861	0.137496	0.353717	0.002425	0.000000	0.028166	0.002985	0.000000	0.000000	0.000000	0.000000	0.000000	
42	Allocates CWF 3.3 Other Interexchange																	

United Telephone Association, Inc.
 2018 Cost Study (KUSF)
 Part 36

SIC3 v2018.1
 7/22/2019 12:39

Line	A	Description	B	Source Allocator	C	TOTAL	MESSAGE TOLL SERVICE						PRIVATE LINE						OPTIONAL	CHCF	Local Exchange
							INTERSTATE		INTRA STATE		INTERSTATE		INTRA STATE		INTERSTATE		INTRA STATE				
							InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA	InterLATA	IntraLATA			
D	E	F	G	H	I	J	K	L	M	N	O										
1		1.1 End User Serv Order Proc		EUS	0	63,493	0	0	0	0	0	0	0	0	0	0	0	0	63,493		
2		AEUS		AEUS	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000		
3		1.1 Presubscription Srv Order		PRE	14,964	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4		APRE		APRE	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000		
5		1.2 End User Payment & Coll		EUP	3,869	0	1,711	12,200	0	0	0	0	0	0	0	0	0	0	17,904		
6		AEUP		AEUP	0.108430	0.000000	0.047944	0.341884	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.501742			
7		1.3 End User Billing		EUB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8		AEUB		AEUB	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
9		1.4 IXC Serv Ord Proc		IXS	63,493	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10		AIXS		AIXS	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
11		1.5 IXC Payment & Collection		IXP	71,399	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12		AIXP		AIXP	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
13		1.6 IXC Billing Inquiry		IXB	53,890	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14		AIXB		AIXB	1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
15		1.7 Coin Collection & Admin		CCL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16		ACCL		ACCL	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
17		Total 6620 Cat 1 Cust Svc Exp			302,924	207,616	0	1,711	12,200	0	0	0	0	0	0	0	0	0	81,397		
18																					
19		Big 3 based on Permitted Exp			2,578,482	802,290	1,421	134,622	561,320	200,248	0	1,726	4,978	0	0	0	0	0	871,876		
20					1.000000	0.311148	0.000551	0.052210	0.217694	0.077661	0.000000	0.000670	0.001931	0.000000	0.000000	0.000000	0.000000	0.338135			
21																					
22		6710 Executive & Planning		E&P	404,246	125,781	223	21,106	88,002	31,394	0	271	780	0	0	0	0	136,690			
23		ABIG3-P		ABIG3-P	1.000000	0.311148	0.000551	0.052210	0.217694	0.077661	0.000000	0.000670	0.001931	0.000000	0.000000	0.000000	0.000000	0.338135			
24																					
25		6720 General & Administrative		G&A	829,625	258,137	457	43,315	180,604	64,430	0	555	1,602	0	0	0	0	280,526			
26		ABIG3-P		ABIG3-P	1.000000	0.311148	0.000551	0.052210	0.217694	0.077661	0.000000	0.000670	0.001931	0.000000	0.000000	0.000000	0.000000	0.338135			
27		6720 Gen & Admin Direct Assignment			110,000	110,000	0	0	0	0	0	0	0	0	0	0	0	0			
28		Total General & Admin after DA			939,625	368,137	457	43,315	180,604	64,430	0	555	1,602	0	0	0	0	280,526			
29																					
30		Total Corp Expense-Permitted			1,343,872	493,917	680	64,420	268,606	95,824	0	826	2,382	0	0	0	0	417,216			
31		ATCORP-P		ATCORP-P	1.000000	0.367533	0.000506	0.047936	0.199875	0.071304	0.000000	0.000615	0.001773	0.000000	0.000000	0.000000	0.000000	0.310458			
32		Corporate Exp Limitation-Informational Use Only			0	0	0	0	0	0	0	0	0	0	0	0	0	0			
33																					
34		Total Corporate Capped			1,343,872	493,917	680	64,420	268,606	95,824	0	826	2,382	0	0	0	0	417,216			
35																					
36		7300 Contributions & Fees		SCH	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
37		ATCORP-P		ATCORP-P	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000			
38																					
39		Total Expense			7,843,428	2,359,303	4,605	415,552	1,790,298	594,299	0	4,710	16,927	0	0	0	0	2,657,734			