

OCTOBER 26, 2017

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

2 A. My name is Kristina Luke Fry. My business address is 1500 Southwest Arrowhead
3 Road, Topeka, Kansas, 66604.

4 **Q. Have you ever filed testimony under a different name?**

5 A. Yes, I have previously filed under my maiden name, Kristina Luke.

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

7 A. I am employed by the Kansas Corporation Commission (Commission) as a Managing
8 Auditor.

9 **Q. Would you please describe your educational background and professional**
10 **experience?**

11 A. In December of 2014, I earned a Master of Business Administrative degree from
12 Washburn University. I also hold a Bachelor's of Science in Business Administrative
13 with a major in Accounting from Kansas State University. I began employment with the
14 Commission as a Regulatory Auditor in September 2010 and was promoted to Senior
15 Auditor in July 2013. I was promoted to my current position in August 2015.

16 **Q. Have you ever testified before this Commission?**

17 A. Yes. I filed testimony in Docket Nos. 11-MKEE-439-RTS, 11-MDWE-609-RTS,
18 12-WSEE-112-RTS, 12-MKEE-380-RTS, 12-KGSG-835-RTS, 12-GRHT-633-KSF,
19 13-CRKT-268-KSF, 13-WSEE-629-RTS, 14-WTCT-142-KSF, 14-ATMG-320-RTS,
20 14-BHCG-502-RTS, 14-S&TT-525-KSF, 15-WSEE-115-RTS, 16-ATMG-079-RTS,
21 16-MDWE-324-TFR, and 17-WSEE-147-RTS.

22

Q. What were your responsibilities during Staff's review of Rainbow Telecommunications (Rainbow) Application in Docket No. 17-RNBT-555-KSF?

A. My responsibilities as an Auditor in this case were to analyze, audit, and review Rainbow's filing requesting the Commission adjust its cost-based Kansas Universal Service Fund (KUSF) support to reflect its current revenue requirement and circumstances. I reviewed the Company's filing, requested and analyzed additional information, and participated in an on-site review at the Company's headquarters in Everest, Kansas. While onsite, I reviewed Board of Directors' minutes, toured the Company's facilities, reviewed various accounting and cost of service information, and conferred with Rainbow's management. My duties were carried out under the direction of the Chief of Accounting and Financial Analysis, Justin Grady

Q. What is the purpose of your testimony?

A. In summary, I recommend that the Commission:

- Update KUSF support included in Rainbow's filing to reflect the most current amounts;
- Update estimated audit expense included in Rainbow's filing to known audit expenses at the time of Staff's filing;
- Normalize the costs relating to iPads purchased during the test year; and
- Exclude expenses which Staff contends are inappropriate to include for the determination of necessary KUSF support.

1 **STAFF ADJUSTMENTS TO THE INCOME STATEMENT**

2 **Q. Please begin by discussing Staff Adjustment No. 1 to the Income Statement.**

3 A. Staff Adjustment No. 1 (IS-1) increases Rainbow's overall intrastate revenues by
4 \$891.¹ Staff's adjustment is comprised of two components. The first includes Intrastate
5 revenues that were not included in the Company's initial adjustment, which should have
6 been as these revenues are typically reflected as an offset to a company's regulated cost
7 of service in KUSF proceedings. This amount is an increase of \$1,337. The second is
8 the difference between KUSF revenues in Rainbow's adjustment and what is included in
9 Sandy Reams' direct testimony in KCC Docket No. 17-GIMT-008-GIT. The amount
10 Rainbow used was incorrect because the amount was \$446 too large. The net effect of
11 these two changes equals Staff's adjustment.

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

13 A. Staff Adjustment No. 2 (IS-2) decreases Rainbow's operating expenses by \$15,921.²
14 This adjustment is necessary to include actual audit expense incurred as of mid-October
15 2017 as a reflection of the cost of this KUSF proceeding. Pursuant to Rainbow's
16 response to data request 71, Rainbow has incurred \$54,887 of external costs related to
17 this Docket to-date.

18 The Commission's Fiscal Division informed Staff that the maximum assessment
19 for Rainbow is \$15,508 for this fiscal year pursuant to K.S.A. 66-1502(a), which provides
20 that the maximum annual assessment is 0.6% of intrastate revenues. Rainbow has
21 already been assessed and paid a total of \$416 in KCC assessments, which does not
22 include any billings related to this Docket. The remaining maximum assessment for this

¹ See Exhibit KALF-1.

² See Exhibit KALF-2.

1 Docket is \$15,508. To-date, the KCC has incurred \$31,442 in expenses related to this
2 Docket.

3 Total audit expense to-date is \$70,395, which consists of the expenses incurred by
4 Rainbow in the amount of \$54,887 plus the maximum KCC assessment of \$15,508. This
5 amount should be amortized over a five-year period, resulting in an annual audit expense
6 amortization of \$14,079. Staff's adjustment is calculated by comparing this annual audit
7 expense amount against Rainbow's \$30,000 estimate included in its Application,
8 resulting in a reduction of \$15,921 from Rainbow's cost of service.

9 **Q. Should the Commission reduce the Company's KUSF support once the audit**
10 **expense has been fully recovered?**

11 A. Yes. Staff recommends that the Commission reduce Rainbow's approved KUSF draw
12 by the audit expense amortization at the end of the amortization period. This
13 recommendation is consistent with the April 17, 2013 Order Granting Joint Motion for
14 Approval of Craw-Kan's Annual Cost Based Support and for Approval of Additional
15 Requirements. As stated on page 5, paragraph 16 of the Order, "With regard to Craw-
16 Kan's audit expense, the Commission agrees that audit expense should be recovered over
17 a five-year amortization period. However, once these expenses have been fully recovered,
18 Craw-Kan's KUSF support should be reduced accordingly by removing any portions
19 relating to audit expense. This provision ensures Craw-Kan will recover the full amount
20 of its audit expense but does not over-recover from the KUSF."

1 **Q. Please continue by discussing Staff Adjustment No. 3 to the Income Statement.**

2 A. Staff Adjustment No. 3 (IS-3) decreases Rainbow's operating expenses by \$15,010 on a
3 total company basis, or \$9,990 on an intrastate basis.³ Staff's adjustment to property
4 taxes is comprised of two components. The first component is Rainbow's 2016 property
5 tax invoices in the amount of \$72,554⁴ less the 2016 Available Telecom credit of
6 \$15,683. The second component is Staff's calculation to determine the property tax
7 expense allocable to the non-regulated portion of the Company's general support assets
8 and plant assets. Staff's starting point for the determination of the property tax allocated
9 to non-regulated assets is the Total Plant in Service as of December 31, 2016. As
10 discussed in the testimony of Staff witness Ann Diggs, from this Total Plant number,
11 Staff applied an allocation percentage to determine the appropriate percentage of
12 regulated general support assets. In addition, Staff calculated the percentage of regulated
13 assets applicable to digital switching, circuit equipment, and buried cable. Staff Exhibit
14 KALF-3b calculates an overall regulated percentage of 94.25% resulting in total
15 regulated property taxes recoverable through the KUSF of \$53,599. Staff's adjusted 2016
16 property taxes are then compared to Rainbow's requested property taxes of \$71,881 with
17 the difference being Staff's adjustment.

18 **Q. Please discuss Staff Adjustment No. 4 to the Income Statement.**

19 A. Staff Adjustment No. 4 (IS-4) decreases Rainbow's operating expenses by \$1,799 on a
20 total company basis, or \$1,010 on an intrastate basis.⁵ Staff's adjustment is comprised of
21 three components. First, Staff removes 50% of dues made by Rainbow to various

³ See Staff Exhibit KALF-3.

⁴ See Staff Exhibit KALF-3a.

⁵ See Staff Exhibit KALF-4.

1 vendors. K.S.A. 66-1,193(a) states that “the commission may adopt a policy of
2 disallowing a percentage, not to exceed 50%, of utility dues, donations and contributions
3 to charitable, civic and social organizations and entities, in addition to disallowing
4 specific dues, donations and contributions which are found unreasonable or
5 inappropriate”. Second, Staff’s adjustment eliminates 100% of costs relating to Chamber
6 mixers and newspapers as they are not necessary to provide sufficient and efficient
7 regulated telephone service. Last, Staff’s adjustment also removes the costs recorded
8 during the test year for seven of nine Sam’s Club memberships. Staff is only removing
9 seven memberships because Staff believes it is reasonable to have a limited number of
10 Sam’s Club memberships for a business purposes, but Staff contends that nine
11 memberships is excessive. These expenses are not necessary to provide regulated
12 telephone service and do not directly benefit the ratepayer.⁶

13 **Q. Please discuss Staff Adjustment No. 5 to the Income Statement.**

14 A. Staff Adjustment No. 5 (IS-5) decreases Rainbow’s operating expenses by \$3,444 on a
15 total company basis, or \$1,811 on an intrastate basis.⁷ Staff’s adjustment removes the
16 lobbying costs recorded during the test year. The Commission has historically
17 disallowed political contributions, lobbying and legislative expenses as costs that cannot
18 be recovered from customers or through KUSF support. Lobbying is not necessary for
19 the provision of safe and reliable utility service and benefits the Company, not ratepayers.

⁶ See September 10, 2001, Commission Order in Docket No. 01-SNKT-544-AUD, ¶ 129; and July 31, 2014, Commission Order in Docket No. 14-SPEE-507-RTS, ¶10. The Commission’s determination in Docket No. 14-SPEE-507-RTS was pursuant to a separate but similar statute, K.S.A. 66-101f(a), which is applicable to electric public utilities.

⁷ See Staff Exhibit KALF-5.

Staff's adjustment is consistent with past Commission practice to remove all expenses related to lobbying that were included in the cost of service.⁸

Q. Please discuss Staff Adjustment No. 6 to the Income Statement.

A. Staff Adjustment No. 6 (IS-6) decreases Rainbow's operating expenses by \$2,512 on a total company basis, or \$1,322 on an intrastate basis.⁹ Staff's adjustment is comprised of two components: First, Staff removes 50% of donations made by Rainbow to various vendors. K.S.A. 66-1,193(a) states that the Commission may disallow 50% of donations, utility dues, journal subscriptions, and contributions in addition to disallowing specific dues, donations, and contributions which are found unreasonable or inappropriate. Second, Staff's adjustment eliminates 100% of sponsorships as this expense promotes Rainbow's image or is not necessary to provide sufficient service to Rainbow customers.

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

A. Staff Adjustment No. 7 (IS-7) decreases Rainbow's operating expenses by \$21,914 on a total company basis, or \$12,167 on an intrastate basis.¹⁰ Staff's adjustment removes expenses related to corporate image advertising, corporate goodwill, and other miscellaneous promotional prizes or giveaways. Staff's sampling of invoices and documents and review of Rainbow's general ledger indicated several accounts included image advertising and miscellaneous costs. Exhibit KALF-7a lists these costs, by account that are excluded from KUSF support, and the totals of the account balances are brought forward to Exhibit KALF-7.

⁸ See June 26, 2001, Commission Order in Docket No. 01-RRLT-083-AUD, page 10, ¶ 29 and December 28, 2005, Commission Order in Docket No. 05-WSEE-981-RTS, ¶ 147.

⁹ See Staff Exhibit KALF-6.

¹⁰ See Staff Exhibit KALF-7.

Q. Please discuss Staff Adjustment No. 8 to the Income Statement.

A. Staff Adjustment No. 8 (IS-8) decreases Rainbow's operating expenses by \$1,188 on a total company basis, or \$688 on an intrastate basis.¹¹ Staff's adjustment removes meal expense, which Staff believes to consist of entertainment and is not necessary for the provision of efficient and sufficient regulated telephone service to customers. Staff believes these meals are entertainment related because of the average cost per employee for each meal Staff removed. A few examples are:

- three employees dined out for a total of \$187 or \$62.35 per person;
- Board of Directors Strategic Meeting for \$849.79 or approximately \$85 per person; and
- \$223.32 for four people or \$56 per person, two of the four were General Managers for other Kansas telephone companies.

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

A. Staff Adjustment No. 9 (IS-9) decreases Rainbow's operating expenses by \$1,742 on a total company basis, or \$1,102 on an intrastate basis.¹² Staff's adjustment normalizes the amount spent during the test year for iPads. During the test year, Rainbow spent more on iPads during the test year than the prior two years combined, which strongly suggests this expense is not an ongoing and normal expense item.¹³ Therefore, Staff contends that this not a normal recurring expense. In order to normalize this expense, Staff utilized a three year average of expenses incurred for iPads and related data subscription fees for the

¹¹ See Staff Exhibit KALF-8.

¹² See Staff Exhibit KALF-9.

¹³ See Rainbow Telecommunication's Response to Staff Data Request No. 109.

years 2014, 2015, and 2016. Then, this three year average expense of \$4,580 was used in Staff's revenue requirement instead of the test year expense of \$8,563.

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

A. Staff Adjustment No. 10 (IS-10) decreases Rainbow's operating expenses by \$9,075 on a total company basis, or \$5,764 on an intrastate basis.¹⁴ Staff's adjustment removes costs relating to training and travel because the conference topics were related to non-regulated services, such as broadband.

EXHIBITS

Q. Are you sponsoring any exhibits?

A. Yes. The following provides an outline of the exhibits I am sponsoring:

<u>Exhibit No.</u>	<u>Description</u>
Exhibit KALF-1	Work paper for Staff's adjustment to KUSF Support
Exhibit KALF-2	Work paper for Staff's adjustment to Audit Expense
Exhibit KALF-3	Work paper for Staff's adjustment to Property Taxes
Exhibit KALF-3a	Work paper showing Property Tax Detail
Exhibit KALF-3b	Work paper showing Staff's calculation of non-regulation of Property
Exhibit KALF-4	Work paper for Staff's adjustment to Dues
Exhibit KALF-5	Work paper for Staff's adjustment to Lobbying
Exhibit KALF-6	Work paper for Staff's adjustment to Donations
Exhibit KALF-6a	Work paper showing Staff's Donations Detail

¹⁴ See Staff Exhibit KALF-10.

- 1 Exhibit KALF-7 Work paper for Staff's adjustment to Advertising
- 2 Exhibit KALF-7a Work paper showing Staff's Advertising Detail
- 3 Exhibit KALF-8 Work paper for Staff's adjustment to Meal Expense
- 4 Exhibit KALF-8a Rainbow Telecommunications Response to Data Request 110
- 5 Exhibit KALF-9 Work paper for Staff's adjustment to Meal Expense
- 6 Exhibit KALF-9a Rainbow Telecommunications Response to Data Request 109
- 7 Exhibit KALF-10 Work paper for Staff's adjustment to Travel and Training
- 8 Exhibit KALF-10a Work paper showing Staff's Travel and Training Detail
- 9 **Q. Does this conclude your testimony?**
- 10 A. Yes, thank you.

Staff Exhibits

Rainbow Telecommunications Assn.
KUSF Support
Income Statement Adjustment No. 1
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-1

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Adjustment to Intrastate Network Access (Acct. 5080)	\$ 1,337	1.000000	\$ 1,337
2	Adjustment to KUSF Support (Acct. 5001)	(446)	1.000000	(446)
		<u>\$ 891</u>		<u>\$ 891</u>

Breakdown of Adjustment:

Intrastate Access Reduction

3	Intrastate Access Reduction March 2017 - Year 21	\$ 1,337	
4	Staff Adjustment to Intrastate Network Access		<u>\$ 1,337</u>

KUSF

5	KUSF Year 21 Support Calculation Worksheet (Issue No. 29)	\$ 135,542	
6	Rainbow KUSF Balance - Section 9, Schedule 1, Line 3	135,988	
7	Staff Adjustment to KUSF		<u>\$ (446)</u>

Sources: Section 9 of Rainbow Telecommunications Assn.'s June 19, 2017 Filing
KUSF Support Calculation Worksheet, Issue 21

Rainbow Telecommunications Assn.
Audit Expense
Income Statement Adjustment No. 2
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-2

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Adjustment to Audit Expense (Acct. 6720)	\$ (15,921)	1.000000	\$ (15,921)
	<u>Breakdown of Adjustment</u>			
2	Rainbow Telecommunications audit expenses		54,887	
3	KCC assessable audit expenses		<u>\$ 15,508</u>	
4	Total audit expenses		<u>\$ 70,395</u>	
5	Amortization period (years)		<u>5</u>	
6	Annual audit amortization			\$ 14,079
7	LESS: Rainbow Adjustment for Audit Expense Section 9 - Acct. 6720			<u>30,000</u>
8	Staff Adjustment For Rate Case Expense (Acct. 6720)			<u>\$ (15,921)</u>
	<u>Detail of Audit Expense Calculations</u>			
	<u>TCA Consulting</u>			
9	March 31, 2017		\$ 1,551	
10	April 30, 2017		5,844	
11	May 31, 2017		7,440	
12	June 30, 2017		5,818	
13	July 31, 2017		8,513	
14	August 31, 2017		5,985	
15	September 30, 2017		<u>10,923</u>	
16	Total TCA Consulting invoices			\$ 46,074
	<u>James Caplinger, Chartered</u>			
17	June 2017 through July 2017		\$ 4,875	
17	August 2017 through October 2017		<u>8,813</u>	
18	Total James Caplinger, Chartered invoices			<u>\$ 8,813</u>
19	Total Rainbow audit expenses			<u>\$ 54,887</u>
	<u>KCC Maximum Assessment Calculation</u>			
20	Maximum assessment for fiscal year per Accounting		\$ 15,921	
21	LESS: Assessments to date (includes audit assessments)		<u>413</u>	
22	Remaining Maximum Assessment for fiscal year		<u>\$ 15,508</u>	
23	Assessments for docket to date (included in assessments to date)		<u>\$ -</u>	
24	Maximum assessment for docket		<u>\$ 15,508</u>	
	<u>KCC Audit Expenses</u>			
25	Staff	\$ 22,245		
26	Expenses and Consultants	<u>9,198</u>		
27	Total KCC Audit Expenses		\$ 31,442	
28	KCC Audit Expenses			<u>\$ 15,508</u>

Sources: Rainbow Telecommunications Assn. Response to Staff Data Request Nos. 35 and 71
Rainbow Telecommunications Assn. Application, Section 9

Rainbow Telecommunications Assn.
Property Tax Expense
Income Statement Adjustment No. 3
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-3

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Adjustment to Other Operating Taxes (Acct. 7240)	\$ (15,010)	0.665539	\$ (9,990)
	<u>Breakdown of Adjustment:</u>			
2	Staff calculated 201 Property Tax (Exhibit KALF-3a)		\$ 72,554	
3	Less: 2016 Available Telecom Credit		15,683	
4	Staff Calculated 2010 Property Tax			\$ 56,871
5	Staff calculated regulated percentage			94.25%
6	Staff calculated Regulated Property Tax			\$ 53,599
7	Rainbow Property Tax Expense per Application			71,881
8	Staff Adjustment for Property Taxes (Acct. 7240)			<u>\$ (15,010)</u>

Sources: Section 9 of Rainbow Telecommunications Assn.'s Application
Rainbow Telecommunications Assn.'s response to Staff Data Request No. 100

Exhibit KALF-3a

Total Property Taxes: \$ 72,554

Source: Rainbow Telecommunications Assn.'s response to Staff Data Request No. 47

Exhibit KALF-3b

1	2111	Land	\$ 30,532	54.26%	\$ 16,567
2	2112	Vehicles	534,097	41.60%	222,184
3	2116	Garage Work Equipment	424,304	26.52%	112,525
4	2121	Buildings	1,762,833	53.26%	938,885
5	2122	Furniture	95,266	41.60%	39,631
6	2123	Office Support Equipment	13,926	46.46%	6,470
7	2123.2	Company Communication Equip	143,150	46.46%	66,507
8	2124	Computer Equipment	156,567	32.73%	51,244
9		Total General Support Expense	<u>\$ 3,160,675</u>		<u>\$ 1,454,014</u>

10	2210.2	COE Digital	\$ 768,744	100.00%	\$ 768,744
11	2232	COE Transmission	4,746,641	100.00%	4,746,641
12	2423	Buried Fiber Cable	21,002,647	100.00%	21,002,647
13		Total Central Office Equipment	\$ 26,518,032		\$ 26,518,032

14	2690	Intangibles	1,023	100.00%	1,023
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15	Total Plant in Service	<u>\$ 29,679,730</u>	<u>\$ 27,972,046</u>
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16	Regulated Percentage	94.25%
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17	Non regulated percentage	5.75%
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Section 9 of Rainbow Telecommunications Assn.'s Application

Rainbow Telecommunications Assn.
Dues
Income Statement Adjustment No. 4
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-4

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to Central Office Switching Expense (Acct. 6210)	\$ (29)	0.472940	\$ (14)
2	Staff Adjustment to Marketing Expense (Acct. 6610)	(288)	0.565688	(163)
3	Staff Adjustment to Directory Expense (Acct. 6620)	(159)	0.565688	(90)
4	Staff Adjustment to Executive & Planning Expense (Acct. 6710)	(738)	0.608890	(449)
5	Staff Adjustment to General & Administrative Expense (Acct. 6720)	(585)	0.526029	(308)
6	Total Staff Adjustment for Dues	\$ (1,799)		\$ (1,010)

Line No.	Date	Vendor	Description	Account	Amount	Exclude 50%	Exclude 100%
7	09/14/16	North American Numbering Plan	NANP Contribution for FCC Filer	6213	(29)		(29)
8	04/28/16	PRIMO	2016 Membership Renewal	6611	(300)	(150)	
9	07/13/16	American Market Assoc.	Membership Fee	6611	(275)	(138)	
10	04/04/16	Symantec	2-Year e-Bill Certificate Renewal	6623	(1,348)	(674)	
11	12/12/16	NTCA	2016 Cooperative Dues	6711	(4,508)	(2,254)	
12	01/27/16	Horton Chamber of Commerce	2016 Chamber Dues	6722	(288)	(144)	
13	09/02/16	Horton Chamber of Commerce	Chamber Mixer 2016	6722	(13)		(13)
14	04/28/16	Everest	Subscription May 2016-May 2017	6728	(33)		(33)
15	08/17/16	Better Business Bureau of Kansas Inc.	Annual Accreditation for Everest	6728	(288)	(144)	
16	09/14/16	Rainbow.com	2-Year Domain Renewal	6728	(98)	(49)	
17	10/05/16	NPG Newspapers	1 Year Subscription	6728	(42)		(42)
18	10/17/16	Sam's Club	Removed 7 addons Memberships	6728	(315)		(315)
19	11/04/16	Atchison Globe	1 year subscription	6728	(91)		(91)
20	12/12/16	Telcordia Technologies	Annual fee for subscription	6728	(1,917)	(959)	
21						\$ (4,510)	\$ (523)
22						Staff Adjustment to Dues - Prior to Separations	\$ (5,033)

Staff Adjustment Detail						
Account Number	Total Company	Exclude 50%	Exclude 100%	Grand Total	Regulate Percentage	Staff Adjustment
6213	\$ (29)	\$ -	\$ (29)	\$ (29)	100.00%	\$ (29)
6611	(575)	(288)	-	(288)	100.00%	(288)
6623	(1,348)	(674)	-	(674)	23.58%	(159)
6711	(4,508)	(2,254)	-	(2,254)	32.73%	(738)
6722	(300)	(144)	(13)	(156)	32.73%	(51)
6728	(2,784)	(1,151)	(481)	(1,632)	32.73%	(534)
				<u>\$ (5,033)</u>		<u>\$ (1,799)</u>

Sources: Rainbow Telecommunications Assn. Response to Staff Data Request Nos. 3 and 85
Section 9 of Rainbow Telecommunications Assn.'s Application

Rainbow Telecommunications Assn. Docket No. 17-RNBT-555-KSF
Lobbying Exhibit KALF-5
Income Statement Adjustment No. 5
For the Test Year Ended December 31, 2016

Line No.	Vendor	Amount
1	State Independent Telephone Association of Kansas	\$ (2,468)
2	Rob Olson for Kansas Senate	(500)
3	State Independent Telephone Association of Kansas	<u>(476)</u>
4	Staff Adjustment to General & Administrative Expense (Acct. 6720)	\$ (3,444)
5	Intrastate Separation	<u>0.526029</u>
6	Staff Adjustment for Lobbying	<u><u>\$ (1,811)</u></u>

Sources: Rainbow Telecommunications Assn. Response to Staff Data Request Nos. 3, 85
Section 9 of Rainbow Telecommunications Assn.'s Application

Rainbow Telecommunications Assn.
 Donations
 Income Statement Adjustment No. 6
 For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
 Exhibit KALF-6

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Staff Adjustment to General & Administrative Expense (Acct. 6720)	\$ (2,512)	0.526029	\$ (1,322)
2	Staff Adjustment to Donations	\$ (2,512)		\$ (1,322)

Staff Adjustment by Account			
Account Number	Total Company	Regulated Percentage	Staff Adjustment
6722.000	(7,676)	32.73%	(2,512)
	<u>\$ (7,676)</u>		<u>\$ (2,512)</u>

Source: Staff Exhibit KALF-6a.

Rainbow Telecommunications Association
Donations Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-6a

Line No.	Vendor	Description	Account	Amount	Exclude 50%	Exclude 100%
1	Big Brothers Big Sisters	Donation	6722.0	\$ 63	\$ 31	\$ -
2	USPS	Donation	6722.0	26	13	-
3	Giggle Girls Cakery	Donation	6722.0	52	26	-
4	Amazon.com	Donation	6722.0	287	144	-
5	Eleanor's Pantry	Donation	6722.0	74	37	-
6	Muscotah United Church	Donation	6722.0	112	56	-
7	Sebetha Community Food Pantry	Donation	6722.0	133	66	-
8	Help Your Neighbor	Donation	6722.0	134	67	-
9	Doniphan County Christmas	Donation	6722.0	157	78	-
10	Jingle Bell Ride	Donation	6722.0	159	79	-
11	North Brown County Food Pantry	Donation	6722.0	183	92	-
12	Nemaha County Christmas	Donation	6722.0	186	93	-
13	Ministerial Alliance	Donation	6722.0	257	128	-
14	Nemaha County Christmas	Donation	6722.0	151	76	-
15	Native American Family Services	Donation	6722.0	95	48	-
16	Doniphan County Christmas	Donation	6722.0	163	82	-
17	Jingle Bell Ride	Donation	6722.0	180	90	-
18	Nemaha County Christmas	Donation	6722.0	196	98	-
19	CMJ Media	Donation	6722.0	106	53	-
20	Foundation for Rural Service	Donation	6722.0	1,000	500	-
21	Doniphan West High School	After Prom	6722.2	50	25	-
22	Hiawatha High School	After Prom	6722.2	50	25	-
23	Doniphan County Saddle Club	Sponsorship	6722.2	75	-	75
24	Horton High School Power Lifting	Sponsorship	6722.2	250	-	250
25	Knights of Columbus	Donation	6722.2	50	25	-
26	Horton Chamber of Commerce	Sponsorship	6722.2	288	-	288
27	Jackson Heights High School	Sponsorship	6722.2	100	-	100
28	Doniphan West High School	Sponsorship	6722.2	250	-	250
29	NEK Home Health & Hospice	Donation	6722.2	50	25	-
30	Atchison County Fair	Sponsorship	6722.2	125	-	125
31	Brown County Fair	Sponsorship	6722.2	63	-	63
32	Doniphan County Fair	Sponsorship	6722.2	125	-	125
33	Jackson County Fair	Sponsorship	6722.2	125	-	125
34	Highland Community College	Donation	6722.2	50	25	-
35	Horton High School	Donation	6722.2	50	25	-
36	Amazon.com	Prize Donation	6722.2	35	18	-
37	Clubs for Kids Foundation	Sponsorship	6722.2	50	-	50
38	Everest Easter Egg Hunt	Donation	6722.2	50	25	-
39	Iowa Tribe	Donation	6722.2	91	46	-
40	Dickey's Barbeque Pit	Donation	6722.2	100	50	-
41	Brown County Humane Society	Donation	6722.2	50	25	-
42	Highland Community College	Donation	6722.2	25	13	-
43	Doniphan County Fair	Sponsorship	6722.2	100	-	100
44	Willis All-Star	Sponsorship	6722.2	200	-	200
45	TASK	Donation	6722.2	100	50	-
46	Royals	Royals Tickets	6722.2	88	-	88

Rainbow Telecommunications Association
Donations Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-6a

Line No.	Vendor	Description	Account	Amount	Exclude 50%	Exclude 100%
47	4Imprint	Bags for Horton Career Day	6722.2	82	41	-
48	Hiawatha County Club	Sponsorship	6722.2	250	-	250
49	Everest Little League	Sponsorship	6722.2	250	-	250
50	Super Hero Fun Run	Sponsorship	6722.2	\$ 25	\$ -	\$ 25
51	Wal-Mart	Roku 3 and Card congrat	6722.2	53	-	53
52	Highland Community College	Sponsorship	6722.2	50	-	50
53	Brown County Conservation Distric	Sponsorship	6722.2	50	-	50
54	City of Everest	Donation	6722.2	1,500	750	-
55	Golfballs.com	Promotional Giveaway golf balls	6722.2	191	-	191
56	Brown County 4-H	Donation and correcting to split 50/50	6722.2	165	-	124
57	Highland Community College	Sponsorship	6722.2	100	-	100
58	Halloween Queen Fund	Donation	6722.2	500	250	-
59	Halloween Queen Fund	Sponsorship	6722.2	25	-	25
60	Wal-Mart	Donation	6722.2	52	26	-
61	NEK Enterprise Faciliation	Donation	6722.2	250	125	-
62	Benefit Dinner	Donation	6722.2	50	25	-
63	Doniphan West Schools	Donation	6722.2	200	100	-
64	Petty Cash Donations	Donation	6722.2	68	34	-
65	Golden Heart Bike Club	Donation	6722.2	50	25	-
66	Kanza Mental Health Foundation	Donation	6722.2	50	25	-
67	Horton Chamber of Commerce	Donation	6722.2	25	13	-
68	Atchison County Community High	Donation	6722.2	50	25	-
69	Doniphan West Booster Club	Sponsorship	6722.2	100	-	100
70	Jackson Heights High School	Sponsorship	6722.2	100	-	100
71	Keith Olsen-Hortion Parks & Rec	Donation	6722.2	25	13	-
72	War Machine	T-Shirt Gun Launcher for Parades	6722.3	427	-	427
73	Academy Sports	Co2 for Air Gun Tanks for Parades	6722.3	8	-	8
74	Wal-Mart	Donation	6722.3	23	12	-
75	Amazon.com	Donation	6722.3	54	27	-
76	Oriental Trading Company	Donation	6722.3	247	123	-
77	Dick's Sporting Goods	Co2 for Air Gun Tanks for Parades	6722.3	20	-	20
78	Breadeaux Pizza	Donation	6722.3	20	10	-
79	Fiabesco	Donation	6722.3	20	10	-
80	Phillips 66	Donation	6722.3	40	20	-
81	R Bar B	Donation	6722.3	228	114	-
82	North End Liquor	Donation	6722.3	49	24	-
83	Mom & I's Candy	Donation	6722.3	54	27	-
84	Mom & I's Candy	Donation	6722.3	27	14	-
85					4,065	3,611
86		Staff Adjustment to Donations - Prior to Separations				<u>\$ 7,676</u>

Sources: Rainbow Telecommunications Assn. Response to Staff Data Request Nos. 32 & 85
Review of vendor invoices provided during Staff's on-site audit

Rainbow Telecommunications Assn.
Advertising
Income Statement Adjustment No. 7
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-7

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Staff Adjustment to Marketing Expense (Acct. 6610)	\$ (16,092)	0.565688	\$ (9,103)
2	Staff Adjustment to Directory Expense (Acct. 6620)	(52)	0.565688	(29)
3	Staff Adjustment to General & Administrative Expense (Acct. 6720)	(5,770)	0.526029	(3,035)
4	Staff Adjustment to Advertising	<u>\$ (21,914)</u>		<u>\$ (12,167)</u>

Staff Adjustment by Account			
Account Number	Total Company	Regulated Percentage	Staff Adjustment
6612.000	(3,391)	100.00%	(3,391)
6613.000	(12,237)	100.00%	(12,237)
6614.000	(465)	100.00%	(465)
6623.000	(220)	23.58%	(52)
6722.000	(17,551)	32.73%	(5,744)
6723.000	(75)	32.73%	(25)
	<u>\$ (33,938)</u>		<u>\$ (21,914)</u>

Source: Staff Exhibit KALF-7a.

Rainbow Telecommunications Assn.
Advertising Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-7a

Line No.	Date	Vendor	Description	Account	Amount
1	01/12/16	College Football Challenge	Pick It Bowl Challenge	6722.000	\$ 98
2	01/14/16	Cornerstone Publishing Group	SmartFarm Materials	6613.000	915
3	01/14/16	FRS Youth Tour for 2015	Sponsorship	6722.000	3,000
4	01/22/16	Cornerstone Publishing Group	SmartFarm Materials	6613.000	281
5	01/27/16	Cornerstone Publishing Group	Channel Lineup Changes	6623.000	155
6	02/04/16	Scoby Brothers	Tractor Magnet	6612.000	271
7	02/04/16	CMG Media	Sponsorship	6722.000	975
8	02/09/16	Navrat's Office Products	Smart Rural Shirts	6613.000	731
9	02/09/16	Innovative Systems	Sponsorship	6722.000	514
10	02/16/16	Scoby Brothers	Tractor Magnet	6612.000	641
11	02/16/16	Marketing Concepts	Smart Farm Flyers	6613.000	81
12	02/16/16	Marketing Concepts	Smart Farm Display Boards	6613.000	98
13	02/17/16	Pivot Group LLC	Pick It Bowl Challenge	6722.000	84
14	02/23/16	Cornerstone Publishing Group	Channel Lineup Changes	6623.000	30
15	02/29/16	Navrat's Office Products	Smart Rural Shirts	6613.000	1,516
16	03/09/16	Scoby Brothers	Tractor T-Shirt	6612.000	1,548
17	03/09/16	Marketing Concepts	Smart Rural Brochures	6613.000	87
18	03/09/16	Navrat's Office Products	Business Mixers Shirts	6613.000	254
19	03/09/16	KNZA	Promotional Advertising	6613.000	330
20	03/09/16	Scoby Brothers	Promotional	6722.000	553
21	03/17/16	Wal-Mart	Sales Giveaway Wrapping	6612.000	6
22	03/30/16	Union State Bank	March Madness Bracket Challenge	6614.000	65
23	04/05/16	KNZA	Promotional Advertising	6613.000	330
24	04/07/16	Innovative Systems	Baseball Promotion	6613.000	94
25	4/12/2016	Cornerstone Publishing Group	Sponsorship	6722.000	813
26	04/21/16	Doniphan County Chamber of Commerce	Sponsorship	6723.000	75
27	05/04/16	KNZA	Promotional Advertising	6613.000	575
28	05/05/16	Innovative Systems	Baseball Promotion	6613.000	98
29	05/17/16	Expedia	Youth Tour - One Time Expense	6722.000	967
30	05/18/16	Pivot Group LLC	March Mania	6722.000	84
31	05/18/16	Youth Tour	Youth Tour - One Time Expense	6722.000	150
32	05/18/16	Youth Tour	Youth Tour - One Time Expense	6722.000	150
33	05/24/16	Gemmy Industries	Movie Screen	6722.000	25
34	05/25/16	Scoby Brothers	Stone Coasters	6613.000	157
35	05/31/16	Smart Rural Community	Advertising	6722.000	1,455
36	06/01/16	Giggle Girls Cakery	Promotional Cookies	6613.000	116
37	06/07/16	KNZA	Promotional Advertising	6613.000	523
38	06/08/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	850
39	06/21/16	Amazon.com	Vinyl for Trays	6613.000	27
40	06/21/16	Target	Cookies Trays for Smart Rural Tour	6613.000	223
41	06/21/16	VistaPrint	Window Decals	6613.000	52

Rainbow Telecommunications Assn.
Advertising Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-7a

Line No.	Date	Vendor	Description	Account	Amount
42	06/23/16	Marketing Concepts	Smart Rural Flyers	6613.000	\$ 69
43	06/23/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	214
44	06/30/16	KNZA	Promotional Advertising	6613.000	465
45	07/05/16	Giggle Girls Cakery	Promotional Cookies	6612.000	289
46	07/07/16	Innovative Systems	Internet Promotion	6613.000	98
47	07/07/16	Cornerstone Publishing Group	Channel Lineup Changes	6623.000	24
48	07/11/16	Amazon.com	Smart Rural Tour Napkins and Plates	6613.000	29
49	07/19/16	Giggle Girls Cakery	Smart Rural Cookies	6612.000	116
50	07/20/16	The Bread Bowl	Promotional Donuts	6612.000	404
51	07/26/16	Amazon.com	Smart Rural Tour Napkins and Plates	6613.000	33
52	07/28/16	Foundation for Rural Service	Scholarship	6722.000	500
53	07/28/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
54	07/30/16	Giggle Girls Cakery	Promotional Cookies	6613.000	58
55	08/04/16	Marketing Concepts	Smart Rural Flyers	6613.000	117
56	08/04/16	Marketing Concepts	Smart Rural Display Boards	6613.000	107
57	08/05/16	Giggle Girls Cakery	Promotional Cookies	6613.000	58
58	08/05/16	KNZA	Promotional Advertising	6613.000	575
59	08/11/16	Scoby Brothers	Insulated Tumblers	6614.000	400
60	08/12/16	Giggle Girls Cakery	Promotional Cookies	6613.000	57
61	08/17/16	Marketing Concepts	Smart Rural Decal Logos	6613.000	712
62	08/19/16	Giggle Girls Cakery	Promotional Cookies	6612.000	116
63	08/19/16	Smart Rural Tour	Smart Rural Tour	6613.000	204
64	08/25/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
65	08/26/16	Giggle Girls Cakery	Promotional Cookies	6613.000	116
66	09/02/16	KNZA	Promotional Advertising	6613.000	575
67	09/06/16	Giggle Girls Cakery	Promotional Cookies	6613.000	102
68	09/14/16	Giggle Girls Cakery	Promotional Cookies	6613.000	58
69	09/17/16	Giggle Girls Cakery	Promotional Cookies	6613.000	58
70	09/20/16	Ducks Unlimited	Event	6722.000	65
71	09/20/16	Scoby Brothers	Wristbands	6722.000	511
72	09/22/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
73	09/26/16	Cornerstone Publishing Group	Channel Lineup Changes	6623.000	12
74	10/01/16	Giggle Girls Cakery	Promotional Cookies	6613.000	58
75	10/05/16	KNZA	Promotional Advertising	6613.000	395
76	10/11/16	Scoby Brothers	Insulated Tumblers	6613.000	424
77	10/19/16	Giggle Girls Cakery	Smart Rural Cookies	6613.000	102
78	10/19/16	Giggle Girls Cakery	Smart Rural	6613.000	58
79	10/19/16	Primo	Business Mixers Cookies	6613.000	116
80	10/25/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
81	11/07/16	KNZA	Promotional Advertising	6613.000	453
82	11/08/16	Innovative Systems	DVR Promotion	6613.000	94

Rainbow Telecommunications Assn.
Advertising Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-7a

Line No.	Date	Vendor	Description	Account	Amount
83	11/10/16	Marketing Concepts	Smart Rural Flyers	6613.000	\$ 71
84	11/29/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
85	12/05/16	KNZA	Promotional Advertising	6613.000	492
86	12/05/16	Foundation for Rural Service	Youth Tour - One Time Expense	6722.000	3,150
87	12/05/16	Pick-It Challenge	Pick It Bowl Challenge	6722.000	125
88	12/21/16	Marketing Concepts	Promotional	6722.000	129
89	12/21/16	Pivot Group LLC	Pick It Bowl Challenge	6722.000	340
90	12/27/16	USA Outdoor LLC	Smart Rural Billboards	6722.000	467
Total amount to be removed:					<u>\$ 33,938</u>

Sources: Rainbow Telecommunication Assn. Response to Staff Data Requests Nos. 29, 76, 85, 94, 95
Review of vendor invoices provided during Staff's on-site audit

Rainbow Telecommunications Assn.
Meal Expense
Income Statement Adjustment No. 8
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-8

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to Marketing Expense (Acct. 6610)	\$ (425)	0.565688	\$ (241)
2	Staff Adjustment to Executive & Planning Expense (Acct. 6710)	(555)	0.608890	(338)
3	Staff Adjustment to General & Administrative Expense (Acct. 6720)	(208)	0.526029	(109)
4	Total Staff Adjustment for Meals	\$ (1,188)		\$ (688)

Line No.	Employee	Account	Amount	Account	Total Company	Regulated Percentage	Regulated Percentage
5	Angela Kreider	6612	\$ (187)	6612	\$ (425)	100.00%	\$ (425)
6	Angela Kreider	6612	(121)	6711	(732)	32.73%	(240)
7	Angela Kreider	6612	(59)	6712	(963)	32.73%	(315)
8	Jason Smith	6711	(326)	6721	(208)	100.00%	(208)
9	James Lednicky	6711	(223)		\$ (2,328)		\$ (1,188)
10	Jason Smith	6721	(91)				
11	Angela Kreider	6612	(58)				
12	Jason Smith	6711	(65)				
13	Jason Smith	6711	(55)				
14	Jason Smith	6711	(63)				
15	Jason Smith	6712	(113)				
16	Jason Smith	6712	(850)				
17	Kathleen Ruoff	6721	(117)				
			\$ (2,328)				

Sources: Rainbow Telecommunications Assn. Response to Staff Data Request Nos. 97, 110
Review of vendor invoices provided during Staff's on-site audit

Kansas Corporation Commission
Information Request

Docket No. 17-RNBT-555-KSF
Exhibit KALF-8a

Request No: **110**

Company Name RAINBOW TELECOMMUNICATIONS ASSOCIATION, INC. RNBT
Docket Number 17-RNBT-555-KSF
Request Date October 13, 2017
Date Information Needed October 23, 2017

RE: Follow-Up to DR 97

Please Provide the Following:

Please provide receipts for the attached meals? Where possible, please include the purpose of the lunch and employees that attended the lunch.

Submitted By Kristina Luke-Fry

Submitted To Daniel Meszler

Response:

See Attached.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: _____

Date: _____

Vendor	GL#	Expense	Date	Attendees/Description
Commerce Bank-Angela Kreider	6612.000	\$187.04	1/15/2016	Marcus D, Jackie, Angie dinner after Management training
Commerce Bank-Angela Kreider	6612.000	\$120.97	2/17/2016	Customer Lunch - Patton Crew
Commerce Bank-Angela Kreider	6612.000	\$59.19	3/18/2016	Farm Show-Smart Rural Community, Grant, Jerad, Kasey, Angie
Commerce Visa-Jason Smith	6711.200	\$325.75	3/18/2016	BOD @ NTCA Expo and Jason
Commerce Visa-Angela Shaffer	6611.000	\$53.91	3/18/2016	TCA Meeting - Line of Business Analysis 2 TCA employees, Angela & Jackie
Commerce Bank-James Lednicky	6711.000	\$223.32	4/19/2016	NTCA Dinner for 4-James, Jason, Beau, Craig (Other Kansas General Managers)
Commerce Bank-Jason Smith	6721.100	\$90.60	5/19/2016	TCA Reform Meeting - Bev, Kathy, Jason
Commerce Bank-Beverly Armstrong	6532.000	\$69.01	5/19/2016	eLatings Training - Network metaswitch options-Chris, Bev, 2 Innovative employees (50/50% per company-\$138.02)
Commerce Bank-Angela Kreider	6612.000	\$58.00	6/21/2016	Jake, David, Angie & Indian Health Care employees
Commerce Bank-Jason Smith	6711.000	\$65.16	6/21/2016	SITA Meeting - Networking Regulatory discussion with NECA and Jason
Commerce Bank-Jason Smith	6711.000	\$54.82	7/15/2016	Ron Hudson & James
Commerce Bank-Jason Smith	6711.000	\$63.00	9/19/2016	Leadership 20/20 meeting - Jason and James
Commerce Bank-Jason Smith	6712.000	\$112.99	9/19/2016	Strategic Planning-BOD
Commerce Bank-Jason Smith	6712.000	\$849.79	9/19/2016	Strategic Planning-BOD
Commerce Bank-Kathleen Ruoff	6721.100	\$117.12	12/12/2016	NECA Expo-Gerard, Dave , Bev, Kathy - CPRs to eLations (categories, joint use, etc.)

Rainbow Telecommunications Assn.
iPad Expense
Income Statement Adjustment No. 9
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-9

Line No.	Description	Total Company	Percent per Account	Remove from Test Year	Regulated Percentage	Adjustment	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to General Support Expense (Acct. 6120)	\$ (3,969)	46.35%	\$ (1,846)	32.73%	\$ (604)	0.676434	\$ (409)
2	Staff Adjustment to Cable & Wire Facilities Expense (Acct. 6410)	(360)	4.20%	(167)	100.00%	(167)	0.729660	(122)
3	Staff Adjustment to Network Operations Expense (Acct. 6530)	(246)	2.88%	(115)	100.00%	(115)	0.676434	(78)
4	Staff Adjustment to Marketing Expense (Acct. 6610)	(600)	7.01%	(279)	100.00%	(279)	0.565688	(158)
5	Staff Adjustment to Directory Expense (Acct. 6620)	(360)	4.20%	(167)	23.58%	(39)	0.565688	(22)
6	Staff Adjustment to Executive & Planning Expense (Acct. 6710)	(1,909)	22.30%	(888)	41.37%	(367)	0.608890	(224)
7	Staff Adjustment to General & Administrative Expense (Acct. 6720)	(1,118)	13.06%	(520)	32.73%	(170)	0.526029	(90)
8	Staff Adjustment to remove iPad Expense	<u><u>\$ (8,563)</u></u>		<u><u>\$ (3,983)</u></u>		<u><u>\$ (1,742)</u></u>		<u><u>\$ (1,102)</u></u>
9		2014 2,475						
10		2015 2,703						
11		2016 <u>8,563</u>						
12	3-Year Average	4,580						

Source: Rainbow Telecommunications Assn.'s Response to Staff Data Request Nos. 96 & 109

Kansas Corporation Commission
Information Request

Request No: 109

Company Name RAINBOW TELECOMMUNICATIONS ASSOCIATION, INC. RNBT
Docket Number 17-RNBT-555-KSF
Request Date October 13, 2017
Date Information Needed October 23, 2017

RE: Follow-Up to DR 96

Please Provide the Following:

How much did the company spend on iPads in the two years prior to the test year and so far this year?

Submitted By Kristina Luke-Fry

Submitted To Daniel Meszler

Response:

See Attached.

2014-- \$ 3,476.71
2015-- \$ 3,602.14
2016-- \$10,446.17
2017-- \$ 1,570.96 (Jan.-Aug.)

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: DM

Date: 10/18/17

Rainbow Telecommunications
iPad Expense
2014

Employee/Board Member	Acct#	January	February	March	April	May	June	July	August	September	October	November	December	Total
Stacy Simmer/Marketing	C6728.000	0.00	0.00	22.17	20.82	(79.18)	21.14	21.14	21.14	21.14	21.14	21.14	21.14	111.79
Pat Streeter	R6423.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Chris McMullen	R6532.000	30.08	30.08	30.08	30.08	30.08	30.08	30.08	30.08	30.08	30.08	30.08	30.08	360.96
Jackie Petersen	R6611.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Vicky Pomey	R6623.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Angie Kreider	R6612.000	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Jason Smith	R6711.000	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	1,041.96
James Lednicky/Sam	C6728.000	53.84	54.06	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	642.00
Bev Armstrong	R6721.100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		280.75	280.97	302.49	301.14	201.14	301.46	301.46	301.46	301.46	301.46	301.46	301.46	3,476.71

Rainbow Telecommunications
iPad Expense
2015

Employee/Board Member	Acct#	January	February	March	April	May	June	July	August	September	October	November	December	Total
Stacy Simmer/Marketing	C6728.000	21.14	21.14	21.14	21.64	21.64	21.64	21.66	21.66	21.66	21.66	21.66	21.66	258.30
Pat Streeter	R6423.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Chris McMillen	R6532.000	0.00	30.08	30.08	40.16	0.00	60.16	30.08	30.08	30.08	30.08	30.08	30.08	340.96
Jackie Petersen	R6611.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Vicky Pomey	R6623.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Angie Kreider	R6612.000	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
Jason Smith	R6711.000	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	86.83	1,041.96
James Lednicki/Sam	C6728.000	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	640.92
Bev Armstrong	R6721.100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		271.38	301.46	301.46	312.04	271.88	332.04	301.98	301.98	301.98	301.98	301.98	301.98	3,602.14

2016

[illegible]

75.94	1.445.74
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Rainbow Telecommunications Assn.
iPad Expense By Year

Rainbow Telecommunications

IPad Expense

2017

Employee/Board Member	Acct#	January	February	March	April	May	June	July	August	September	October	November	December	Total
Stacy Simmer	C6722.000	33.41	33.41	33.52	14.89	20.55	20.55	20.55	20.55					197.43
Mike Twombly	C6520.100	22.19	22.19	22.30	7.98	11.56	(2.67)	0.00	0.00					83.55
Kathy Ruoff	R6721.100	57.78	57.78	57.89	5.85	20.55	20.55	20.55	20.55					261.50
Board Members - 60%	R6711.200	168.54	169.90	168.27	66.86	91.94	92.36	92.63	92.08					942.58
Board Members - 40%	C6711.200	112.36	113.26	112.18	44.57	61.29	61.58	61.76	61.38					628.38
Pat Streeter	R6423.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00					240.00
Jackie Petersen	R6611.000	30.00	30.00	30.00	0.00	30.00	30.00	30.00	30.00					210.00
Angie Kreider	R6612.000	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00					160.00
Vicky Ptoomey	R6623.000	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00					240.00
Jason Smith	R6711.000	86.83	86.83	86.83	130.08	40.08	85.08	85.08	85.08					685.89
James Lednicki/Sam	C6728.000	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41					427.28
Bev Armstrong	R6721.100	26.38	26.38	26.38	44.61	6.38	41.38	6.38	41.38					219.27
		670.90	673.16	670.78	448.25	415.76	482.24	450.36	484.43	0.00	0.00	0.00	0.00	4,295.88
Tim Ross														
Melvin Massey														
Brad Blevins														
Jim Becker														
Dennis Anderson														
Spencer Madison														
Mark Albers	R6711.200	280.90	283.16	280.45	111.43	153.23	153.94	154.39	153.46					1,570.96
Dave Olson														
Norman Elliott														
Board Members														

Rainbow Telecommunications Assn.
Travel Expenses
Income Statement Adjustment No. 10
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-10

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Staff Adjustment to Network Support Expense (Acct. 6110)	\$ (39)	0.676434	\$ (27)
2	Staff Adjustment to Cable & Wire Facilities Expense (Acct. 6410)	(785)	0.729660	(573)
3	Staff Adjustment to Netowrk Operations Expense (Acct. 6530)	(4,433)	0.676434	(2,999)
4	Staff Adjustment to Marketing Expense (Acct. 6610)	(3,492)	0.565688	(1,975)
5	Staff Adjustment to Directory Expense (Acct. 6620)	(70)	0.565688	(39)
6	Staff Adjustment to Executive & Planning Expense (Acct. 6710)	(205)	0.608890	(125)
7	Staff Adjustment to General & Administrative Expense (Acct. 6720)	(51)	0.526029	(27)
8	Staff Adjustment to Traveling Expense	\$ (9,075)		\$ (5,764)

Staff Adjustment by Account			
Account Number	Total Company	Regulate Percentage	Staff Adjustment
6112.1	\$ (79)	50.00%	\$ (39)
6423	(785)	100.00%	(785)
6532	(4,433)	100.00%	(4,433)
6611.1	(3,024)	100.00%	(3,024)
6612	(468)	100.00%	(468)
6623	(296)	23.58%	(70)
6711	(627)	32.73%	(205)
6721.1	(40)	32.73%	(13)
6728	(115)	32.73%	(38)
	\$ (9,867)		\$ (9,075)

Source: Staff Exhibit KALF-10a

Rainbow Telecommunications Assn.
Travel Expense Detail
For the Test Year Ended December 31, 2016

Docket No. 17-RNBT-555-KSF
Exhibit KALF-10a

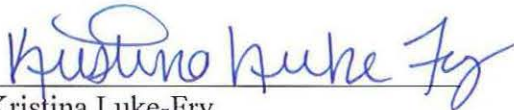
Line No.	Date	Vendor	Description	Account Number	Total Company
1	02/02/16	KS Broadband	Non-Regulated	6611.1	\$ (153)
2	02/17/16	KS Broadband	Non-Regulated	6112.1	(79)
3	02/17/16	KS Broadband	Non-Regulated	6711	(55)
4	02/17/16	KS Broadband	Non-Regulated	6728	(115)
5	04/04/16	NTCA	Golf and Legislative Issues	6711	(276)
6	04/18/16	Primo	Partially Non-Regulated	6611.1	(10)
7	05/11/16	NeoNova Summit	Non-Regulated	6623	(296)
8	05/18/16	TCA	Golf Tournament	6711	(296)
9	05/19/16	Cronin	Partially Non-Regulated	6611.1	(328)
10	06/16/16	Calix	Non-Regulated	6532	(293)
11	06/20/16	E-Rate Program	Partially Non-Regulated	6612	(213)
12	08/02/16	Cronin	Partially Non-Regulated	6611.1	(111)
13	09/07/16	Primo	Partially Non-Regulated	6611.1	(89)
14	09/07/16	Primo	Partially Non-Regulated	6611.1	(89)
15	09/07/16	Primo	Partially Non-Regulated	6611.1	(89)
16	09/14/16	TASK	German Feast	6721.1	(40)
17	09/16/16	Calix	Non-Regulated	6532	(673)
18	09/16/16	Cronin	Partially Non-Regulated	6611.1	(359)
19	09/16/16	Calix	Non-Regulated	6611.1	(719)
20	09/16/16	Calix	Non-Regulated	6611.1	(293)
21	09/19/16	Cronin	Partially Non-Regulated	6611.1	(245)
22	09/20/16	Primo	Partially Non-Regulated	6612	(89)
23	10/05/16	MATSS	Partially Non-Regulated	6423	(64)
24	10/05/16	MATSS	Partially Non-Regulated	6423	(64)
25	10/05/16	MATSS	Partially Non-Regulated	6532	(96)
26	10/05/16	MATSS	Partially Non-Regulated	6532	(96)
27	10/11/16	Calix	Non-Regulated	6532	(192)
28	10/11/16	Calix	Non-Regulated	6611.1	(192)
29	10/19/16	Primo	Partially Non-Regulated	6611.1	(146)
30	10/19/16	Primo	Partially Non-Regulated	6611.1	(143)
31	10/19/16	Primo	Partially Non-Regulated	6612	(167)
32	10/20/16	MATSS	Partially Non-Regulated	6423	(180)
33	11/15/16	MATSS	Partially Non-Regulated	6423	(213)
34	11/15/16	MATSS	Partially Non-Regulated	6532	(356)
35	11/15/16	Calix	Non-Regulated	6611.1	(59)
36	11/18/16	MATSS	Partially Non-Regulated	6423	(264)
37	11/18/16	MATSS	Partially Non-Regulated	6532	(9)
38	11/21/16	MATSS	Partially Non-Regulated	6532	(906)
39	11/21/16	Calix	Non-Regulated	6532	(1,812)
40					<u>\$ (9,867)</u>

Sources: Rainbow Telecommunications Assn.'s response to Staff Data Request Nos. 78, 85, and

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

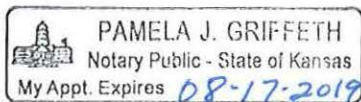
VERIFICATION

Kristina Luke-Fry, being duly sworn upon her oath deposes and states that she is the Managing Auditor for the Utilities Division of the State Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Direct Testimony* and that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Kristina Luke-Fry
Managing Auditor, Utilities Division
Kansas Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 20th day of October, 2017.




Notary Public

My Appointment Expires: August 17, 2019

CERTIFICATE OF SERVICE

17-RNBT-555-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony was served by electronic service on this 26th day of October, 2017, to the following:

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/s/ Pamela Griffeth

Pamela Griffeth
Administrative Specialist