

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

**In the Matter of the Application of Total)
Communications, Inc.)
For Additional Kansas Universal Service)
Fund Support Pursuant to K.S.A. 66-2008)** **Docket No. 24-TTHT-343-KSF**

**REDACTED
DIRECT TESTIMONY
PREPARED BY
DANIEL BULLER
UTILITIES DIVISION
KANSAS CORPORATION COMMISSION
FEBRUARY 22, 2024**

([REDACTED] ** Denotes Confidential Information)**

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1 **I. INTRODUCTION**

2 **Q. Would you please state your name and business address?**

3 A. My name is Daniel Buller. My business address is 1500 Southwest Arrowhead Road,
4 Topeka, Kansas, 66604.

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

6 A. I am employed by the Kansas Corporation Commission (KCC or Commission) as a
7 Regulatory Auditor.

8 **Q. Would you please describe your educational background and business experience?**

9 A. I received a Bachelor's of Business Administration with an emphasis in Economics and
10 Finance from Washburn University in May of 2023. I began employment with the
11 Commission as a Regulatory Auditor in September of 2023.

12 **Q. What were your responsibilities in the review of Totah Communication, Inc.'s
13 (Totah) October 18, 2023, Application?**

14 A. My responsibilities as a regulatory auditor were to analyze, audit, and review Totah's filing
15 before the Commission to determine its cost-based Kansas Universal Service Fund (KUSF)
16 support to reflect its current revenue requirement and circumstances. I reviewed the
17 Company's filing for accuracy and adherence to traditional regulatory accounting
18 principles, requested and analyzed additional information, and participated in an on-site
19 review at the Company's headquarters in Ochelata, Oklahoma, to tour the Company's
20 facilities and to meet with Totah's management and consultant. My assignments were
21 carried out under the direction of the Managing Auditor, Katie Figgs, and the Chief of
22 Revenue Requirements, Cost of Service and Finance, Justin Grady.

23

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to provide explanation and support to certain adjustments
3 based on Staff's review of Totah's Application. In summary, I recommend that the
4 Commission:

- 5 • Update KUSF support included in Totah's filing to reflect the most current
6 amounts;
- 7 • Update estimated audit expenses included in Totah's filing to known and
8 measurable audit expenses incurred at the time of Staff's filing;
- 9 • Update Totah's test year data to reflect actual 2022 property tax expense;
- 10 • Exclude expenses which Staff contends are inappropriate to include for the
11 determination of necessary KUSF support, including dues, travel and training
12 expenses, and legal services expenses.

13 **II. INCOME STATEMENT**

14 **A. KUSF EXPENSE**

15 **Q. Please begin by discussing Staff Adjustment No. 5 to the Income Statement.**

16 A. Staff Adjustment No. 5 (IS-5) increases Totah's overall intrastate revenues by \$7,089.¹
17 Staff's adjustment updates Totah's KUSF support to recognize known and measurable
18 changes in intrastate access revenues. Staff's adjustment updates the KUSF support
19 included in the Application to reflect the pro-rated annual support for KUSF Year 28
20 provided in Steve Garrett's direct testimony in the 24-GIMT-229-GIT Docket.²

21

¹ See Exhibit DB-1.

² Direct Testimony of Steve Garrett, 24-229 Docket, Attachment A (Jan. 5, 2024).

1 **B. AUDIT EXPENSE**

2 **Q. Please continue by discussing Staff Adjustment No. 6 to the Income Statement.**

3 A. Staff Adjustment No. 6 (IS-6) decreases Totah's operating expense by \$12,010.³ This
4 adjustment is necessary to include actual audit expense incurred as of January 29, 2024, to
5 reflect expenses incurred in this Docket.

6 **Q. Please explain how Staff calculated its adjustment for audit expense.**

7 A. Staff's adjustment reflects a total of Totah's audit expense and Staff's audit expense.
8 According to the responses to Staff Data Request Nos. 34 and 84, Totah has incurred
9 \$77,040 of external consulting services and legal fees related to this Docket through
10 January 29, 2024. JSI's final billing for work completed in February is not yet complete,
11 and therefore, has not been included. Staff acknowledges that its adjustment does not fully
12 recognize the costs that may have been incurred by Totah; however, the adjustment does
13 recognize all invoices Staff has received from the Company to date.

14 According to the Commission's fiscal department, the maximum assessment for Totah for
15 the fiscal year is \$13,479. This amount was calculated pursuant to K.S.A. 66-1502 (a),
16 which provides a maximum annual assessment of 0.6% of intrastate revenues for any
17 public utility or common carrier under the jurisdiction of the Commission. Totah has paid
18 a total of \$568 in assessments to date, and the remaining maximum assessment for the
19 fiscal year is \$12,911. Actual Staff expenses incurred for this Docket total \$22,020 through
20 February 2, 2024. Therefore, because Staff's actual expenses are greater than the allowable
21 remaining assessment, the audit expense reflected in Staff's audit expense calculation is
22 the remaining maximum assessment amount of \$12,911. The sum of Totah's invoices and

³ See Exhibit DB-2.

1 Staff's remaining maximum assessment amount over a five-year period, results in an
2 annual audit expense amortization of \$17,990. Staff then compared this amount with the
3 estimated rate case expense included in Totah's Application, with the difference being
4 Staff's adjustment.

5 **C. PROPERTY TAX EXPENSE**

6 **Q. Please continue by discussing Staff Adjustment No. 7 to the Income Statement.**

7 A. Staff Adjustment No. 7 (IS-7) decreases Totah's operating expenses by \$18,391 on a total
8 company basis and an intrastate basis.⁴ Staff's calculation of Totah's 2022 property tax
9 expense is derived by taking the sum of Totah's 2022 property tax statements totaling
10 \$123,899 less its 2022 Kansas Telecom Credit totaling \$18,338. Additionally, in this case,
11 all assets are directly assigned to be fully regulated. Staff's adjusted 2022 regulated
12 property tax expense of \$105,560 is then compared to Totah's normalized property tax
13 expense of \$123,952, with the difference being Staff's adjustment.

14 **D. DUES, DONATIONS, AND SPONSORSHIPS EXPENSE**

15 **Q. Please continue by discussing Staff Adjustment No. 8 to the Income Statement.**

16 A. Staff Adjustment No. 8 (IS-8) decreases Totah's operating expenses by \$270 on a total
17 company basis, or \$120 on an intrastate basis.⁵ Staff's adjustment removes 100% of dues
18 remaining in Totah's Application, consisting of two credit card memberships. When
19 reviewing all dues, donations, and sponsorships made by the Company during the test year,
20 Staff found that the Company had already removed the majority of these expenses from
21 recovery in this case. As discussed in greater detail below, these expenses are not necessary
22 to provide sufficient and efficient regulated telephone service.

⁴ See Exhibit DB-3.

⁵ See Exhibit DB-4.

1 **Q. Please provide an explanation of why Staff is recommending 100% removal of dues.**

2 A. In the past, Staff has made recommendations to remove a portion of dues and donations
3 pursuant to K.S.A. 66-1,193(a), which allows the Commission to adopt a policy of
4 disallowing up to 50% of utility dues, donations and contributions to charitable, civic and
5 social organizations and entities, in addition to completely disallowing specific dues,
6 donations and contributions which are found unreasonable or inappropriate. However,
7 Staff is recommending the Commission disallow these types of expenses from being
8 recovered through KUSF support in light of the 2018 Order approved by the Federal
9 Communications Commission (FCC).⁶ Specifically, paragraph 28 of the FCC Order states:

10 *Expenses Unrelated to Operations.* – We next codify the existing prohibitions on
11 recovering support for expenses unrelated to operations – including political
12 contributions, charitable donations, scholarships, membership fees and dues in
13 clubs and organizations, sponsorships of conferences or community events, and
14 penalties or fines for statutory or regulatory violations, penalties or fees for late
15 payments on debt, loans, or other payments – from high-cost support... Expenses
16 unrelated to operations, however, are not currently included in these high-cost
17 support calculations. Instead, under our current rules, “nonoperating expenses” –
18 including political contributions, contributions for charitable, social, or community
19 welfare purposes, membership fees and dues in social, service and recreational or
20 athletic clubs and organizations, and penalties and fines on account of violations of
21 statutes – are recorded in Account 7300, presumed excluded from the costs of
22 service in setting rates, and not included in high-cost support calculations. Expenses
23 unrelated to operations have historically not been recoverable from high-cost
24 support because by definition these expenses are not operational in nature and are
25 ancillary to core business objectives. Expenses must fall within the scope of the
26 statutory requirement that support be used “only for the provision, maintenance,
27 and upgrading of facilities and services for which support is intended.”⁷
28

29 Furthermore, the disallowance of these expenses are further discussed and reiterated in
30 paragraphs 31 and 32 of the FCC Order, which states in part:

⁶ *Report and Order, Third Order on Reconsideration, and Notice of Proposed Rulemaking*, FCC 18-29 (Mar. 23, 2018), (2018 FCC Order) See <https://docs.fcc.gov/public/attachments/FCC-18-29A1.pdf>.

⁷ *Id.*, pp. 13-14.

1 Charitable donations and scholarships are expenses unrelated to operations that
2 may not be recovered from high-cost support. We recognize the benefits charitable
3 donations provide to the community... [h]owever, charitable donations are
4 unrelated to the provision, maintenance, and upgrading of facilities and services for
5 which the high-cost support is intended.⁸
6

7 Membership fees and dues in clubs and organizations, including social, service, and
8 recreational or athletic clubs and organizations, as well as trade associations and
9 organizations that provide professional or trade certifications such as state bar
10 associations, are expenses unrelated to operations excluded from high-cost
11 support... We recognize the educational and training benefits that trade associations
12 provide and that membership in chambers of commerce may help stimulate
13 business. However, as other commenters acknowledge, a function of many of these
14 organizations is advocacy on behalf of their members for the purpose of influencing
15 public policy which is not used for the provision, maintenance, and upgrading of
16 facilities and services for which support is intended. Just as ETCs may not recover
17 lobbying expenses under our rules, similarly, they may not recover membership
18 fees in organizations that engage in lobbying. Further, professional affiliations or
19 certifications such as state bar associations, accounting associations, or other
20 professional groups may facilitate general corporate functions but are not used only
21 for the provision of supported facilities and services.⁹
22

23 Therefore, consistent with the FCC's ruling on these types of unrelated operational
24 expenses and to prevent the KUSF from subsidizing expenses not recovered via the federal
25 universal service fund high-cost support mechanisms, Staff finds these expenses
26 inappropriate to recover from the KUSF as they are unnecessary for the provision of
27 sufficient and efficient universal service.

28 **E. LEGAL SERVICES EXPENSE**

29 **Q. Please discuss Staff Adjustment No. 9 to the Income Statement.**

30 **A.** Staff's Adjustment No. 9 (IS-9) decreases Totah's operating expenses by \$1,424 on a total
31 company basis, or \$634 on an intrastate basis.¹⁰ Staff's adjustment removes an expense for

⁸ *Id.*, p. 15.

⁹ *Id.*, pp. 15-16.

¹⁰ *See* Exhibit DB-5.

1 legal services from the Federal ReConnect Loan and Grant Program that was incorrectly
2 allocated to Kansas. During the review of the legal services invoices, Staff issued and
3 received Total's response to Staff Data Request No. 85, which states "The Reconnect 3
4 Portion (\$1,423.50) should have been allocated to Oklahoma," therefore Staff removes the
5 expense from the recovery of legal services expenses in the case.

6 **F. BOARD OF DIRECTORS EXPENSE**

7 **Q. Please discuss Staff Adjustment No. 10 to the Income Statement.**

8 A. Staff's Adjustment No. 10 (IS-10) decreases Total's operating expenses by **[REDACTED]**
9 on a total company basis, or **[REDACTED]** on an intrastate basis.¹¹ Staff's adjustment to
10 Board of Directors Expense modifies the amount allocated to the State of Kansas.
11 According to Total's response to Staff Data Request No. 37, the company allocated these
12 expenses as an even split between Kansas and Oklahoma. Staff disagrees with the
13 allocation method used by the Company and instead recommends that the Commission
14 utilize the general allocator to allocate Board of Directors expense.

15 **Q. Please explain how Staff calculated the adjustment to Board of Directors Expenses.**

16 A. Staff adjusted the portion of Board of Directors Expenses allocated to Kansas from 50% to
17 32% to match the general allocator percentages used by Total for "other expenses." Staff
18 adjusts Total's portion of Board of Directors expenses allocated to Kansas in the amount
19 of **[REDACTED]**, which consists of 50% of Total's total Board of Director expense. The
20 portion of Board of Directors expense allocated to Kansas was adjusted to include 32% of

¹¹ See Confidential Exhibit DB-6.

1 the total Board of Directors expense in the amount of **[REDACTED]**, with the difference of
2 **[REDACTED]** constituting Staff's adjustment.

3 **G. TRAVEL AND TRAINING EXPENSE**

4 **Q. Please continue by discussing Staff Adjustment No. 11 to the Income Statement.**

5 A. Staff Adjustment No. 11 (IS-11) decreases Totah's operating expenses by \$6,680 on a total
6 company basis, or \$3,202 on an intrastate basis.¹² This adjustment removes a portion of
7 employee travel and training expenses related to conferences covering topics associated
8 with Totah's non-regulated services. During the test year, Totah employees traveled to
9 attend industry conferences and trainings which included:

- 10 • Mid-America Telecom Showcase and Seminar (MATSS);
- 11 • NTCA HR & Benefits and Cybershare
- 12 • MACC's Billing and Technology Conference (MBTC)
- 13 • Training with Kansas Telecom Accountants (TASK); and
- 14 • Oklahoma Telephone Association Conference and Trainings.

15 **Q. Please discuss Staff's removal of travel and training expenditures related to non-**
16 **regulated services.**

17 A. For each conference and training attended during the test year, Staff removed 50% of
18 registration fees, lodging expense, and fuel costs that covered both regulated and non-
19 regulated service topics and for training seminars that benefit both regulated and non-
20 regulated operations.

¹² See Confidential Exhibit DB-7.

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

2 A. Yes, thank you.

3

4

5 **III. SUMMARY OF EXHIBITS**

6

| 7 | <u>Exhibit No.</u> | <u>Description</u> |
|----|--------------------|--|
| 8 | DB-1 | Work paper for KUSF Adjustment |
| 9 | DB-2 | Work paper for Audit Expense |
| 10 | DB-3 | Work paper for Property Tax Expense Adjustment |
| 11 | DB-3a | Detail work paper for 2022 Property Tax Expense Adjustment |
| 12 | DB-4 | Work paper for Dues Expense Adjustment |
| 13 | DB-5 | Work paper for Legal Services Adjustment |
| 14 | DB-6 | Work paper for Board of Directors Expense Adjustment |
| 15 | DB-7 | Work paper for Travel and Training Expense Adjustment |

Totah Communications, Inc.
 KUSF Support
 Income Statement Adjustment No. 5
 Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
 Exhibit DB-1

| Line No. | Description | Total Company | Intrastate Separation | Intrastate Adjustment |
|-------------|---|------------------------|-----------------------|------------------------|
| 1 | Staff Adjustment to Kansas Universal Service Support (Acct. 5001) | <u>7,089</u> | 1.000000 | <u>7,089</u> |
| 2 | Total Staff Adjustment to Kansas Universal Service Fund | <u>\$ 7,089</u> | | <u>\$ 7,089</u> |
| KUSF | | | | |
| 3 | Pro-Rated Annual KUSF FY 28 Support | | 206,678 | |
| 4 | Totah KUSF Balance - Section 9, Schedule 1, Line 4 | | <u>199,589</u> | |
| 5 | Staff Adjustment to KUSF Support | | | <u>\$ 7,089</u> |

Sources: Totah Communications, Inc. Application, Section 9
 Docket 24-GIMT-229-GIT

Totah Communications, Inc
Audit Expense
Income Statement Adjustment No. 6
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-2

| Line No. | Description | Total Company | Intrastate Separations | Intrastate Adjustment |
|--|---|---------------------------|------------------------|---------------------------|
| 1 | Staff Adjustment to General and Administrative - Rate Case Expense (Acct. 6720) | (12,010) | 1.000000 | (12,010) |
| 2 | Total Staff Adjustment to Audit Expense | <u>\$ (12,010)</u> | | <u>\$ (12,010)</u> |
| <u>Breakdown of Adjustment</u> | | | | |
| 3 | Total Audit Expense | | 77,040 | |
| 4 | KCC Assessable Audit Expense | | <u>12,911</u> | |
| 5 | Total Audit Expenses | | 89,951 | |
| 6 | Amortization Period (Years) | | <u>5</u> | |
| 7 | Annual Audit Amortization | | | 17,990 |
| 8 | Less: Totah Adjustment for Audit Expense | | | <u>30,000</u> |
| 9 | Staff Adjustment to Rate Case Expense (Acct. 6720) | | | <u>\$ (12,010)</u> |
| <u>Detail of Audit Expense Calculations</u> | | | | |
| <u>Consultant Fees - JSI</u> | | | | |
| 10 | May 2023 | | 625 | |
| 11 | August 2023 | | 5,455 | |
| 12 | September 2023 | | 1,950 | |
| 13 | October 2023 | | 40,923 | |
| 14 | November 2023 | | 2,525 | |
| 15 | December 2023 | | 13,888 | |
| 16 | January 2024 | | 8,745 | |
| 17 | On Site 2024 | | <u>1,028</u> | |
| 18 | Total JSI Charges | | | 75,138 |
| <u>Legal Fees - Gleason & Doty, Chartered</u> | | | | |
| 19 | June 6, 2023 through October 27, 2023 | | 1,332 | |
| 20 | October 30, 2023 through January 30, 2024 | | <u>570</u> | |
| 21 | Total Gleason & Doty, Chartered Invoices | | | <u>1,902</u> |
| 22 | Total Totah Audit Expense | | | <u>\$ 77,040</u> |
| <u>KCC Maximum Assessment Calculation</u> | | | | |
| 23 | Maximum Assessment for Fiscal Year per Accounting | | 13,479 | |
| 24 | Less: Assessments to Date (includes Audit Assessments) | | <u>568</u> | |
| 25 | Remaining Maximum Assessment for Fiscal Year | | 12,911 | |
| 26 | Assessments for Docket to Date (included in Assessments to Date) | | <u>-</u> | |
| 27 | Maximum Assessment for Docket | | 12,911 | |
| <u>KCC Audit Expenses</u> | | | | |
| 28 | Staff | 22,020 | | |
| 29 | Consultants and Expenses | <u>-</u> | | |
| 30 | Total KCC Audit Expenses | | 22,020 | |
| 31 | Total KCC Audit Expense | | | <u>\$ 12,911</u> |

Sources: Totah Communication, Inc, Application, Section 9
Totah Communications Inc's Response to Staff Data Request Nos. 34, 84

Totah Communications, Inc
Property Tax Expense
Income Statement Adjustment No. 7
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-3

| Line No. | Description | Total Company | Intrastate Separations | Intrastate Adjustment |
|----------|---|---------------------------|------------------------|---------------------------|
| 1 | Total Staff Adjustment to Other Operating Taxes (Acct. 7240) | <u>\$ (18,391)</u> | 1.000000 | <u>\$ (18,391)</u> |
| | <u>Breakdown of Adjustment:</u> | | | |
| 2 | Staff Calculated 2022 Property Tax | | 123,899 | |
| 3 | Less: 2022 Available Telecom Credit | | <u>18,338</u> | |
| 4 | Staff Adjusted 2022 Property Tax | | | 105,561 |
| 5 | Staff Calculated Regulated Percentage | | | <u>100%</u> |
| 6 | Staff Adjusted Regulated Property Tax Expense | | | 105,561 |
| 7 | Totah Property Tax Expense | | | 123,952 |
| 8 | Staff Adjustment for Property Taxes | | | <u>\$ (18,391)</u> |

Sources: Totah Communications Inc's Application, Section 8 (ii), In 7
Totah Communications Inc's Response to Staff Data Request No. 62

Totah Communications, Inc
 Detail of 2022 Property Tax Expense
 Income Statement Adjustment No. 7
 Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
 Exhibit DB-3a

| Line No. | County | Statement | Unit | Assessed Value | Levy | 2022 Tax |
|----------|------------|-----------|-----------------------------------|----------------|---------|-------------|
| 1 | Chautauqua | 12744 | Harrison TWP USD 285 Unit 146 | 12,829 | 139.913 | \$ 1,794.94 |
| 2 | Chautauqua | 12743 | Harrison TWP USD 285 Unit 145 | 780 | 142.799 | 111.38 |
| 3 | Chautauqua | 12742 | Hendricks TWP USD 286 Unit 140 | 14,655 | 148.885 | 2,181.92 |
| 4 | Chautauqua | 12741 | Hendricks TWP USD 285 Unit 138 | 389 | 144.995 | 99.90 |
| 5 | Chautauqua | 12739 | Belleville TWP USD 286 Unit 123 | 1,734 | 150.509 | 260.98 |
| 6 | Chautauqua | 12738 | Little Caney TWP USD 436 Unit 112 | 4,930 | 162.574 | 801.50 |
| 7 | Chautauqua | 12737 | Little Caney TWP USD 286 Unit 107 | 1,516 | 150.443 | 228.08 |
| 8 | Chautauqua | 12736 | Washington TWP USD 436 Unit 101 | 42 | 161.703 | 6.79 |
| 9 | Chautauqua | 12735 | Washington TWP USD 436 Unit 100 | 635 | 158.113 | 100.40 |
| 10 | Chautauqua | 12734 | Washington TWP USD 286 Unit 099 | 5,359 | 152.124 | 815.24 |
| 11 | Chautauqua | 12733 | Washington TWP USD 286 Unit 098 | 25,126 | 148.534 | 3,732.08 |
| 12 | Chautauqua | 12732 | Washington TWP USD 286 Unit 097 | 11,874 | 149.572 | 1,776.02 |
| 13 | Chautauqua | 12731 | Washington TWP USD 286 Unit 096 | 1,916 | 145.982 | 279.70 |
| 14 | Chautauqua | 12730 | Salt Creek TWP USD 446 Unit 020 | 703 | 148.739 | 104.56 |
| 15 | Chautauqua | 12729 | Salt Creek TWP USD 286 Unit 019 | 791 | 149.189 | 118.02 |
| 16 | Chautauqua | 12728 | Salt Creek TWP USD 286 Unit 018 | 4,515 | 145.599 | 657.38 |
| 17 | Chautauqua | 12727 | Salt Creek TWP USD 286 Unit 017 | 13,841 | 142.819 | 1,976.76 |
| 18 | Chautauqua | 12726 | Salt Creek TWP USD 283 Unit 015 | 21,878 | 146.760 | 3,210.82 |
| 19 | Chautauqua | 12725 | Niotaze City USD 436 Unit 004 | 4,298 | 161.646 | 694.76 |
| 20 | Chautauqua | 12724 | Elgin City USD 286 Unit 003 | 8,087 | 154.773 | 1,251.66 |
| 21 | Chautauqua | 12723 | Elgin City USD 286 Unit 003 | 1,500 | 154.773 | 232.16 |
| 22 | Montgomery | 0083261 | Caney TWP USD 436 CCC CD4 WS15 | 30,254 | 160.706 | 4,862.00 |
| 23 | Montgomery | 0083262 | Caney TWP USD 436 CCC CD4 WS34 | 1,092 | 164.296 | 179.42 |
| 24 | Montgomery | 0083263 | Caney TWP USD 436 CCC CD3 WS15 | 821 | 160.403 | 131.70 |
| 25 | Montgomery | 0083264 | Caney TWP USD 436 CCC CD19 FD1 | 18,211 | 156.975 | 2,858.68 |
| 26 | Montgomery | 0083265 | Caney TWP USD 436 CCC CD4 FD1 S | 1,673 | 157.926 | 264.22 |
| 27 | Montgomery | 0083266 | Caney TWP USD 436 CCC CD1 FD1 S | 53,231 | 157.346 | 8,375.68 |
| 28 | Montgomery | 0083267 | Caney TWP USD 436 CCC CD3 FD1 S | 11,436 | 157.623 | 1,802.58 |
| 29 | Montgomery | 0083268 | Fawn Creek TWP SD 446 BN ICC CD | 6,260 | 145.647 | 911.76 |
| 30 | Montgomery | 0083269 | Fawn Creek TWP SD 446 BN ICC CD | 6,184 | 145.929 | 902.42 |
| 31 | Montgomery | 0083270 | Fawn Creek TWP USD 446 CCC CD7 | 414 | 147.016 | 60.86 |
| 32 | Montgomery | 0083271 | Fawn Creek TWP USD 445 CCC CD5 | 9,121 | 146.774 | 1,338.74 |
| 33 | Montgomery | 0083272 | Fawn Creek TWP USD 436 CCC CD1 | 23,090 | 157.346 | 3,633.12 |
| 34 | Montgomery | 0083273 | Fawn Creek TWP USD 436 CCC CD3 | 481 | 157.623 | 75.82 |
| 35 | Montgomery | 0083274 | Fawn Creek TWP USD 436 CCC CD7 | 7,349 | 157.306 | 1,156.04 |
| 36 | Montgomery | 0083275 | Independence TWP SD 446 BN ICC | 2,883 | 146.206 | 421.52 |
| 37 | Montgomery | 0083276 | Independence TWP SD 446 BN ICC | 4,587 | 145.647 | 668.08 |
| 38 | Montgomery | 0083277 | Independence TWP SD436 CCC CD3 | 4,641 | 157.623 | 731.54 |
| 39 | Montgomery | 0083278 | Independence TWP USD445 CCC CD | 513 | 146.774 | 75.30 |
| 40 | Montgomery | 0083279 | Liberty TWP USD445 CCC CD13 FD | 18,023 | 147.538 | 2,659.08 |
| 41 | Montgomery | 0083280 | Liberty TWP USD445 CCC CD9 FD1 | 39 | 147.390 | 5.76 |
| 42 | Montgomery | 0083281 | Liberty TWP USD445 CCC CD13 VD | 150 | 151.351 | 22.70 |
| 43 | Montgomery | 0083282 | Liberty TWP SD447 BN CCC CD13 | 80 | 148.976 | 11.92 |
| 44 | Montgomery | 0083283 | Liberty TWP USD447 BN CCC CD | 10,202 | 145.163 | 1,480.96 |
| 45 | Montgomery | 0083284 | Liberty TWP USD447 BN ICC CD13 | 2,869 | 141.539 | 406.08 |
| 46 | Montgomery | 0083285 | Louisburg TWP USD283 ICC CD11 | 12,750 | 144.576 | 1,843.34 |
| 47 | Montgomery | 0083286 | Louisburg TWP USD283 ICC CD17 | 1,333 | 148.772 | 198.32 |
| 48 | Montgomery | 0083287 | Louisburg TWP USD283 ICC CD11 | 24,303 | 145.702 | 3,541.00 |
| 49 | Montgomery | 0083288 | Louisburg TWP USD446 BOND ICC | 42,993 | 144.980 | 6,233.14 |
| 50 | Montgomery | 0083289 | Louisburg TWP SD446 BN ICC CD1 | 10,671 | 146.106 | 1,559.10 |
| 51 | Montgomery | 0083290 | Rutland TWP USD446 BN ICC CD11 | 29,773 | 145.933 | 4,344.86 |
| 52 | Montgomery | 0083291 | Rutland TWP 446 BN ICC CD11 WS | 5,416 | 148.713 | 805.44 |
| 53 | Montgomery | 0083292 | Rutland TWP USD446 BN ICC CD12 | 24,455 | 147.029 | 3,595.60 |
| 54 | Montgomery | 0083293 | Rutland TWP USD446 BN ICC CD3 | 8,776 | 146.206 | 1,283.10 |
| 55 | Montgomery | 0083294 | Rutland TWP USD446 BOND ICC FD | 270 | 145.401 | 39.26 |
| 56 | Montgomery | 0083295 | Rutland TWP 446 BN ICC CD12 WS | 20,775 | 149.809 | 3,112.28 |
| 57 | Montgomery | 0083296 | Rutland TWP USD436 CCC CD12 WS | 6,365 | 161.226 | 1,026.20 |
| 58 | Montgomery | 0083297 | Rutland TWP USD436 CCC CD4 WS1 | 14,475 | 160.706 | 2,326.22 |
| 59 | Montgomery | 0083298 | Rutland TWP USD436 CCC CD3 FD1 | 18,683 | 157.623 | 2,944.88 |
| 60 | Montgomery | 0083299 | Rutland TWP USD436 CCC CD3 WS1 | 482 | 160.403 | 77.32 |

Totah Communications, Inc
 Detail of 2022 Property Tax Expense
 Income Statement Adjustment No. 7
 Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
 Exhibit DB-3a

| Line No. | County | Statement | Unit | Assessed Value | Levy | 2022 Tax |
|----------|------------|-----------|--|----------------|---------|-----------------------------|
| 61 | Montgomery | 0083300 | Sycamore TWP USD283 ICC CD10 F | 4,435 | 145.985 | 647.44 |
| 62 | Montgomery | 0083301 | Sycamore TWP USD283 ICC CD10 W | 717 | 147.111 | 105.48 |
| 63 | Montgomery | 0083302 | Elk City SD446 BN ICC CD11 LSB 4071 (50529 improved) | 206.483 | 206.483 | 11,273.98 |
| 64 | Montgomery | 0083303 | Havana SD436 CCC CD4 WS15 CNY 2497 (43118 improved) | 194.943 | 194.943 | 8,892.32 |
| 65 | Montgomery | 0083304 | Liberty SD445 CCC CD13 LBTY TW 1268 (39757 improved) | 181.783 | 181.783 | 7,457.66 |
| 66 | Montgomery | 0083305 | Tyro City SD436 CCC CD1 Caney 9,548 | 178.586 | 178.586 | 1,705.14 |
| 67 | Montgomery | 0083306 | Tyro City SD436 CCC CD1 FC TWP 1355 (32001 improved) | 178.586 | 178.586 | 5,956.92 |
| 68 | Montgomery | 0083307 | Liberty TWP USD447 BN CCC CD13 150 | 145.163 | 145.163 | 21.78 |
| 69 | Elk | 9276 | 51 OV 283 OAK VALLEY TWP 3,227 | 158.544 | 158.544 | 511.62 |
| 70 | Elk | 9277 | 52 OV 283 OAK VALLEY TWP 5,976 | 154.856 | 154.856 | 925.42 |
| 71 | | | Total 2022 Property Taxes | | | <u>\$ 123,898.85</u> |

Source: Totah Communications Inc's Response to Staff Data Request No. 46

Totah Communications, Inc
Dues Expense
Income Statement Adjustment No. 8
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-4

| Line No. | Description | Staff Adjustment to Dues and Donations | Staff Regulated Percentage | Staff Regulated Dues and Donations Adjustment | Intrastate Separations | Intrastate Adjustment |
|----------|---|--|----------------------------|---|------------------------|------------------------|
| 1 | Staff Adjustment to General and Administrative Expense (Acct. 6720) | (270) | 100.00% | (270) | 0.445192 | (120) |
| 2 | Total Staff Adjustment to Dues | <u><u>\$ (270)</u></u> | | <u><u>\$ (270)</u></u> | | <u><u>\$ (120)</u></u> |
| 3 | 207159 T&E JULY '22 MITCH | 144.00 | | | | |
| 4 | 207160 T & E JULY '22 | 126.40 | | | | |
| 5 | Total Dues Expense | <u><u>270.40</u></u> | | | | |

Totah Communications, Inc
 Legal Services Expense
 Income Statement No. 9
 Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
 Exhibit DB-5

| Line No. | Description | Staff Adjustment to Legal Expense | Staff Regulated Percentage | Staff Regulated Legal Expense Adjustment | Intrastate Separations | Intrastate Adjustment |
|----------|---|-----------------------------------|----------------------------|--|------------------------|-----------------------|
| 1 | Staff Adjustment to General and Administrative Expense (Acct. 6720) | (1,424) | 100.00% | (1,424) | 0.445192 | (634) |
| 2 | Total Staff Adjustment to Legal Services | <u>\$ (1,424)</u> | | <u>\$ (1,424)</u> | | <u>\$ (634)</u> |
| 3 | 203114 PROF SVC- RECONNECT 3 PROGRAM | | | <u>\$ 1,423.50</u> | | |

Sources: Totah Communications, Inc Response to Staff Data Request Nos. 35, 85

Totah Communications, Inc
Board of Directors
Income Statement Adjustment No. 10
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-6

| Line No. | Staff Adjustment to Board of Directors Expense | Staff Regulated Percentage | Staff Regulated Board of Directors Expense Adjustment | Intrastate Separation | Intrastate Adjustment |
|----------|---|----------------------------|---|-----------------------|-----------------------|
| 1 | Staff Adjustment to Director's Expense (Acct. 6720) | 100% | | 0.445192 | |
| 2 | Total Staff Adjustment to Board of Directors Expense | | | | |
| 3 | Breakdown of Adjustment | | | | |
| 4 | Board of Directors Total Compensation in 2022 | | | | |
| 5 | Percent Allocated to Kansas | | | | |
| 6 | Test Year Kansas Board of Directors Expense | | | | |
| 7 | Staff Calculated Percent Allocated to Kansas | | | | |
| 8 | Staff Adjusted Kansas Board of Directors Expense | | | | |
| 9 | Staff Adjustment for Board of Directors Expense | | | | |

Source: Totah Communications, Inc Response to Staff Data Request No. 37

Totah Communications, Inc
Travel and Training
Income Statement Adjustment No. 11
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-7

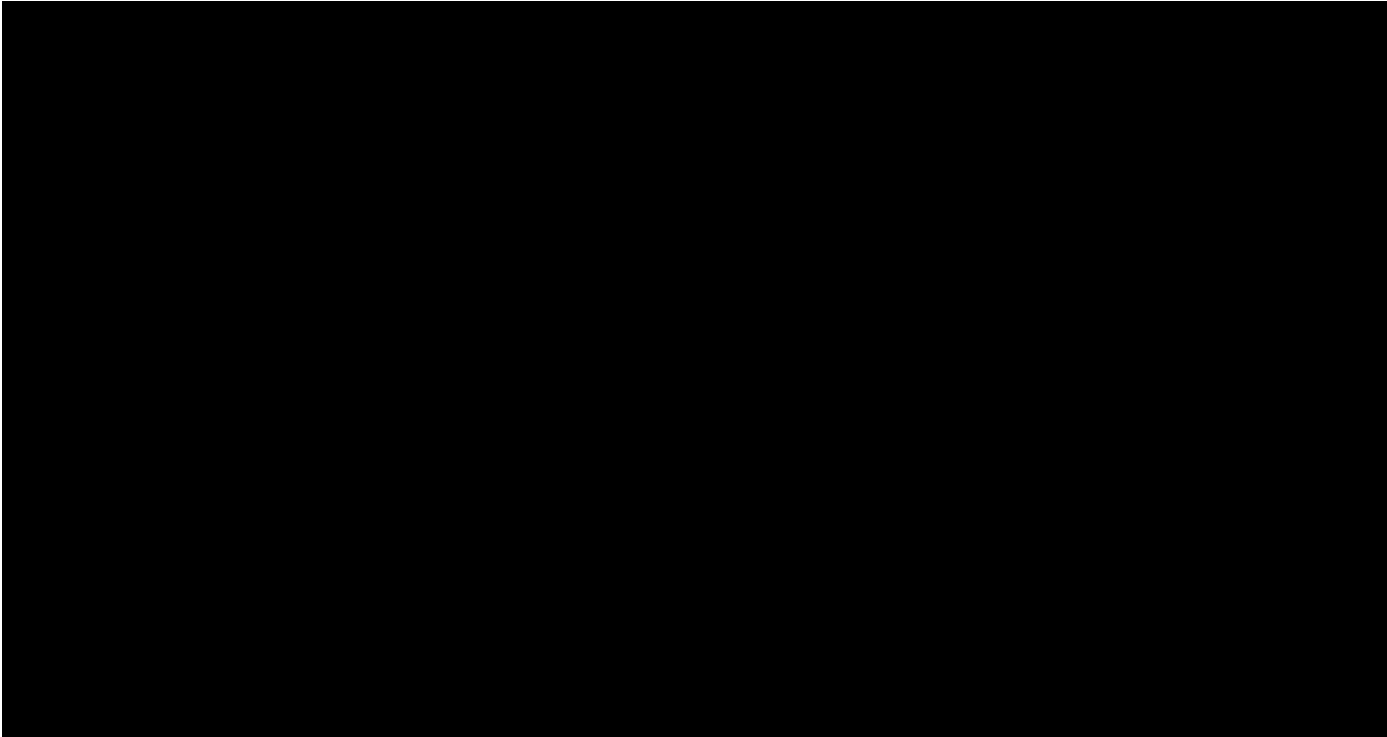
| Line No. | Description | Staff Adjustment to Travel & Training Expense | Staff Regulated Percentage | Staff Regulated Travel & Training Expense Adjustment | Intrastate Separations | Intrastate Adjustment |
|----------|---|---|----------------------------|--|------------------------|--------------------------|
| 1 | Staff Adjustment to Network Support Expense (Acct. 6110) | (487) | 100.00% | (487) | 0.551088 | (269) |
| 2 | Staff Adjustment to General Support Expense (Acct. 6120) | (218) | 100.00% | (218) | 0.551088 | (120) |
| 3 | Staff Adjustment to Network Operations Expense (Acct. 6530) | (1,446) | 100.00% | (1,446) | 0.551091 | (797) |
| 4 | Staff Adjustment to General & Administrative Expense (Acct. 6720) | (4,528) | 100.00% | (4,528) | 0.445192 | (2,016) |
| 5 | Total Staff Adjustment to Traveling and Training Expense | <u><u>\$ (6,680)</u></u> | | <u><u>\$ (6,680)</u></u> | | <u><u>\$ (3,202)</u></u> |

| Line No. | Date | Journal Entry Reference | 6112202 | 6124102 | 6532102 | 6534102 | 6721102 |
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Totah Communications, Inc
Travel and Training
Income Statement Adjustment No. 11
Test Year Ending December 31, 2022

Docket No. 24-TTHT-343-KSF
Exhibit DB-7

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|--------|--------|--------|----------|----------|
| 974.98 | 435.18 | 277.82 | 2,614.52 | 9,056.73 |
| 50% | 50% | 50% | 50% | 50% |
| 487.49 | 217.59 | 138.91 | 1,307.26 | 4,528.37 |

Source: Totah Communications, Inc Response to Staff Data Request No. 77

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Daniel Buller, being duly sworn upon his oath deposes and states that he is an Auditor for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that he has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of his knowledge, information and belief.




Daniel Buller
Auditor
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 14 day of February, 2024.



Notary Public

My Appointment Expires: 4/28/25

 NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/25

CERTIFICATE OF SERVICE

24-TTHT-343-KSF

I, the undersigned, certify that a true copy of the attached testimony has been served to the following by means of electronic service on February 22, 2024.

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* Denotes those receiving the Confidential version