

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

In the Matter of the Application and Request)	
of Craw-Kan Telephone Cooperative, Inc.)	Docket No. 22-CRKT-087-KSF
for an Increase in its Cost-Based Kansas)	
Universal Service Fund Support.)	

**DIRECT TESTIMONY
PREPARED BY
KATIE L. FIGGS
UTILITIES DIVISION
KANSAS CORPORATION COMMISSION
December 15, 2021**

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

2 A. My name is Katie L. Figgs. My business address is 1500 Southwest Arrowhead Road,
3 Topeka, Kansas, 66604.

4
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 Managing Auditor.

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

10 A. I received a Bachelor's of Business Administration with an emphasis in Accounting from
11 Washburn University in May of 2011. I began employment with the Commission as a
12 Regulatory Auditor in August 2012, and was promoted to my current position in August
13 2020.

14
15 **Q. Have you ever testified before the Commission?**

16 A. Yes. I have filed testimony before the Commission in Docket Nos. 12-LHPT-875-AUD,
17 13-JBNT-437-KSF, 13-PLTT-678-KSF, 14-ATMG-320-RTS, 14-S&TT-525-KSF, 15-
18 MRGT-097-AUD, 15-WSEE-115-RTS, 15-TWVT-213-AUD, 16-ATMG-079-RTS, 17-
19 RNBT-555-KSF, 18-WSEE-328-RTS, 18-KGSG-560-RTS, 19-EPDE-223-RTS, 19-
20 GNBT-505-KSF, 20-UTAT-032-KSF, and 20-BLVT-218-KSF.

1 **Q. What were your responsibilities in the review of Craw-Kan Telephone Cooperative,**
2 **Inc.'s (Applicant or Craw-Kan) August 12, 2021, Application?**

3 A. My responsibilities as the lead auditor in this case were to analyze, audit, and review
4 Craw-Kan's filing before the Commission to determine its cost-based Kansas Universal
5 Service Fund (KUSF) support to reflect its current revenue requirement and business
6 circumstances. I reviewed the Company's filing, requested and analyzed additional
7 information, and participated in an on-site review at the Company's headquarters in
8 Girard, Kansas, to inspect records, tour the Company's facilities, and to confer with
9 Craw-Kan's management and consultants. In addition, I calculated and am sponsoring
10 selected Staff adjustments to Craw-Kan's Pro Forma Rate Base and Income Statement, as
11 well as Staff's schedules. My duties were carried out under the direction of the Chief of
12 Accounting and Financial Analysis, Justin Grady.

13
14 **Q. What is the purpose of your testimony in this proceeding?**

15 A. The purpose of my testimony is to sponsor schedules based on Staff's review of Craw-
16 Kan's Application. My testimony will be presented in the following manner:

- 17 ▪ Overview
- 18 ▪ Staff Accounting Schedules
- 19 ▪ Background
- 20 ▪ Rate Base Adjustments
- 21 ▪ Income Statement Adjustments

1 **Q. Please provide the list of Staff witnesses and a brief description of the testimony they**
2 **are sponsoring.**

3 A. Ian Campbell: Mr. Campbell sponsors testimony related to various income statement
4 adjustments including advertising expense, dues and donations, miscellaneous expenses,
5 property taxes, KUSF support, audit expense, etc.

6 Adam Gatewood: Mr. Gatewood sponsors testimony related to capital structure, cost of
7 long term debt, and return on equity.

8 Roxie McCullar: Ms. McCullar sponsors testimony related to the Federal
9 Communications Commission's separations process and the application of K.S.A. 66-
10 2008(e)(2) for Federal Universal Service Fund (FUSF) support. Additionally, Ms.
11 McCullar sponsors the regulated and non-regulated allocations, as well as the state
12 allocations, proposed by Staff.

13
14 **Q. How is the rest of your testimony organized?**

15 A. The remainder of my testimony is organized as follows:

16 **Overview** – I provide an overview, which presents a background of Craw-Kan's
17 operations and the components of its KUSF filing.

18 **Analysis** – I discuss Staff's revenue requirement analysis. I also present a table of Staff's
19 adjustments to the pro forma rate base and income statement.

20 **Staff Schedules** – I describe Staff's accounting schedules detailing the elements of
21 Staff's proposed revenue requirement.

Rate Base Adjustments- I discuss Staff's Adjustments to Plant in Service, Accumulated Depreciation, Materials & Supplies, and Cash Working Capital, and the effect they have on the Company's Rate Base.

Income Statement Adjustments- I discuss Staff's Adjustments to Depreciation Expense, Payroll Expense, and Employee Benefit & Payroll Tax Expense, and the effect they have on the Company's Income Statement.

OVERVIEW

Q. Please provide an overview of Craw-Kan's corporate structure.

A. Craw-Kan Telephone Cooperative, Inc. is a Kansas rural telephone cooperative that provides local telephone services, as a carrier of last resort that serves approximately 8,000 access lines in Southeastern Kansas. Craw-Kan is comprised of a single legal entity which provides regulated local exchange carrier services as well as non-regulated services including long distance, video, internet, and other non-regulated services.

Q. How do Craw-Kan's local rates compare to other Local Exchange Carriers (LEC) in the area?

A. The chart below illustrates that the residential and business rates for Craw-Kan are relatively comparable to the other LECs in the area.

Company	Residential	Business
Craw-Kan	\$19.11	\$22.11
United	\$19.50	\$19.50
Totah	\$18.85	\$18.85
Wheat State	\$18.65	\$21.50
KanOkla	\$18.50	\$21.50

Q. Has the Commission previously audited Craw-Kan to determine its appropriate, cost-based level of KUSF?

A. Yes. Craw-Kan filed an Application for additional support from the KUSF in Docket No. 13-CRKT-268-KSF (13-268 Docket). The test year in the 13-268 Docket was the period ending December 31, 2011, and was adjusted for known and measurable changes. Craw-Kan is currently requesting to increase its level of KUSF support to \$7,590,297 from its current level of \$2,135,080 per year, an increase of \$5,455,217 per year.¹

Q. What test year did Craw-Kan use in its Application in this proceeding?

A. Craw-Kan used a test year ending December 31, 2020, with cost study and pro forma adjustments to revenues, expenses, and plant in service to capture pro forma changes.

¹ See August 12, 2021, Application, Section 3, Schedule 1.

ANALYSIS

Q. What is Staff's proposed level of cost-based KUSF support after incorporating Staff's adjustments within the Company's filed position?

A. The total effect of Staff's recommended adjustments results in an intrastate revenue increase of \$2,130,291 and an equal increase to the Company's current KUSF support.

As of July 1, 2021, Craw-Kan's KUSF support is \$2,136,012 annually. Thus, Staff recommends the Commission increase Craw-Kan's KUSF draw to \$4,266,303.

Below is a chart comparing the Company's filed position and Staff's recommendation for net intrastate rate base, requested rate of return on assets, pro forma intrastate income, and the level of KUSF support.

Description	Craw-Kan	Staff
Net Intrastate Rate Base	\$38,242,737	\$35,259,087
Rate of Return	9.75%	6.52%
Income (Loss)	(\$1,726,550)	\$168,601
Change in KUSF Support	\$5,455,217	\$2,130,291

Q. Please summarize the adjustments Staff is proposing in this Docket.

A. The following table presents a summarized list of Staff's adjustments, witnesses, and the effect of the adjustments on Rate Base or Operating Income.

Adj No.	Witness	Description	Amount
RB-1	Roxie McCullar	Reverse Cost Study Adjustment RB-4	\$310,033
RB-2	Roxie McCullar	Reverse Cost Study Adjustment RB-1	409,737

RB-3	Roxie McCullar	GSF Assets & Related A/D	(314,352)
RB-4	Roxie McCullar	Staff MO/OK Allocation	(714,120)
RB-5	Katie Figgs	Update Plant in Service	(348,896)
RB-6	Katie Figgs	Update Accumulated Depreciation	(3,941,678)
RB-7	Katie Figgs	Material and Supplies	(7,641)
RB-8	Katie Figgs	Cash Working Capital	(51,175)
IS-1	Roxie McCullar	Reverse Cost Study Adjustment EXP-3	(706,034)
IS-2	Roxie McCullar	Reverse Cost Study Adjustment EXP-8	(256,173)
IS-3	Roxie McCullar	Reverse Cost Study Adjustment EXP-12	(1,300,815)
IS-4	Roxie McCullar	GSF, Executive, and G&A Allocations	707,462
IS-5	Roxie McCullar	Staff MO/OK Allocation	1,587,326
IS-6	Roxie McCullar	Update FHCL Level	164,480
IS-7	Ian Campbell	Local Revenue and Intrastate Access Revenue and KUSF	188,658
IS-8	Ian Campbell	Property Tax Expense	348,329
IS-9	Ian Campbell	Board Member Expense	86,892
IS-10	Ian Campbell	Travel and Training Expense	10,683
IS-11	Ian Campbell	Corporate Image Advertising	108,953
IS-12	Ian Campbell	Audit Expense	14,143
IS-13	Katie Figgs	Depreciation Expense	1,334,476
IS-14	Katie Figgs	Payroll Expense	200,156
IS-15	Katie Figgs	Employee Benefit & Payroll Tax Expense	36,872
IS-16	Katie Figgs	Reverse Company's Adjustment IS-6	285,636

STAFF ACCOUNTING SCHEDULES

Q. Are you sponsoring Staff Accounting Schedules?

A. Yes.

Q. Please summarize how Staff's Accounting Schedules are organized.

A. Summary schedules are presented first, with the Schedules showing the derivation of the recommended adjustments following. The elements comprising the proposed revenue requirements are summarized on Staff Schedule REV REQ. Staff's proposed rate base is brought forward from Staff Schedule A-1, Staff Adjusted and Pro Forma Rate Base. Similarly, Staff's adjusted net operating income recommendations are brought forward from Staff Schedule B-1, Staff Adjusted and Pro Forma Operating Income Statement. Staff's cost of capital recommendation is set forth on Staff Schedule C-1, Capital Structure. The Schedules are organized as follows:

- REV REQ lists individual components of Staff's pro forma revenue requirement calculation, delineated between total company, interstate, and intrastate.
- A-1 shows Test Year Rate Base, as adjusted by the Company and Staff, on a total company basis, interstate/intrastate separations factors, and amounts allocated to the intrastate jurisdiction.
- A-2 lists Staff's individual adjustments to the Company's pro forma test year rate base.

- 1 ▪ A-3 calculates Cash Working Capital (CWC), as adjusted by the Company
- 2 and Staff.
- 3 ▪ A-4 contains an explanation of Staff's rate base adjustments.
- 4 ▪ B-1 contains the test year income statement, as adjusted by the Company and
- 5 Staff, delineated on a total-company basis, separations factors, and amounts
- 6 allocated to the intrastate jurisdiction.
- 7 ▪ B-2 lists Staff's individual adjustments to the Company's pro forma test year
- 8 income statement.
- 9 ▪ B-3 contains an explanation of Staff's adjustments to the income statement.
- 10 ▪ B-4-1 shows the calculation of the Company's interest expense.
- 11 ▪ C-1 shows the Company's test year and Staff adjusted capital structure.
- 12 ▪ C-2 lists Staff's individual adjustments to the Company's pro forma capital
- 13 structure.
- 14 ▪ C-3 contains an explanation of Staff's adjustment to the capital structure.

16 **Q. Are Staff's adjustments allocated to the interstate and intrastate jurisdictions prior**
17 **to inclusion in Staff's schedules?**

18 A. No. Staff calculated its adjustments on a total-company basis, with the adjustments
19 allocated between the interstate and intrastate jurisdictions, based on separations factors.
20 Some amounts, such as audit expense, are directly assigned to the appropriate
21 jurisdiction. Staff witness Roxie McCullar sponsors testimony regarding the review of
22 Craw-Kan's separations study.

RATE BASE ADJUSTMENTS

Q. Please begin by discussing Staff Adjustment No. 5 to Rate Base.

A. Staff Adjustment No. 5 (RB-5) decreases Craw-Kan's Rate Base by \$348,895² on a total company basis or \$118,790 on an intrastate basis. Staff's adjustment updates the Company's plant balances included in the Application through September 30, 2021. It is necessary to update this amount to ensure that Craw-Kan's plant balances reflect the most updated ongoing investment available. This ensures that Craw-Kan has an opportunity to earn a 'return on' and a 'return of' plant that is currently being utilized to provide regulated telecommunications services, while ensuring that the Company does not continue to earn a return on or of plant that is no longer in service.

Q. Please continue by discussing Staff Adjustment No. 6 to the Rate Base.

A. Staff Adjustment No. 6 (RB-6) decreases Craw-Kan's Rate Base by reflecting the increase in the accumulated depreciation account by \$3,941,678³ on a total company basis or \$2,549,990 on an intrastate basis. This adjustment updates accumulated depreciation through September 30, 2021. This approach corresponds with the time period through which Staff updated plant balances in Adjustment RB-5 and is necessary to present the true picture of Craw-Kan's previously unrecovered capital investment.

² See Exhibit KLF-1 and KLF-1a.

³ See Exhibit KLF-2 and KLF-2a.

Q. Please continue by discussing Staff Adjustment No. 7 to Rate Base.

A. Staff Adjustment No. 7 (RB-7) decreases Craw-Kan's rate base by \$7,641⁴ on a total company basis, or \$5,579 on an intrastate basis. Staff's Adjustment to materials and supplies reduces Craw-Kan's inventory levels to reflect a normalized level of materials and supplies. As depicted in Exhibit KLF-3, Craw-Kan's materials and supplies balance fluctuates significantly from year to year. During the 2020 test year, the Company's balance increased by 23.10 percent.

Q. Why did Staff choose a five year normalization period?

A. From 2016 to 2020, Craw-Kan's materials and supplies balance varies considerably from year to year. For example, from 2016 to 2017, the balance drops by 29.54 percent, increases by 35.08 percent in 2018, and falls again in 2019 by 28.36 percent. As a result, Staff contends that a five year average more accurately reflects the materials and supplies balance that can be expected to support ongoing operations.

Q. Please discuss Staff's proposed adjustment to Cash Working Capital (CWC).

A. Staff Adjustment No. 8 (RB-8) to rate base decreases total company CWC by \$51,175 and directly assigns to intrastate operations a CWC level of \$191,855.⁵ This adjustment computes a CWC allowance using Staff's adjusted expense amounts and the standard allowance method (SAM). This adjustment is shown on Schedule A-3 of the Staff Accounting Schedules.

⁴ See Exhibit KLF-3.

⁵ Staff's adjustment decreases Craw-Kan's CWC balance of \$373,113 by \$51,175, resulting in a total CWC balance of \$321,938. Of that amount, \$191,855 is then allocated to intrastate operations.

1 At paragraph 62 of the Order dated September 10, 2001, in Docket No. 01-SNKT-554-
2 AUD (01-554 Docket), the Commission stated that, while it prefers an individualized
3 company lead-lag study, it recognizes that such a study could be cost prohibitive to some
4 companies. The Commission indicated that if a company uses the SAM to calculate
5 CWC in its filings with the Federal Communications Commission (FCC) and National
6 Exchange Carriers Association (NECA), the Commission will accept a company's use of
7 the SAM in these KUSF audits. Craw-Kan utilizes the SAM to calculate CWC in its
8 filings with the FCC and NECA.

9 Additionally, the Commission stated: "The Commission will not routinely adopt an
10 adjustment to the Standard Allowance Method, proposed either by the company or by
11 Staff, unless it reflects a factual circumstance of that company that has a material impact
12 on its CWC need and that is not otherwise captured in the methodology."

13
14 **Q. Will the CWC requirement need to be updated if Staff's adjusted income statement**
15 **changes?**

16 **A.** Yes. Any Commission decision that results in changes to Staff's adjusted income
17 statement will also result in a change to Craw-Kan's CWC requirements.

INCOME STATEMENT ADJUSTMENTS

Q. Please continue by discussing Staff Adjustment No. 13 to the Income Statement.

A. Staff Adjustment No. 13 (IS-13) decreases Craw-Kan's depreciation expense by \$1,334,476⁶ on a total company basis or \$889,597 on an intrastate basis. Staff calculates depreciation expense on a going-forward basis based upon the plant account balances of Craw-Kan's depreciable assets and accumulated depreciation included in Adjustment Nos. RB-5 and RB-6. Staff's annualized regulated depreciation expense is then compared against Craw-Kan's annualized depreciation expense, with the difference being Staff's adjustment. Staff's calculations are detailed on Exhibit KLF-4 and 4a. This adjustment may change with any changes in the plant in service and accumulated depreciation balances.

Q. Please continue by discussing Staff Adjustment No. 14 to the Income Statement.

A. Staff Adjustment No. 14 (IS-14) decreases Craw-Kan's payroll expense by \$200,156⁷ on a total company basis or \$87,953 on an intrastate basis. Staff normalized test year payroll using current salary information, including wages and bonuses, from the period of December 11, 2020 through August 5, 2021, and normalized salaries for employees who were hired or terminated during the year. Staff also utilized current labor distribution from the period of December 11, 2020 through August 5, 2021. Staff's total payroll adjustment was then calculated from the difference between the account distributed pro forma wages and the actual, account distributed wages and bonuses recorded in the 2020

⁶ See Exhibit KLF-4 and KLF-4a.

⁷ See Exhibit KLF-5 through KLF-5c.

1 test year. The following are the major factors contributing to Staff's lower pro forma
2 payroll expense from the test year payroll expense:

3 1. Several terminated positions subsequent to the test year that were not replaced.

4 2. Increase in labor related to non-regulated work.

5 Staff contends that annualizing actual wages from the end of the test year through August
6 5, 2021, is appropriate to establish the Company's most current level of overtime,
7 position levels, and plant and construction activities on a going-forward basis.

8
9 **Q. Does Staff have additional information regarding the reasonableness of the**
10 **Company's labor expenses?**

11 A. Yes. Staff prepared a comparative analysis of Craw-Kan's employee compensation to
12 other similarly-sized phone companies. Staff's analysis is presented as a confidential
13 work papers included in Staff Exhibits KLF-7 and KLF-7a.

14
15 **Q. Is Staff proposing an adjustment to the Company's payroll expense related to the**
16 **comparative analysis?**

17 A. No, Staff has prepared the comparative analysis for informational purposes to aid the
18 Commission in its determination of the reasonableness of the level of labor costs the
19 Company is seeking to be recovered from the KUSF. Staff's analysis shows that out of
20 the 13 key employee positions chosen, eight were below or within the NTCA Study's
21 midrange. Five of the employees were above the midrange for the average of outcomes
22 of five categories of criteria. However, each one of these employees have been dedicated
23 to Craw-Kan for at least 12 years, including the General Manager who has been with the

1 Company for 25 years. Therefore, Staff contends that Craw-Kan employees are
2 compensated fairly and within a reasonable range to provide Universal service.
3

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

5 A. Staff Adjustment No. 15 (IS-15) decreases Craw-Kan's employee benefit and payroll tax
6 expense by \$36,872⁸ on a total company basis or \$10,144 on an intrastate basis. Staff's
7 adjustment updates the Company's current employee benefit and payroll tax expenses,
8 including employer contributions to employee pension, retirement, group health plans,
9 post-retirement benefits, and FICA and Medicare payroll taxes. Staff utilized the updated
10 labor distribution calculated in Staff Exhibit KLF-5b to allocate these expenses.
11

12 **Q. Please continue by discussing Staff Adjustment No. 16 to the Income Statement.**

13 A. Staff Adjustment No. 16 (IS-16) increases Craw-Kan's operating income by \$285,636 on
14 a total company basis. Staff reverses Craw-Kan's Adjustment IS-6 of its Application,
15 which was to include expenses related to an employee retirement during the 2020 test
16 year. Staff Adjustment IS-14 calculates the Company's most current level of payroll
17 expense on a going-forward basis, consequently making Craw-Kan's Adjustment IS-16
18 redundant.
19

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

21 A. Yes, thank you.
22

⁸ See Exhibit KLF-6 through KLF-6d.

SUMMARY OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
KLF-1	Work paper for Plant in Service Adjustment
KLF -1a	Work paper for calculation of Staff Plant in Service Adjustment
KLF-2	Work paper for Accumulated Depreciation Adjustment
KLF-2a	Work paper for calculation of Staff Accumulated Depreciation Adjustment
KLF-3	Work paper for Materials & Supplies Adjustment
KLF-4	Work paper for Depreciation Expense Adjustment
KLF-4a	Detail paper for Depreciation Expense Adjustment
KLF-5	Work paper for Payroll Expense Adjustment
KLF-5a	Summary for Payroll Expense Adjustment
KLF-5b	Detail paper for Updated Labor Distribution
KLF-5c	Detail paper for Test Year Labor Distribution
KLF-6	Work paper for Employee Benefit & Payroll Tax Expense Adjustment
KLF-6a	Employee Benefit & Payroll Tax Expense Adjustment Distribution
KLF-6b	Summary for Employee Benefit & Payroll Tax Expense Adjustment
KLF-6c	Detail paper for Employee Benefit Expense Adjustment
KLF-6d	Detail paper for Payroll Tax Expense Adjustment
KLF-7	Payroll Analysis
KLF-7a	Salary + Bonus Comparison by Position

Craw-Kan Telephone Cooperative, Inc.
Plant in Service
Rate Base Adjustment No. 5
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-1

Line No.	Acct	Description	Staff Adjustment to Update Plant Balance	Staff Regulated Percentage	Staff Regulated Plant Adjustment	Kansas Jurisdictional Allocation	Staff Regulated Kansas Adjustment	Intrastate Separations	Intrastate Adjustment
1	2112.000	Motor Vehicles	65,411	71.45%	46,736	82.83%	38,711	0.666627	25,806
2	2117.000	Other Work EQ - Tools	743	71.45%	531	82.83%	440	0.666627	293
3	2121.000	Buildings	14,488	72.65%	10,525	82.83%	8,718	0.666627	5,812
4	2122.000	Furniture	(15,119)	72.65%	(10,984)	82.83%	(9,098)	0.666627	(6,065)
5	2124.000	General Purpose Computers	12,327	71.45%	8,808	82.83%	7,295	0.666627	4,863
6	2212.000	Digital Electronic Switching	(13,763)	100%	(13,763)	100%	(13,763)	0.449447	(6,186)
7	2232.302	Circuit EQ - Digital Sub Carrier	1,256	100%	1,256	0%	-	0.449447	-
8	2232.400	Circuit EQ - DSL	(296,633)	100%	(296,633)	100%	(296,633)	0.449447	(133,321)
9	2232.500	Circuit EQ - FTTH	(184,360)	100%	(184,360)	100%	(184,360)	0.449447	(82,860)
10	2422.000	Underground Cable	(3,852)	100%	(3,852)	100%	(3,852)	0.730182	(2,813)
11	2423.000	Buried Cable	37,317	100%	37,317	100%	37,317	0.730182	27,248
12	2423.002	Buried Cable	3,366	100%	3,366	0%	-	0.730182	-
13	2423.020	Buried Fiber Optic Cable	(52,242)	100%	(52,242)	100%	(52,242)	0.730182	(38,146)
14	2423.100	Buried Cable Drops	53,294	100%	53,294	100%	53,294	0.730182	38,915
15	2423.102	Buried Cable Drops	213	100%	213	0%	-	0.730182	-
16	2423.200	Buried Fiber Optic Drops	65,277	100%	65,277	100%	65,277	0.730182	47,664
17	2423.202	Buried Fiber Optic Drops	1,104	100%	1,104	0%	-	0.730182	-
18			<u>\$ (311,174)</u>		<u>\$ (333,408)</u>		<u>\$ (348,895)</u>		<u>\$ (118,790)</u>

Sources: Craw-Kan Telephone Cooperative, Inc.'s Application, Section 4
Craw-Kan Telephone Cooperative, Inc.'s Response to Staff Data Request No. 63, Updated Trial Balance
Exhibit KLF-1a

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line		Plant Book	Company	Company	Company	Trial Balance as	Staff	
No.	Acct	Balance Per	Cost Study	Normalizing	Normalized	of September 30,	Adjustment to	Staff Adjusted
	Description	Application	Adjustments	Adjustments	Balance	2021	Plant Balance	Plant Balance
					(a) + (b) + (c)		(e) - [(a) + (c)]	(d) + (f)
General Support Assets								
1	2111.000 Land	287,460	(111,366)	-	176,094	287,460	(0)	176,094
2	2112.000 Motor Vehicles	2,374,182	(954,048)	-	1,420,134	2,439,593	65,411	1,485,545
3	2116.000 Other Work EQ	1,450,099	(582,712)	-	867,387	1,450,099	(0)	867,387
4	2117.000 Other Work EQ - Tools	713,551	(286,735)	-	426,816	714,294	743	427,559
5	2121.000 Buildings	5,421,274	(2,100,750)	387,223	3,707,747	5,822,985	14,488	3,722,235
6	2121.002 Buildings	6,563	(2,543)	-	4,020	6,563	0	4,020
7	2122.000 Furniture	212,780	(82,434)	-	130,346	197,661	(15,119)	115,227
8	2123.000 Office EQ	10,996	(4,260)	-	6,736	10,996	0	6,736
9	2123.100 Office EQ - Support	15,503	(6,006)	-	9,497	15,503	(0)	9,497
10	2123.200 Office EQ - Co Tel System	119,905	(46,452)	-	73,453	119,905	(0)	73,453
11	2124.000 General Purpose Computers	552,643	(222,076)	-	330,567	564,970	12,327	342,894
12	2124.010 General Purpose Computers - Software	634,873	(255,119)	-	379,754	634,873	(0)	379,754
13	Total General Support Facilities	11,799,829	(4,654,501)	387,223	7,532,551	12,264,901	77,849	7,610,400
Central Office Assets								
14	2212.000 Digital Electronic Switching	3,821,375	(2,913,119)	(74,205)	834,051	3,733,407	(13,763)	820,288
15	2212.100 Digital Switching - Soft Switch	502,721	(220,027)	-	282,694	502,721	0	282,694
16	2232.000 Circuit EQ - Subscriber Carrier	20,541	-	-	20,541	20,541	(0)	20,541
17	2232.100 Circuit EQ - Toll Carrier	1,293,130	-	(41,918)	1,251,212	1,251,213	1	1,251,213
18	2232.200 Circuit EQ - Fiber Optic Term	3,266,347	-	(154,859)	3,111,488	3,111,488	(0)	3,111,488
19	2232.300 Circuit EQ - Digital Sub Carrier	2,461,212	2,913,119	(132,777)	5,241,554	2,328,435	(0)	5,241,554
20	2232.302 Circuit EQ - Digital Sub Carrier	45,183	-	-	45,183	46,439	1,256	46,439
21	2232.400 Circuit EQ - DSL	10,374,280	-	1,233,865	11,608,145	11,311,512	(296,633)	11,311,512
22	2232.402 Circuit EQ - DSL	10,328	-	-	10,328	10,328	0	10,328
23	2232.500 Circuit EQ - FTTH	4,681,844	-	879,166	5,561,010	5,376,650	(184,360)	5,376,650
24	Total Central Office Equipment	26,476,961	(220,027)	1,709,272	27,966,206	27,692,734	(493,499)	27,472,707
Cable & Wire Facilities Assets								
25	2411.000 Poles	31,609	-	-	31,609	31,609	(0)	31,609
26	2421.000 Arial Cable	66,568	-	-	66,568	66,568	0	66,568
27	2421.100 Arial Cable Drops	19,920	-	-	19,920	19,920	0	19,920
28	2422.000 Underground Cable	31,053	-	-	31,053	27,201	(3,852)	27,201
29	2422.020 Underground Fiber Optic Cable	353,057	-	-	353,057	353,057	0	353,057
30	2423.000 Buried Cable	19,487,618	(309,922)	(1,965,338)	17,212,358	17,559,597	37,317	17,249,675
31	2423.002 Buried Cable	706,419	-	-	706,419	709,785	3,366	709,785
32	2423.020 Buried Fiber Optic Cable	54,866,666	(67,775)	7,700,354	62,499,245	62,514,778	(52,242)	62,447,003
33	2423.022 Buried Fiber Optic Cable	346,817	-	-	346,817	346,817	0	346,817
34	2423.100 Buried Cable Drops	4,000,812	-	(631,583)	3,369,229	3,422,523	53,294	3,422,523
35	2423.102 Buried Cable Drops	107,400	-	-	107,400	107,613	213	107,613
36	2423.200 Buried Fiber Optic Drops	8,705,678	-	2,820,017	11,525,695	11,590,972	65,277	11,590,972
37	2423.202 Buried Fiber Optic Drops	5,295	-	-	5,295	6,399	1,104	6,399
38	2423.000 Arial Wire	862	-	-	862	862	(0)	862
39	2441.000 Conduit Systems	1,373,477	-	-	1,373,477	1,373,477	0	1,373,477
40	2441.002 Conduit Systems	558	-	-	558	558	(0)	558
41	Total Cable & Wire Facilities	90,103,809	(377,697)	7,923,450	97,649,562	98,131,736	104,477	97,754,039
42	2690.000 Intangibles	7,354	-	-	7,354	7,354	0	7,354
43	Total Regulated Plant	\$ 128,387,953	\$ (5,252,225)	\$10,019,945	\$ 133,155,673	\$ 138,096,725	\$ (311,173)	\$ 132,844,500

Sources: Craw-Kan Telephone Cooperative, Inc.'s Application, Section 4
Craw-Kan Telephone Cooperative, Inc.'s Response to Staff Data Request No. 63, Updated Trial Balance

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to Accumulated Depreciation (Acct. 3100)	<u>\$ (3,941,678)</u>	0.646930	<u>\$ (2,549,990)</u>

Line No.	Account	Description	(A) Staff Adjustment to Accum. Depr.	(B) Staff Regulated %	(C) Staff Regulated Accum. Depr.	(D) Kansas Jurisdictional Allocation	(E) Staff Adjustment Regulated Kansas
General Support Assets							
2	3211.000	Land	-	0.00%	-	82.83%	-
3	3211.200	Motor Vehicles	111,905	71.45%	79,956	82.83%	66,228
4	3211.600	Other Work EQ	(0)	71.45%	(0)	82.83%	(0)
5	3211.700	Other Work EQ - Tools	743	71.45%	531	82.83%	440
6	3212.100	Buildings	217,113	72.65%	157,732	82.83%	130,650
7	3212.102	Buildings	0	72.65%	0	82.83%	0
8	3212.200	Furniture	(9,990)	72.65%	(7,258)	82.83%	(6,012)
9	3212.300	Office EQ	0	72.65%	0	82.83%	0
10	3212.310	Office EQ - Support	(0)	72.65%	(0)	82.83%	(0)
11	3212.320	Office EQ - Co Tel System	(0)	72.65%	(0)	82.83%	(0)
12	3212.400	General Purpose Computers	16,052	71.45%	11,469	82.83%	9,500
13	3212.410	General Purpose Computers - Software	88,422	71.45%	63,178	82.83%	52,330
14		Total General Support Facilities	<u>\$ 424,245</u>		<u>\$ 305,609</u>		<u>\$ 253,136</u>
Central Office Equipment							
15	3221.100	Digital Electronic Switching	321,614	100%	321,614	82.83%	266,393
16	3221.200	Digital Switching - Soft Switch	(74,187)	100%	(74,187)	82.83%	(61,449)
17	3223.200	Circuit EQ - Subscriber Carrier	(0)	100%	(0)	82.83%	(0)
18	3223.210	Circuit EQ - Toll Carrier	1	100%	1	82.83%	1
19	3223.220	Circuit EQ - Fiber Optic Term	10,159	100%	10,159	82.83%	8,415
20	3223.230	Circuit EQ - Digital Sub Carrier	(0)	100%	(0)	82.83%	(0)
21	3223.232	Circuit EQ - Digital Sub Carrier	1,256	0%	-	82.83%	-
22	3223.240	Circuit EQ - DSL	406,310	100%	406,310	82.83%	336,546
23	3223.242	Circuit EQ - DSL	0	0%	-	82.83%	-
24	3223.250	Circuit EQ - FTTH	627,548	100%	627,548	82.83%	519,798
25		Total Central Office Transmission	<u>\$ 1,292,700</u>		<u>\$ 1,291,444</u>		<u>\$ 1,069,703</u>
Cable & Wire Facilities Assets							
26	3241.100	Poles	(0)	100%	(0)	82.83%	(0)
27	3242.100	Arial Cable	0	100%	0	82.83%	0
28	3242.110	Arial Cable Drops	0	100%	0	82.83%	0
29	3242.200	Underground Cable	(3,852)	100%	(3,852)	82.83%	(3,191)
30	3242.220	Underground Fiber Optic Cable	14,245	100%	14,245	82.83%	11,799
31	3242.300	Buried Cable	49,425	100%	49,425	82.83%	40,938
32	3242.302	Buried Cable	21,224	0%	-	82.83%	-
33	3242.310	Buried Fiber Optic Cable	58,049	100%	58,049	82.83%	48,082
34	3242.312	Buried Fiber Optic Cable	3,220	0%	-	82.83%	-
35	3242.320	Buried Cable Drops	2,588,393	100%	2,588,393	82.83%	2,143,966
36	3242.322	Buried Cable Drops	10,403	0%	-	82.83%	-
37	3242.330	Buried Fiber Optic Drops	455,445	100%	455,445	82.83%	377,245
38	3242.332	Buried Fiber Optic Drops	173	0%	-	82.83%	-
39	3243.100	Arial Wire	(0)	100%	(0)	82.83%	(0)
40	3244.100	Conduit Systems	0	100%	0	82.83%	0
41	3244.102	Conduit Systems	27	0%	-	82.83%	-
42		Total Cable & Wire Facilities Assets	<u>\$ 3,196,753</u>		<u>\$ 3,161,705</u>		<u>\$ 2,618,840</u>
43		Intangibles	-	100%	-	82.83%	-
44		Total Accumulated Depreciation	<u>\$ 4,913,697</u>		<u>\$ 4,758,757</u>		<u>\$ 3,941,678</u>

Sources: Craw-Kan Telephone Cooperative, Inc.'s Application, Section 5
Craw-Kan Telephone Cooperative, Inc.'s Response to Staff Data Request No. 63, Updated Trial Balance
Exhibit KLF-2a

			(A)	(B)	(C)	(D)	(E)	(F)	(G)
			Company	Company	Company	Company	Trial Balance as	Staff Adjustment	Staff Adjusted
Line			Book Balance	Cost	Normalizing	Normalized	of September 30,	to Accum.	Accum.
No.	Account	Description	Per	Study	Adjustments	Balance	2021	Depr.	Depr.
			Application	Adjustments					
						(a) + (b) + (c)		(e) - [(a) + (c)]	(d) + (f)
		General Support Assets							
1	3211.000	Land	-	-	-	-		-	-
2	3211.200	Motor Vehicles	2,327,688	(935,365)	-	1,392,323	2,439,593	111,905	1,504,228
3	3211.600	Other Work EQ	1,450,099	(582,712)	-	867,387	1,450,099	(0)	867,387
4	3211.700	Other Work EQ - Tools	713,551	(286,735)	-	426,816	714,294	743	427,559
5	3212.100	Buildings	4,885,967	(1,893,364)	-	2,992,603	5,103,080	217,113	3,209,716
6	3212.102	Buildings	6,563	(2,543)	-	4,020	6,563	0	4,020
7	3212.200	Furniture	212,780	(82,434)	-	130,346	202,790	(9,990)	120,356
8	3212.300	Office EQ	10,996	(4,260)	-	6,736	10,996	0	6,736
9	3212.310	Office EQ - Support	15,503	(6,006)	-	9,497	15,503	(0)	9,497
10	3212.320	Office EQ - Co Tel System	119,905	(46,452)	-	73,453	119,905	(0)	73,453
11	3212.400	General Purpose Computers	548,918	(220,578)	-	328,340	564,970	16,052	344,392
12	3212.410	General Purpose Computers - Software	372,266	(149,592)	-	222,674	460,688	88,422	311,096
13		Total General Support Facilities	10,664,236	(4,210,041)	-	6,454,195	11,088,481	424,245	6,878,440
		Central Office Equipment							
14	3221.100	Digital Electronic Switching	53,364	(21,302)	(277,953)	(245,891)	97,025	321,614	75,723
15	3221.200	Digital Switching - Soft Switch	3,807,594	(2,913,119)	-	894,475	3,733,407	(74,187)	820,288
16	3223.200	Circuit EQ - Subscriber Carrier	20,541	-	-	20,541	20,541	(0)	20,541
17	3223.210	Circuit EQ - Toll Carrier	1,293,130	-	(41,918)	1,251,212	1,251,213	1	1,251,213
18	3223.220	Circuit EQ - Fiber Optic Term	3,266,347	-	(165,018)	3,101,329	3,111,488	10,159	3,111,488
19	3223.230	Circuit EQ - Digital Sub Carrier	2,461,212	2,913,119	(132,777)	5,241,554	2,328,435	(0)	5,241,554
20	3223.232	Circuit EQ - Digital Sub Carrier	45,183	-	-	45,183	46,439	1,256	46,439
21	3223.240	Circuit EQ - DSL	10,374,280	-	(416,024)	9,958,256	10,364,566	406,310	10,364,566
22	3223.242	Circuit EQ - DSL	10,328	-	-	10,328	10,328	0	10,328
23	3223.250	Circuit EQ - FTTH	4,260,326	-	-	4,260,326	4,887,874	627,548	4,887,874
24		Total Central Office Equipment	25,592,305	(21,302)	(1,033,690)	24,537,313	25,851,315	1,292,700	25,830,013
		Cable & Wire Facilities Assets							
25	3241.100	Poles	31,609	-	-	31,609	31,609	(0)	31,609
26	3242.100	Arial Cable	66,568	-	-	66,568	66,568	0	66,568
27	3242.110	Arial Cable Drops	19,920	-	-	19,920	19,920	0	19,920
28	3242.200	Underground Cable	31,053	-	-	31,053	27,201	(3,852)	27,201
29	3242.220	Underground Fiber Optic Cable	317,839	-	-	317,839	332,084	14,245	332,084
30	3242.300	Buried Cable	19,487,618	(309,922)	(1,977,446)	17,200,250	17,559,597	49,425	17,249,675
31	3242.302	Buried Cable	688,342	-	-	688,342	709,566	21,224	709,566
32	3242.310	Buried Fiber Optic Cable	4,000,812	-	(689,425)	3,311,387	3,369,436	58,049	3,369,436
33	3242.312	Buried Fiber Optic Cable	67,278	-	-	67,278	70,498	3,220	70,498
34	3242.320	Buried Cable Drops	31,945,497	(7,699)	(3,718)	31,934,080	34,530,172	2,588,393	34,522,473
35	3242.322	Buried Cable Drops	128,815	-	-	128,815	139,218	10,403	139,218
36	3242.330	Buried Fiber Optic Drops	1,273,211	-	-	1,273,211	1,728,656	455,445	1,728,656
37	3242.332	Buried Fiber Optic Drops	1,271	-	-	1,271	1,444	173	1,444
38	3243.100	Arial Wire	862	-	-	862	862	(0)	862
39	3244.100	Conduit Systems	1,373,477	-	-	1,373,477	1,373,477	0	1,373,477
40	3244.102	Conduit Systems	462	-	-	462	489	27	489
41		Total Cable & Wire Facilities Assets	59,434,634	(317,621)	(2,670,589)	56,446,424	59,960,798	3,196,753	59,643,177
42	3690	Intangibles	-	-	-	-	-	-	-
43		Total Accumulated Depreciation	\$ 95,691,175	\$ (4,548,964)	\$ (3,704,279)	\$ 87,437,932	\$ 96,900,593	\$ 4,913,697	\$ 92,351,629

Sources: Craw-Kan Telephone Cooperative, Inc.'s Application, Section 5
Craw-Kan Telephone Cooperative, Inc.'s Response to Staff Data Request No. 63, Updated Trial Balance

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to Materials & Supplies (Acct. 1220)	<u>\$ (7,641)</u>	0.730182	<u>\$ (5,579)</u>
		Year	Account Balance	Percent Increase/Decrease
2	Materials & Supplies Balance	2015	2,303,418	
3		2016	2,430,617	5.52%
4		2017	1,712,538	-29.54%
5		2018	2,313,355	35.08%
6		2019	1,657,329	-28.36%
7		2020	2,040,113	23.10%
8	5 Year Average		2,030,790	
9	Staff's Adjustment to Materials & Supplies		<u>\$ (9,323)</u>	
10	Staff Calculated Regulated Percentage		100%	
11	Staff's Calculated Regulated M&S Adjustment		<u>\$ (9,323)</u>	
12	Kansas Jurisdictional Factor		81.96%	
13	Staff's Adjustment to the Kansas Portion of Materials & Supplies		<u><u>\$ (7,641)</u></u>	

Sources Craw-Kan Telephone Cooperative, Inc.'s Annual Report as filed with the Kansas Corporation Commission
Craw-Kan Telephone Cooperative, Inc.'s Response to Staff Data Request No. 4 - Trial Balance
Craw-Kan Telephone Cooperative, Inc.'s Application, Section 8

Craw-Kan Telephone Cooperative, Inc.
Depreciation Expense
Income Statement Adjustment No. 13
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-4

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Staff Adjustment to Depreciation Expense (Acct. 6560)	<u>\$ (1,334,476)</u>	0.666627	<u>\$ (889,597)</u>
<u>Breakdown of Adjustment:</u>				
2	Staff normalized regulated depreciation expense		\$ 5,908,139	
3	Craw-Kan's depreciation expense pro forma	\$ 7,295,960		
4	Staff Income Statement Adjustment No. 1 (IS-1)	232,824		
5	Staff Income Statement Adjustment No. 3 (IS-3)	97,583		
6	Staff Income Statement Adjustment No. 4 (IS-4)	(234,269)		
7	Staff Income Statement Adjustment No. 5 (IS-5)	<u>(149,483)</u>		
8	Craw-Kan's Pro Forma Depreciation after Staff Adjustment		7,242,615	
9	Staff Adjustment to Depreciation Expense (Acct. 6560)		<u>\$ (1,334,476)</u>	

Sources: Craw-Kan Telephone Cooperative, Inc.'s Application, Section 9
Exhibit KLF-3a

Line No.	Plant FERC Account	(A) Plant Book Balance	(B) Cost Study Adjustment	(C) Normalizing Adjustment	(D) Staff Adjustment	(E) Staff Adjusted Gross Plant	(F) Acc. Dep. Book Balance	(G) Cost Study Adjustment	(H) Normalizing Adjustment	(I) Staff Adjustment	(J) Staff Adjusted Acc. Dep.	(K) Staff Adjusted Net Book	(L) Depreciation Rate	(M) Annual Depreciation	(N) Annualized Depreciation ⁽¹⁾	(O) Staff's Regulated Percentage	(P) Staff's Regulated Depreciation	(Q) Kansas Jurisdictional Allocation	(R) Staff's Kansas Regulated Depreciation
See exhibit KLF-1a					(a) + (b) + (c) + (d)					See exhibit KLF-2a					(e) * (f)				
1	2111.000 Land	287,460	(111,366)	-	(0)	176,094	-	-	-	-	-	176,094	0.00%	-	-	72.65%	-	82.83%	-
2	2112.000 Motor Vehicles	2,374,182	(954,048)	-	65,411	1,485,545	(2,327,688)	935,365	-	(111,905)	(1,504,228)	-	26.27%	390,253	-	71.45%	-	82.83%	-
3	2116.000 Other Work EQ	1,450,099	(582,712)	-	(0)	867,387	(1,450,099)	582,712	-	0	(867,387)	-	23.98%	207,999	-	71.45%	-	82.83%	-
4	2117.000 Other Work EQ - Tools	713,551	(286,735)	-	743	427,559	(713,551)	286,735	-	(743)	(427,559)	-	23.98%	102,529	-	71.45%	-	82.83%	-
5	2121.000 Buildings	5,421,274	(2,100,750)	387,223	14,488	3,722,235	(4,885,967)	1,893,364	-	(217,113)	(3,209,716)	512,519	5.02%	186,856	186,856	72.65%	135,751	82.83%	112,443
6	2121.002 Buildings	6,563	(2,543)	-	0	4,020	(6,563)	2,543	-	(0)	(4,020)	-	3.50%	141	-	72.65%	-	82.83%	-
7	2122.000 Furniture	212,780	(82,434)	-	(15,119)	115,227	(212,780)	82,434	-	9,990	(120,356)	-	15.57%	17,941	-	72.65%	-	82.83%	-
8	2123.000 Office EQ	10,996	(4,260)	-	0	6,736	(10,996)	4,260	-	(0)	(6,736)	-	18.10%	1,219	-	72.65%	-	82.83%	-
9	2123.100 Office EQ - Support	15,503	(6,006)	-	(0)	9,497	(15,503)	6,006	-	0	(9,497)	-	18.10%	1,719	-	72.65%	-	82.83%	-
10	2123.200 Office EQ - Co Tel System	119,905	(46,452)	-	(0)	73,453	(119,905)	46,452	-	0	(73,453)	-	18.10%	13,295	-	72.65%	-	82.83%	-
11	2124.000 General Purpose Computers	552,643	(222,076)	-	12,327	342,894	(548,918)	220,578	-	(16,052)	(344,392)	-	18.57%	63,675	-	71.45%	-	82.83%	-
12	2124.010 General Purpose Computers - Softwar	634,873	(255,119)	-	(0)	379,754	(372,266)	149,592	-	(88,422)	(311,096)	68,657	18.57%	70,520	68,657	71.45%	49,056	82.83%	40,633
13	Total General Support Facilities	11,799,829	(4,654,501)	387,223	77,849	7,610,400	(10,664,236)	4,210,041	-	(424,245)	(6,878,440)	757,270	-	1,056,147	255,514	-	164,807	-	153,075
14	2212.000 Digital Electronic Switching	3,821,375	(2,913,119)	(74,205)	(13,763)	820,288	(53,364)	21,302	277,953	(321,614)	(75,723)	744,564	11.58%	94,989	94,989	100%	94,989	100%	94,989
15	2212.100 Digital Switching - Soft Switch	502,721	(220,027)	-	0	282,694	(3,807,594)	2,913,119	-	74,187	(820,288)	-	11.58%	32,736	-	100%	-	100%	-
16	2232.000 Circuit EQ - Subscriber Carrier	20,541	-	-	(0)	20,541	(20,541)	-	-	0	(20,541)	-	16.00%	3,287	-	100%	-	100%	-
17	2232.100 Circuit EQ - Toll Carrier	1,293,130	-	(41,918)	1	1,251,213	(1,293,130)	-	41,918	(1)	(1,251,213)	-	16.00%	200,194	-	100%	-	100%	-
18	2232.200 Circuit EQ - Fiber Optic Term	3,266,347	-	(154,859)	(0)	3,111,488	(3,266,347)	-	165,018	(10,159)	(3,111,488)	-	16.00%	497,838	-	100%	-	100%	-
19	2232.300 Circuit EQ - Digital Sub Carrier	2,461,212	2,913,119	(132,777)	(0)	5,241,554	(2,461,212)	(2,913,119)	132,777	0	(5,241,554)	-	16.00%	838,649	-	100%	-	100%	-
20	2232.302 Circuit EQ - Digital Sub Carrier	45,183	-	-	1,256	46,439	(45,183)	-	-	(1,256)	(46,439)	-	16.00%	7,430	-	0%	-	100%	-
21	2232.400 Circuit EQ - DSL	10,374,280	-	1,233,865	(296,633)	11,311,512	(10,374,280)	-	416,024	(406,310)	(10,364,566)	946,947	16.00%	1,809,842	946,947	100%	946,947	100%	946,947
22	2232.402 Circuit EQ - DSL	10,328	-	-	0	10,328	(10,328)	-	-	(0)	(10,328)	-	16.00%	1,653	-	0%	-	100%	-
23	2232.500 Circuit EQ - FTTH	4,681,844	-	879,166	(184,360)	5,376,650	(4,260,326)	-	-	(627,548)	(4,887,874)	488,777	16.00%	860,264	488,777	100%	488,777	100%	488,777
24	Total Central Office Equipment	26,476,961	(220,027)	1,709,272	(493,499)	27,472,707	(25,592,305)	21,302	1,033,690	(1,292,700)	(25,830,013)	2,180,288	-	4,346,881	1,530,713	-	1,530,713	-	1,530,713
25	2411.000 Poles	31,609	-	-	(0)	31,609	(31,609)	-	-	0	(31,609)	-	15.81%	4,997	-	100%	-	100%	-
26	2421.000 Aerial Cable	66,568	-	-	0	66,568	(66,568)	-	-	(0)	(66,568)	-	17.58%	11,703	-	100%	-	100%	-
27	2421.100 Aerial Cable Drops	19,920	-	-	0	19,920	(19,920)	-	-	(0)	(19,920)	-	17.58%	3,502	-	100%	-	100%	-
28	2422.000 Underground Cable	31,053	-	-	(3,852)	27,201	(31,053)	-	-	3,852	(27,201)	-	5.38%	1,463	-	100%	-	100%	-
29	2422.020 Underground Fiber Optic Cable	353,057	-	-	0	353,057	(317,839)	-	-	(14,245)	(332,084)	20,973	5.38%	18,994	18,994	100%	18,994	100%	18,994
30	2423.000 Buried Cable	19,487,618	(309,922)	(1,965,338)	37,317	17,249,675	(19,487,618)	309,922	1,977,446	(49,425)	(17,249,675)	-	5.68%	979,782	-	100%	-	100%	-
31	2423.002 Buried Cable	706,419	-	-	3,366	709,785	(688,342)	-	-	(21,224)	(709,566)	219	4.00%	28,391	219	0%	-	100%	-
32	2423.020 Buried Fiber Optic Cable	54,866,666	(67,775)	7,700,354	(52,242)	62,447,003	(4,000,812)	-	689,425	(58,049)	(3,369,436)	59,077,567	5.68%	3,546,990	3,546,990	100%	3,546,990	100%	3,546,990
33	2423.022 Buried Fiber Optic Cable	346,817	-	-	0	346,817	(67,278)	-	-	(3,220)	(70,498)	276,319	4.00%	13,873	13,873	0%	-	100%	-
34	2423.100 Buried Cable Drops	4,000,812	-	(631,583)	53,294	3,422,523	(31,945,497)	7,699	3,718	(2,588,393)	(34,522,473)	-	5.68%	194,399	-	100%	-	100%	-
35	2423.102 Buried Cable Drops	107,400	-	-	213	107,613	(128,815)	-	-	(10,403)	(139,218)	-	4.00%	4,305	-	0%	-	100%	-
36	2423.200 Buried Fiber Optic Drops	8,705,678	-	2,820,017	65,277	11,590,972	(1,273,211)	-	-	(455,445)	(1,728,656)	9,862,316	5.68%	658,367	658,367	100%	658,367	100%	658,367
37	2423.202 Buried Fiber Optic Drops	5,295	-	-	1,104	6,399	(1,271)	-	-	(173)	(1,444)	4,954	5.68%	363	363	0%	-	100%	-
38	2423.000 Aerial Wire	862	-	-	(0)	862	(862)	-	-	0	(862)	-	20.00%	172	-	100%	-	100%	-
39	2441.000 Conduit Systems	1,373,477	-	-	0	1,373,477	(1,373,477)	-	-	(0)	(1,373,477)	-	6.48%	89,001	-	100%	-	100%	-
40	2441.002 Conduit Systems	558	-	-	(0)	558	(462)	-	-	(27)	(489)	69	6.48%	36	36	0%	-	100%	-
41	Total Cable & Wire Facilities	90,103,809	(377,697)	7,923,450	104,477	97,754,039	(59,434,634)	317,621	2,670,589	(3,196,753)	(59,643,177)	69,242,417	-	5,556,340	4,238,842	-	4,224,351	-	4,224,351
42	2690.000 Intangibles	7,354	-	-	0	7,354	-	-	-	-	-	7,354	0.00%	-	-	100%	-	100%	-
43	Total	\$ 128,387,953	\$ (5,252,225)	\$ 10,019,945	\$ (311,173)	\$ 132,844,500	\$ (95,691,175)	\$ 4,548,964	\$ 3,704,279	\$ (4,913,697)	\$ (92,351,629)	\$ 72,187,330	-	\$ 10,959,368	\$ 6,025,068	-	\$ 5,939,871	-	\$ 5,908,139

⁽¹⁾ The value in column (N) is limited to the lesser of col (K) or col (M). If negative, value was increased to zero.

Source: Craw-Kan Telephone Cooperative, Inc.'s Application, Sections 4 and 5
Exhibit KLF-1a
Exhibit KLF-2b

Craw-Kan Telephone Cooperative, Inc.
Payroll Expense Adjustment
Income Statement Adjustment No. 14
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-5

Line No.	Acct	Description	Staff Adjustment Pro Forma Wage & Distribution	Intrastate Separations	Intrastate Adjustment
		Plant Specific Operations Expense			
1	6110	Network Support Expense	-		-
2	6120	General Support Expense	(18,203)	0.666627	(12,135)
3	6210	Central Office Switching Expense	(20,238)	0.449447	(9,096)
4	6230	Central Office Transmission Expense	(45,765)	0.449447	(20,569)
5	6410	Cable and Wire Facilities Expense	167,598	0.730182	122,377
6		Total Plant Specific Operations Expense	<u>\$ 83,392</u>		<u>\$ 80,577</u>
		Plant Non-Specific Operations Expense			
7	6510	Other Plant Expense	-		-
8	6530	Network Operations Expense	(137,235)	0.666627	(91,484)
9	6540	Access Expense	-		-
10	6560	Depreciation & Amortization Expense	-		-
11		Total Plant Non-Specific Operations Expense	<u>\$ (137,235)</u>		<u>\$ (91,484)</u>
		Customer Operations Expense			
12	6610	Marketing Expense	(24,916)	0.581313	(14,484)
13	6620	Directory Expense	-		-
14	6623	Customer Services Expense	(84,641)	0.485003	(41,051)
15		Total Customer Operations Expense	<u>\$ (109,556)</u>		<u>\$ (55,535)</u>
		Corporate Operations Expense			
16	6710	Executive and Planning Expense	(28,430)	0.597021	(16,973)
17	6720	General and Administrative Expense	(8,327)	0.544959	(4,538)
18		Total Corporate Operations Expense	<u>\$ (36,757)</u>		<u>\$ (21,511)</u>
19		Total Staff Adjustment	<u><u>\$ (200,156)</u></u>		<u><u>\$ (87,953)</u></u>

Craw-Kan Telephone Cooperative, Inc.
Payroll Expense Adjustment Summary
Income Statement Adjustment No. 14
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-5a

		Non-Regulated and State Allocation									
Line No.	Acct	Description	Actual 2020 Test Year Wage & Distribution	% Actual 2020 Test Year Distribution	Staff Pro Forma Wage & Distribution	% Staff Pro Forma Distribution	Staff Adjustment Pro Forma Wage & Distribution	Staff Regulated Percentage	Subtotal Staff Adjustment Regulated	Kansas Jurisdictional Allocation	Staff Adjustment Regulated Kansas
1	6110	Plant Specific Operations Expense									
2	6121	Network Support Expense	-	0.00%	-	0.00%	-	100%	-	82.83%	-
3	6124	GSF- Land & Bldg Exp	679	0.01%	-	0.00%	(679)	72.65%	(493)	82.83%	(409)
4	6210	GSF - Computer Exp	351,594	3.33%	321,526	2.97%	(30,068)	71.45%	(21,483)	82.83%	(17,795)
5	6230	Central Office Switching Expense	324,300	3.07%	300,429	2.77%	(23,871)	100%	(23,871)	84.78%	(20,238)
6	6410	Central Office Transmission Expense	1,380,515	13.08%	1,327,399	12.25%	(53,116)	100%	(53,116)	86.16%	(45,765)
7		Cable and Wire Facilities Expense	2,050,776	19.44%	2,255,263	20.82%	204,487	100%	204,487	81.96%	167,598
		Total Plant Specific Operations Expense	\$ 4,107,863	38.93%	\$ 4,204,617	38.82%	\$ 96,753		\$ 105,523		\$ 83,392
8	6510	Plant Non-Specific Operations Expense									
9	6530	Other Plant Expense	-	0.00%	-	0.00%	-		-		-
10	6540	Network Operations Expense	919,297	8.71%	755,121	6.97%	(164,176)	100%	(164,176)	83.59%	(137,235)
11	6560	Access Expense	-	0.00%	-	0.00%	-		-		-
12		Depreciation & Amortization Expense	-	0.00%	-	0.00%	-		-		-
		Total Plant Non-Specific Operations Expense	\$ 919,297	8.71%	\$ 755,121	6.97%	\$ (164,176)		\$ (164,176)		\$ (137,235)
13	6610	Customer Oportions Expense									
14	6620	Marketing Expense	299,935	2.84%	269,649	2.49%	(30,285)	100%	(30,285)	82.27%	(24,916)
15	6622	Directory Expense	-	0.00%	-	0.00%	-		-		-
16	6623	Number Services Expense	-	0.00%	-	0.00%	-		-		-
17	6623.1	Service Order Processing	358,688	3.40%	240,529	2.22%	(118,159)	100%	(118,159)	82.27%	(97,210)
18	6623.2	End User Payment & Collections	82,105	0.78%	91,709	0.85%	9,604	100%	9,604	84.00%	8,067
19	6623.3	End User Billing Inquiry	30,452	0.29%	39,957	0.37%	9,505	100%	9,505	84.00%	7,984
20	6623.4	Rev Acct - CABS	5,257	0.05%	4,118	0.04%	(1,139)	100%	(1,139)	82.27%	(937)
21	6623.5	IXC Service Order Processing	-	0.00%	-	0.00%	-		-	82.27%	-
22	6623.6	IXC Payment & Collections	-	0.00%	-	0.00%	-		-	82.27%	-
23	6623.7	B&C Expense	2,932	0.03%	1,079	0.01%	(1,853)	100%	(1,853)	82.27%	(1,525)
24	6629	Toll Ticket Processing	1,550	0.01%	309	0.00%	(1,241)	100%	(1,241)	82.27%	(1,021)
25		Other B&C-KS-NR	27,349	0.26%	28,664	0.26%	1,315	100%	1,315	0%	-
		Total Customer Oportions Expense	\$ 808,267	7.66%	\$ 676,014	6.24%	\$ (132,254)		\$ (132,254)		\$ (109,556)
26	6710	Corporate Operations Expense									
27	6721	Executive and Board Expense	548,158	5.20%	514,045	4.75%	(34,113)	100%	(34,113)	83.34%	(28,430)
28	6722	Accounting/Finance Expense	606,133	5.74%	603,202	5.57%	(2,930)	100%	(2,930)	83.34%	(2,442)
29	6723	External Relations	-	0.00%	-	0.00%	-	100%	-	83.34%	-
30	6726	Human Resources	63,161	0.60%	58,718	0.54%	(4,443)	100%	(4,443)	83.34%	(3,703)
31	6728	Procurement	-	0.00%	-	0.00%	-	100%	-	83.34%	-
32		Other G&A Expense	19,609	0.19%	16,991	0.16%	(2,619)	100%	(2,619)	83.34%	(2,182)
		Total Corporate Operations Expense	\$ 1,237,061	11.72%	\$ 1,192,956	11.01%	\$ (44,105)		\$ (44,105)		\$ (36,757)
33		Total Regulated Expense	\$ 7,072,488	67.03%	\$ 6,828,707	63.04%	\$ (243,781)		\$ (235,011)		\$ (200,156)
34		Direct Non-Regulated Expense	1,903,283	18.04%	2,413,831	22.28%	510,548				
35		Direct Missouri/Oklahoma Expense	26,844	0.25%	27,961	0.26%	1,117				
36	2003	Telephone Plant Under Construction	1,548,463	14.68%	1,561,755	14.42%	13,292				
37		Total Salary: TPUC + Reg Expense + Non-Reg Expense	\$ 10,551,078	100.00%	\$ 10,832,255	100.00%	\$ 281,176				

Sources: Exhibits KLF-5b and KLF-5c

Exhibit KLF-5b
HAS BEEN
REDACTED

**Exhibit KLF-5C
HAS BEEN
REDACTED**

Craw-Kan Telephone Cooperative, Inc.
Employee Benefit and Payroll Tax Adjustment
Income Statement Adjustment No. 15
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-6

Line No.	Acct	Description	Staff Adjustment	Intrastate Separations	Intrastate Adjustment
		Plant Specific Operations Expense			
1	6110	Network Support Expense	-		-
2	6120	General Support Expense	(5,473)	0.666627	(3,648)
3	6210	Central Office Switching Expense	(5,798)	0.449447	(2,606)
4	6230	Central Office Transmission Expense	(9,336)	0.449447	(4,196)
5	6410	Cable and Wire Facilities Expense	74,330	0.730182	54,275
6		Total Plant Specific Operations Expense	<u>\$ 53,724</u>		<u>\$ 43,825</u>
		Plant Non-Specific Operations Expense			
7	6510	Other Plant Expense	-		-
8	6530	Network Operations Expense	(46,603)	0.666627	(31,067)
9	6540	Access Expense	-		-
10	6560	Depreciation & Amortization Expense	-		-
11		Total Plant Non-Specific Operations Expense	<u>\$ (46,603)</u>		<u>\$ (31,067)</u>
		Customer Operations Expense			
12	6610	Marketing Expense	(7,748)	0.581313	(4,504)
13	6620	Directory Expense	-		-
14	6623	Customer Services Expense	(29,250)	0.485003	(14,186)
15		Total Customer Operations Expense	<u>\$ (36,998)</u>		<u>\$ (18,690)</u>
		Corporate Operations Expense			
16	6710	Executive and Planning Expense	(7,675)	0.597021	(4,582)
17	6720	General and Administrative Expense	680	0.544959	371
18		Total Corporate Operations Expense	<u>\$ (6,995)</u>		<u>\$ (4,212)</u>
19		Total Staff Adjustment	<u><u>\$ (36,872)</u></u>		<u><u>\$ (10,144)</u></u>

Source: Exhibit KLF-6a

Craw-Kan Telephone Cooperative, Inc.
Employee Benefit Payroll Tax Expense Adjustment Distribution
Income Statement Adjustment No. 15
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-6a

Line No.	Acct	Description	Total Actual		% Staff Pro Forma Distribution	Total Staff Pro Forma Benefit & Payroll Tax	Staff Adjustment Benefit & Payroll Tax	Non-Regulated and State Allocation			Staff Adjustment Regulated Kansas
			% Actual 2020 Test Year Distribution	2020 Test Year Benefit & Payroll Tax				Staff Regulated Percentage	Subtotal Staff Adjustment Regulated	Kansas Jurisdictional Allocation	
1	6110	Plant Specific Operations Expense	0.00%	-	0.00%	-	-	-	-	-	-
2	6121	Network Support Expense	0.01%	251	0.00%	-	(251)	72.65%	(183)	82.83%	(151)
3	6124	GSF- Land & Bldg Exp	3.33%	130,149	2.97%	121,157	(8,992)	71.45%	(6,425)	82.83%	(5,322)
4	6210	GSF - Computer Exp	3.07%	120,046	2.77%	113,207	(6,838)	100%	(6,838)	84.78%	(5,798)
5	6230	Central Office Switching Expense	13.08%	511,024	12.25%	500,188	(10,835)	100%	(10,835)	86.16%	(9,336)
6	6410	Central Office Transmission Expense	19.44%	759,133	20.82%	849,824	90,691	100%	90,691	81.96%	74,330
7		Cable and Wire Facilities Expense	38.93%	\$ 1,520,603	38.82%	\$ 1,584,376	\$ 63,774		\$ 66,410		\$ 53,724
8		Total Plant Specific Operations Expense									
8	6510	Plant Non-Specific Operations Expense	0.00%	-	0.00%	-	-	-	-	-	-
9	6530	Other Plant Expense	8.71%	340,295	6.97%	284,543	(55,752)	100%	(55,752)	83.59%	(46,603)
10	6540	Network Operations Expense	0.00%	-	0.00%	-	-	-	-	-	-
11	6560	Access Expense	0.00%	-	0.00%	-	-	-	-	-	-
12		Depreciation & Amortization Expense	8.71%	\$ 340,295	6.97%	\$ 284,543	\$ (55,752)		\$ (55,752)		\$ (46,603)
12		Total Plant Non-Specific Operations Expense									
13	6610	Customer Operations Expense	2.84%	111,026	2.49%	101,609	(9,418)	100%	(9,418)	82.27%	(7,748)
14	6620	Marketing Expense	0.00%	-	0.00%	-	-	100%	-	-	-
15	6622	Directory Expense	0.00%	-	0.00%	-	-	100%	-	-	-
16	6623	Number Services Expense	3.40%	132,775	2.22%	90,636	(42,139)	100%	(42,139)	82.27%	(34,668)
17	6623.1	Service Order Processing	0.78%	30,393	0.85%	34,557	4,165	100%	4,165	84.00%	3,498
18	6623.2	End User Payment & Collections	0.29%	11,273	0.37%	15,057	3,784	100%	3,784	84.00%	3,179
19	6623.3	End User Billing Inquiry	0.05%	1,946	0.04%	1,552	(394)	100%	(394)	82.27%	(324)
20	6623.4	Rev Acct - CABS	0.00%	-	0.00%	-	-	100%	-	-	-
21	6623.5	IXC Service Order Processing	0.00%	-	0.00%	-	-	100%	-	-	-
22	6623.6	IXC Payment & Collections	0.03%	1,085	0.01%	406	(679)	100%	(679)	82.27%	(558)
23	6623.7	B&C Expense	0.01%	574	0.00%	117	(457)	100%	(457)	82.27%	(376)
24	6629	Toll Ticket Processing	0.26%	10,124	0.26%	10,801	677	100%	677	0%	-
25		Other B&C-KS-NR	7.66%	\$ 299,195	6.24%	\$ 254,734	\$ (44,461)		\$ (44,461)		\$ (36,998)
25		Total Customer Operations Expense									
26	6710	Corporate Operations Expense	5.20%	202,911	4.75%	193,702	(9,209)	100%	(9,209)	83.34%	(7,675)
27	6721	Executive and Board Expense	5.74%	224,371	5.57%	227,298	2,926	100%	2,926	83.34%	2,439
28	6722	Accounting/Finance Expense	0.00%	-	0.00%	-	-	100%	-	83.34%	-
29	6723	External Relations	0.60%	23,380	0.54%	22,126	(1,254)	100%	(1,254)	83.34%	(1,045)
30	6726	Human Resources	0.00%	-	0.00%	-	-	100%	-	83.34%	-
31	6720	Procurement	0.19%	7,259	0.16%	6,402	(856)	100%	(856)	83.34%	(714)
32		Other G&A Expense	11.72%	\$ 457,921	11.01%	\$ 449,528	\$ (8,394)		\$ (8,394)		\$ (6,995)
32		Total Corporate Operations Expense									
33		Total Regulated Expense	67.03%	\$ 2,618,014	63.04%	\$ 2,573,182	\$ (44,832)		\$ (42,196)		\$ (36,872)
34		Direct Non-Regulated Expense	18.04%	704,536	22.28%	909,576	205,040				
35		Direct Missouri/Oklahoma Expense	0.25%	9,937	0.26%	10,536	600				
36	2003	Telephone Plant Under Construction	14.68%	573,193	14.42%	588,498	15,305				
37		Total: TPUC + Reg Expense + Non-Reg Expense	100.00%	\$ 3,905,679	100.00%	\$ 4,081,791	\$ 176,112				

Source: Exhibit KLF-6b

Craw-Kan Telephone Cooperative, Inc.
Employee Benefit Payroll Tax Expense Summary
Income Statement Adjustment No. 15
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-6b

Line No.	Description	Amount
	Actual Test Year Benefit and Payroll Tax Expense:	
1	Employee Benefit Expense	3,181,519
2	Employor's Payroll Tax Expense	<u>724,161</u>
3	Total Benefit and Payroll Tax Expense	\$ 3,905,679
	Staff Pro Forma Adjustment Benefit and Payroll Tax Expense:	
4	Employee Benefit Expense	3,327,728
5	Employor's Payroll Tax Expense	<u>754,063</u>
6	Total Benefit and Payroll Tax Expense	\$ 4,081,791
7	Total Staff Adjustment Benefit and Payroll Tax Expense	<u>\$ 176,112</u>

Sources: Exhibits KLF-6c and KLF-6d

**Exhibit KLF-6C
HAS BEEN
REDACTED**

Craw-Kan Telephone Cooperative, Inc.
Payroll Tax Expense Adjustment
Income Statement Adjustment No. 15
Test Year Ending December 31, 2020

Docket No. 22-CRKT-087-KSF
Exhibit KLF-6d

Line No.	Description	Amount
1	2020 Test Year Wages	10,551,078
2	Less wages over 137,700 2020 FICA limit	(1,338,661)
3	Test Year Wages subject to FICA	<u>\$ 9,212,417</u>
4	Test Year FICA Tax - Employers Share (6.2%)	571,170
5	Test Year Medicare Tax - Employers Share (1.45%)	152,991
6	Total Test Year FICA + Medicare Tax	<u>\$ 724,161</u>
7	Staff's Pro Forma Wages	10,832,255
8	Less wages over 142,800 2021 FICA limit	(1,203,299)
9	Pro Forma Wages subject to FICA	<u>\$ 9,628,956</u>
10	Pro Forma FICA Tax - Employers Share (6.2%)	596,995
11	Pro Forma Medicare Tax - Employers Share (1.45%)	157,068
12	Total Pro Forma FICA + Medicare Tax	<u>\$ 754,063</u>
13	Total Staff Adjustment - Employee Benefit & Payroll Tax	<u>\$ 29,902</u>

Sources: Exhibits KLF-5a and KLF-5c

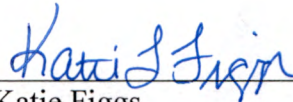
Exhibit KLF-7
HAS BEEN
REDACTED

Exhibit KLF-7a
HAS BEEN
REDACTED

STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

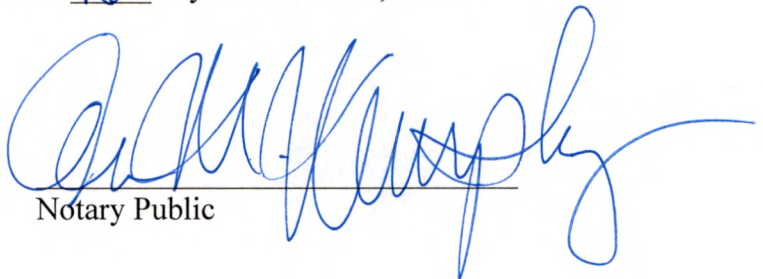
VERIFICATION

Katie Figgs, being duly sworn upon her oath deposes and states that she is a Managing Auditor for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that she 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 her knowledge, information and belief.



Katie Figgs
Managing Auditor
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 16 day of December, 2021.



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

22-CRKT-087-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing testimony was electronically mailed this 15th day of December, 2021, to the following:

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