

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application and Request )  
of Cunningham Telephone Company, Inc. ) Docket No. 25-CNHT- 185 -KSF  
for an Increase in its Cost-Based Kansas )  
Universal Service Fund Support. )

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

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

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

2. Cunningham’s principal place of business is at 220 W. Main St., PO Box 108, Glen Elder, KS 67446.

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

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

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

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

6. The test year to be used in the evaluation of this application is the year ending December 31, 2023.

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

Respectfully submitted,

JAMISON LAW, LLC

*Colleen R. Jamison*

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**VERIFICATION**

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am an attorney for Cunningham Telephone Company, Inc. and that the foregoing is true and correct. Executed on October 11, 2024.

*Colleen R. Jamison*

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Colleen R. Jamison

## **SECTION 1**

COLLEEN R. JAMISON  
JAMISON LAW, LLC

September 11, 2024

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

RE: Cunningham Telephone Company, Inc.  
Request for increase in cost-based KUSF support

Dear Ms. Retz:

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

If you have any questions, please let me know.

Sincerely,

JAMISON LAW, LLC

*Colleen R. Jamison*

Colleen R. Jamison

cc: Brent Cunningham  
Brad Adams

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

2 A. My name is Brent Cunningham. My business address is 220 West Main St., Glen Elder,  
3 KS 67446.

4  
5 **Q. Please identify your employer and your position with the company.**

6 A. I am employed as General Manager of the Cunningham Telephone Company, Inc.  
7 (“Cunningham”)

8  
9 **Q. Briefly describe your educational background and work experience.**

10 A. I have been employed by Cunningham as General Manager since July of 2008.  
11 I have an Electrical Engineering degree specializing in Communications with a minor in  
12 Business Management Concepts from Kansas State University. Prior to the General  
13 Manager position, I held various technical positions at Cunningham for approximately 15  
14 years.

15  
16 **Q. Please begin with a discussion of Cunningham's corporate structure.**

17 A. Cunningham Telephone provides local exchange telecommunication service, as the  
18 carrier of last resort, to a rural study area in Kansas. Cunningham Telephone is the sister  
19 company of Cunningham Communications, which provides non-regulated services. Both  
20 Cunningham Telephone and Cunningham Communications are wholly-owned  
21 subsidiaries of Cunningham Management.

22  
23 **Q. What is the purpose of your direct testimony?**

1    **A.**    I am providing this direct testimony in support of Cunningham’s request for supplemental  
2           support from the Kansas Universal Service Fund (KUSF). While Cunningham has  
3           retained the consulting firm of TCA, Inc. to calculate its KUSF shortfall – which is  
4           supported by the direct testimony of Stacey Brigham - I have been informed that the  
5           Commission also requires an official company representative to file direct testimony and  
6           to be available as a witness at the evidentiary hearing during KUSF proceedings.  
7           Specifically, the Commission typically requires that the company representative be  
8           authorized to speak on behalf of the company and be able to discuss the company’s  
9           corporate structure, cost allocation procedures, affiliate practices and transactions, and  
10          specific company operations and policies. As the General Manager of Cunningham, I  
11          will offer the testimony the Commission desires, and I will be available at the evidentiary  
12          hearing, if the parties feel my participation is necessary.

13

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

15    **A.**    Yes it does.

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am the General Manager for Cunningham Telephone Company, Inc. and that the foregoing is true and correct. Executed on October 11, 2024.

/s/ Brent Cunningham  
Brent Cunningham

1

2



1 **Introduction**

2 **Q. What is your name?**

3 A. My name is Stacey Brigham.

4  
5 **Q. By whom are you employed and in what capacity?**

6 A. I am the Regulatory Director of TCA, Inc - Telcom Consulting Associates (“TCA”) at  
7 526 Chapel Hills Drive, Suite 100, Colorado Springs, CO 80920. My principal role is  
8 directing the TCA Regulatory Team, which advocates for and analyzes and interprets  
9 federal and state regulatory actions on behalf of our clients. TCA provides financial,  
10 regulatory, marketing, and management consulting services to small and mid-size  
11 carriers throughout the United States.

12  
13 **Q. Briefly describe your educational background and work experience.**

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

1 FCC rules contained in Part 32 (Uniform System of Accounts), Part 64 (Subpart I,  
2 Allocation of Costs), and Part 36 (Jurisdictional Separations Procedures).

3

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

6

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

8 A. I am presenting testimony on behalf of Cunningham Telephone Company, Inc.  
9 (“Cunningham”), supporting its application for additional funding from the Kansas  
10 Universal Service Fund (“KUSF”). On July 12, 2024, Cunningham filed notice with  
11 the Commission indicating that it would be filing an application requesting a review  
12 of its embedded costs, revenue requirement, investments and expenses to allow the  
13 Commission to determine the increase necessary in its cost-based KUSF support to  
14 enable Cunningham to continue to provide sufficient and efficient service to its end  
15 user customers.

16

17 **Summary**

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

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

23

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

3 A. Yes, they were.  
4

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

7 A. The schedules in Cunningham's application reflect an intrastate revenue deficiency of  
8 \$1,050,573. Cunningham requests the Commission issue an order increasing its  
9 KUSF draw by this amount.  
10

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

14 A. Cunningham is a rate-of-return regulated LEC in both the federal and state  
15 jurisdictions. Accordingly, Cunningham follows FCC rules guiding the  
16 measurement, gathering, and allocation of the costs necessary to provide regulated  
17 telecommunications services. The Commission has historically required its  
18 jurisdictional LECs to follow the FCC rules. Therefore, Cunningham has prepared  
19 this application using the FCC rules contained in Part 32 (Uniform System of  
20 Accounts), Part 64 (Subpart I, Allocation of Costs), and Part 36 (Jurisdictional  
21 Separations Procedures).  
22

1 **Q. Please describe the Part 36 jurisdictional separations study process Cunningham**  
2 **used in this application.**

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

11  
12 **Q. Do you propose to reflect updated separations factors once Staff's review is**  
13 **complete?**

14 A. No, I do not. Based on previous audits and Staff testimony related thereto,  
15 Cunningham agrees that updating allocation factors is not necessary.

16  
17 **Q. What is the next step once the Part 36 separations study is complete?**

18 A. The amounts shown throughout Cunningham's application as "test year unadjusted"  
19 or "cost study" amounts are 2023 book amounts applied to the 2023 Part 36 study  
20 included in the application. Already embedded in these numbers are adjustments  
21 made in compliance with Part 32 and Part 64 rules, and other National Exchange  
22 Carrier Association ("NECA") guidelines. As a result, Cunningham has presented

1 Schedules that begin with book amounts, and then add or subtract 2023 cost study  
2 adjustments to arrive at the cost study balance.

3

4 **Q. Please describe the remaining steps to determine Cunningham's adjusted**  
5 **intrastate revenue requirement.**

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

10

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

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

15

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

17 A. Section 4 contains information required by K.A.R. 82-1-231 relating to plant  
18 investments. Schedule 1 is the summary of rate base, and Schedule 2 shows total  
19 company plant investment by primary account for the years 2020-2023.

20

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

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

1

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

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

6

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

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

11

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

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

15

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

17 A. Section 9 contains the test year and normalized income statement and related  
18 information. Schedule 1 contains the summary information, and Schedule 2 contains  
19 a summary of the test year revenue and expense adjustments. Finally, the test year  
20 adjustments are further supported by workpapers IS1 through IS4.

21

22 **Q. Does the information contained in Section 10 comply with K.A.R. 82-1-**  
23 **231(c)(4)(J)?**

1 A. Yes. Cunningham’s test year and normalized depreciation expense is reflected by  
2 primary plant account classification.

3

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

5 A. Yes. Section 11 contains the required information regarding taxes chargeable to  
6 operations.

7

8 **Q. Please describe the information Cunningham has included in Section 12.**

9 A. K.A.R. 82-1-231(c)(4)(L) asks for information regarding the ratios used for the  
10 allocations of amounts between jurisdictions and areas of operations. K.A.R. 82-1-  
11 231(c)(4)(L) “Section 12: allocation ratios” states in full:

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

19

20 Cunningham has provided its cost allocation procedures in Section 12, addressing the  
21 issues brought up in K.A.R. 82-1-231(c)(4)(L). Specifically, Cunningham provides a  
22 narrative of its 1) lines of business, 2) time reporting and allocation procedures, and  
23 3) cost allocation procedures. Section 12 also contains a summary of Cunningham’s  
24 Part 36 jurisdictional allocation ratios for the 2023 interstate cost study.

25

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

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

4 **Rate Base Adjustments**

5 **Q. Has Cunningham made any adjustments to Rate Base?**

6 A. Yes, it has. Cunningham's RB1 includes estimated work order closures that are  
7 expected to be in service prior to Staff's on-site visit.  
8

9 **Income Statement Adjustments**

10 **Q. Please explain Cunningham's Adjustment IS1.**

11 A. Cunningham's Adjustment IS1 recognizes the most recent "known and measurable"  
12 level of ongoing High-Cost Loop Support ("HCLS").  
13

14 **Q. Please explain Cunningham's Adjustment IS2.**

15 A. Cunningham's Adjustment IS2 recognizes the Year 28 KUSF revenues for  
16 Cunningham as calculated in the testimony of Steve Garrett. <sup>1</sup>  
17

18 **Q. Please continue with a discussion of Adjustment IS3.**

19 A. Cunningham's Adjustment IS3 normalizes depreciation expense based on adjusted  
20 plant balances. This adjustment is necessary in order to reflect the level of  
21 depreciation expense Cunningham can expect to incur on a going-forward basis. The

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<sup>1</sup> See Notice of Filing of Staff's Report and Recommendation Regarding KUSF Proration Effective June 1, 2024 in KCC Docket No. 24-GIMT-229-GIT (June 3, 2024).



1 net change to depreciation expense also recognizes decreases related to the net  
2 balance in specific accounts. In other words, if a particular plant account was  
3 anticipated to become fully depreciated, Cunningham accordingly reduced the test  
4 year pro forma depreciation expense.

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

7 A. Adjustment IS4 increases test year expenses to reflect an estimated amount of  
8 expense Cunningham will incur as a result of this proceeding. The total estimated  
9 expense is amortized over a 5-year period, consistent with what the Commission has  
10 granted in prior KUSF rate cases. As usual, this amount must be updated and  
11 adjusted as this proceeding nears completion. Some significant adjustments of this  
12 estimated amount may become necessary when it is determined whether this  
13 application is resolved by agreement or pursuant to contested evidentiary hearing.  
14 Also, Cunningham has not included in this estimate the cost of a return on equity  
15 rebuttal witness, which, if necessary, could add substantially to Cunningham's total  
16 cost related to this proceeding.

17

18 **Cost of Capital**

19 **Q. What authorized RoR has Cunningham proposed in its KUSF filing?**

20 A. Cunningham has used the federal authorized RoR effective July 1, 2021 of 9.75% in  
21 calculating its Kansas jurisdictional revenue requirement.<sup>2</sup>

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<sup>2</sup> See Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, FCC 16-33, para. 326 (2016) (“*Rate-of-Return Reform Order*”).

1

2 **Q. Has Cunningham provided any additional information related to its capital**  
3 **structure?**

4 A. No.

5

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

7 A. Yes, many states have chosen to use the RoR authorized by the FCC in state high-cost  
8 fund proceedings. For example, the Nebraska, Utah and Wyoming commissions have  
9 used the FCC's authorized RoR for years.

10

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

12 A. Yes, it does.

13

1

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am a consultant for Cunningham Telephone Company, Inc. and that the foregoing is true and correct. Executed on October 11, 2024.

/s/Stacey Brigham  
Stacey Brigham

### **SECTION 3**

**Cunningham Telephone Company**  
**Dkt No.**  
**Computation of Earnings**  
**YE 12/31/2023**

**Section 3**  
**Schedule 1**

		(A)	(B)
	Source	Total Company	Total State
(1) Rate Base	Section 4	\$ 3,155,007	\$ 2,212,586
(2) Rate of Return	Section 7	9.75%	9.75%
(3) Allowable Return	(1) x (2)	307,613	215,727
(4) Operating Income	Section 9	(941,229)	(834,845)
(5) Deficiency (Excess)	(3) - (4)	1,248,842	1,050,573
(6) Net to Gross Multiplier	N/A	1.000000	1.000000
(7) Revenue Deficiency (Excess)	(5) x (6)	1,248,842	1,050,573
<b>Realized return on rate base</b>	<b>(4) / (1)</b>	<b>-29.83%</b>	<b>-37.73%</b>

## **SECTION 4**

Cunningham Telephone Company  
Dkt No.  
Summary of Rate Base  
YE 12/31/2023

Section 4  
Schedule 1

Line	Acct	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
			Book Balance	Cost Study Adjustments	Cost Study Balance	Normalizing Adjustments	Normalized Balance	/--Allocation--/ Interstate Intrastate		Interstate	Intrastate
1	2111.000.00	LAND	12,357	(3,479)	\$ 8,878		\$ 8,878	0.302729	0.697271	\$ 2,688	\$ 6,190
2	2112.000.CO	MOTOR VEHICLES - COMMON	4,455		4,455	-	4,455	0.302729	0.697271	1,349	3,106
3	2112.100.00	MOTOR VEHICLES REGULATED	45,937		45,937		45,937	0.302729	0.697271	13,907	32,031
4	2115.000.00	GARAGE WORK EQUIPMENT	970		970		970	0.302729	0.697271	294	676
5	2116.000.00	OTHER WORK EQUIPMENT	613,249		613,249	11,173	624,422	0.302729	0.697271	189,031	435,392
6	2121.000.00	BUILDINGS	887,212	(249,767)	637,444	10,685	648,130	0.302729	0.697271	196,207	451,922
7	2122.000.00	FURNITURE	176,963	(49,819)	127,145		127,145	0.302729	0.697271	38,490	88,654
8	2123.100.00	OFFICE EQUIP OFFICE SUPPORT EQUIP	26,761	(7,534)	19,228	-	19,228	0.302729	0.697271	5,821	13,407
9	2123.200.00	OFFICE EQUIP COMPANY COMMUNICATION	19,056	(5,365)	13,691		13,691	0.302729	0.697271	4,145	9,547
10	2123.400.00	OFFICE EQUIP ITEMS \$200 OR LESS	279	(79)	201		201	0.302729	0.697271	61	140
11	2124.000.00	GENERAL PURPOSE COMPUTERS	85,506	(24,071)	61,434	15,962	77,396	0.302729	0.697271	23,430	53,966
12					-		-	0.302729	0.697271	-	-
13											
14		Total General Support Facilities	1,872,746	(340,114)	1,532,632	37,820	1,570,453			475,421	1,095,032
15											
16	2212.000.00	DIGITAL SWITCHING	488,797	(281,746)	207,051		207,051	0.705812	0.294188	146,139	60,912
17	2212.100.00	DIGITAL SWITCHING COMMOM POWER	55,776		55,776		55,776	0.705812	0.294188	39,368	16,409
18	2212.200.00	ROBOCALL SOFTWARE	40,430	(4,523)	35,907		35,907	0.705812	0.294188	25,344	10,563
19	2232.00T.00	CIRCUIT EQUIP DIGITAL	920,728		920,728		920,728	0.346054	0.653946	318,622	602,106
20	2232.3DT.00	CIRCUIT EQ DIGITAL TOLL	78,301		78,301		78,301	0.346054	0.653946	27,096	51,205
21	2232.400.00	CIRCUIT EQUIP - DSL	656,657	50,900	707,557		707,557	0.346054	0.653946	244,853	462,704
22	2232.500.00	CIRCUIT EQUIPMENT - FTTH	1,367,978		1,367,978	225,562	1,593,540	0.346054	0.653946	551,451	1,042,089
23	2232.600.00	SPEED TESTING EQUIPMENT	43,986		43,986		43,986	0.346054	0.653946	15,221	28,764
24											
25		Total Central Office Equipment	3,652,652	(235,368)	3,417,284	225,562	3,642,846			1,368,095	2,274,752
26											
27	2300				-		-				-
28											
29		Total Info Orig/Term Equipment	-	-	-	-	-			-	-
30											
31	2421.000.00	AERIAL CABLE FIBER	49,386		49,386		49,386	0.286091	0.713909	14,129	35,257
32	2423.000.00	BURIED CABLE METALLIC	48,796		48,796		48,796	0.286091	0.713909	13,960	34,836
33	2423.200.00	BURIED CABLE TOLL FIBER	341,617		341,617		341,617	0.286091	0.713909	97,734	243,883
34	2423.300.00	BURIED CABLE FIBER	14,784,569		14,784,569	5,745	14,790,314	0.286091	0.713909	4,231,377	10,558,937
35	2423.400.00	BURIED CABLE FIBER TOLL CC TO GE	133,254		133,254		133,254	0.286091	0.713909	38,123	95,131
36											
37		Total Cable and Wire Facilities	15,357,623	-	15,357,623	5,745	15,363,368			4,395,323	10,968,045
38											
39	2681	Capitalized Lease			-		-	-	1.000000	-	-
40	2600	Intangibles-Organization			-		-	0.302729	0.697271	-	-
41											
42											
43		Gross Telephone Plant	20,883,021	(575,482)	20,307,540	269,128	20,576,667			6,238,838	14,337,829
44											
45	3100	Accumulated Depreciation	(17,846,828)	526,086	(17,320,741)		(17,320,741)	0.304352	0.695648	(5,271,607)	(12,049,134)
46	3400	Accumulated Amortization	-	-	-		-	-	-	-	-
47											
48		Net Telephone Plant	3,036,194	(49,395)	2,986,798	269,128	3,255,926			967,231	2,288,695
49											
50	1220	Materials and Supplies	286,087		286,087		286,087	0.286091	0.713909	81,847	204,240
51	1402	RTB Stock	-		-		-	0.302729	0.697271	-	-
52	1403	Goodwill	-		-		-	-	1.000000	-	-
53	1410	Other Noncurrent Asset	-		-		-	-	-	-	-
54	2003	TPUC - Short Term	141,929		141,929		141,929	0.302729	0.697271	42,966	98,963
55	2005	Telecommunications Pant Adj	-		-		-	0.302729	0.697271	-	-
56	4040	Customer Deposits	(94,623)		(94,623)		(94,623)	0.302729	0.697271	(28,645)	(65,978)
57	4340	Deferred Income Tax		(557,270)	(557,270)		(557,270)	0.293498	0.706502	(163,557)	(393,713)
58											
59		Net Investment	3,369,586	(606,665)	2,762,921	269,128	3,032,049			899,842	2,132,207
60											
61		Cash Working Capital	122,958		122,958	-	122,958			42,579	80,380
62											
63		Total Rate Base	\$ 3,492,544	\$ (606,665)	\$ 2,885,879	\$ 269,128	\$ 3,155,007		1.000000	\$ 942,420	\$ 2,212,586

**Cunningham Telephone Company**  
**Dkt No.**  
**Comparative Plant Balances**

**Section 4**  
**Schedule 2**

**KCC REPORT - KANSAS ONLY. SCHEDULE 8.**

Line	Description	2020	2021	2022	2023
1	2111 Land	\$ 2,087	7,495	5,566	6,891
2	2112 Vehicles	36,650	36,613	36,481	36,324
3	2114 Tools and Other Work Equipment	402,934	411,775	427,040	442,742
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment				
6	2121 Buildings	341,760	338,638	420,254	494,771
7	2122 Furniture	80,010	71,714	79,707	98,687
8	2123 Office Equipment	21,199	18,428	20,933	25,707
9	2124 General Purpose Computers	38,127	31,197	32,307	47,684
10	2212 Digital Electric Switching Equip.	88,365	101,222	102,251	102,504
11	2231 Radio Systems				
12	2232 Circuit Equipment	2,067,416	2,034,525	2,023,956	2,092,730
13	2311 Station Apparatus				
14	2321 Customer Premises Wiring				
15	2351 Public Telephone Equipment				
16	2362 Other Terminal Equipment				
17	2411 Poles				
18	2421 Aerial Cable	36,452	36,479	36,485	36,393
19	2422 Underground Cable				
20	2423 Buried Cable	10,810,240	10,910,782	11,267,267	11,280,825
21	2424 Submarine Cable				
22	2426 Intra-building Network Cable				
23	2431 Aerial Wire				
24	2441 Conduit Systems				
25	2681 Capital Leases				
26	2690 Intangibles				
27	2003 Telephone Plant Under Const-Short Term	839	51,110	60,042	102,305
28	2005 Telephone Plant Adjustment				
29					
30	Total	\$ 13,926,078	\$ 14,049,977	\$ 14,512,288	\$ 14,767,563



Cunningham Telephone Company  
Dkt No.

YE 12/31/2023

**W/P RB 1**

**Purpose:**

*To Include 2024 Estimated Work Order Closings*

<u>Acct</u>	<u>Description</u>	<u>Adjustment</u>
2112.100.00	MOTOR VEHICLES REGULATED	-
2116.000.00	OTHER WORK EQUIPMENT	11,173
2121.000.00	BUILDINGS	10,685
2123.100.00	OFFICE SUPPORT EQUIPMENT	-
2124.000.00	GENERAL PURPOSE COMPUTERS	15,962
2232.500.00	CIRCUIT EQUIPMENT - FTTH	225,562
2423.300.00	BURIED CABLE--FIBER	5,745
2003.0000	TELEPHONE PLANT UNDER CONSTRUCTION	(269,128)
	TOTAL	<u>269,128</u>

## **SECTION 5**

Cunningham Telephone Company

Dkt No.

Accumulated Depreciation and Amortization

YE 12/31/2023

Section 5

Schedule 1

Line	Account	Description	TB		Workpaper		(E)	(F)	(G)	(H)	(I)
			(A)	(B)	(C)	(D)					
			Book Balance	Cost Study Adjustments	Cost Study Balance	Normalizing Adjustments	Normalized Balance	/--Allocation--/		Interstate	Intrastate
1	3112.000.CO	ACCUM DEPR COMMON MOTOR VEHICLE	(4,455)		(4,455)		(4,455)	0.302729	0.697271	\$ (1,349)	\$ (3,106)
2	3112.100.00	ACCUM DEPR REG MOTOR VEHICLE	(45,937)		(45,937)		(45,937)	0.302729	0.697271	(13,907)	(32,031)
3	3115.000.00	ACCUM DEPR GARAGE WORK EQUIP	(970)		(970)		(970)	0.302729	0.697271	(294)	(676)
4	3116.000.00	ACCUM DEPR OTHER WORK EQUIP	(610,290)		(610,290)		(610,290)	0.302729	0.697271	(184,752)	(425,538)
5	3121.000.00	ACCUM DEPR BUILDINGS	(748,310)	210,664	(537,646)		(537,646)	0.302729	0.697271	(162,761)	(374,885)
6	3122.000.00	ACCUM DEPR FURNITURE	(176,963)	49,819	(127,145)		(127,145)	0.302729	0.697271	(38,490)	(88,654)
7	3123.100.00	ACCUM DEPR OFFICE SUPPORT EQUIP	(21,813)	6,141	(15,672)		(15,672)	0.302729	0.697271	(4,744)	(10,928)
8	3123.200.00	ACCUM DEPR - COMPANY COMMUNICA EQUIP	(5,271)	1,484	(3,787)		(3,787)	0.302729	0.697271	(1,146)	(2,641)
9	3123.400.00	ACCUM DEPR - OFF EQP - ITEMS \$200 OR LESS	(279)	79	(201)		(201)	0.302729	0.697271	(61)	(140)
10	3124.000.00	ACCUM DEPR GENERAL PURPOSE COMPUTER	(80,039)	22,533	(57,507)		(57,507)	0.302729	0.697271	(17,409)	(40,098)
11					-		-	0.302729	0.697271	-	-
12											
13		General Support Facilities	(1,694,328)	290,718	(1,403,610)	-	(1,403,610)	0.302729	0.697271	(424,913)	(978,697)
14											
15	3212.000.00	ACCUM DEPR DIGITAL ELECTRONIC	(488,797)	281,746	(207,051)		(207,051)	0.705812	0.294188	(146,139)	(60,912)
16	3212.100.00	ACCUM DEPR - DIGITAL - COMMON POWER	(55,776)		(55,776)		(55,776)	0.705812	0.294188	(39,368)	(16,409)
17	3212.200.00	ACCUM DEPR - ROBOCALL SOFTWARE	(9,364)		(9,364)		(9,364)	0.705812	0.294188	(6,609)	(2,755)
18											
19		Total Central Office Switching	(553,937)	281,746	(272,191)	-	(272,191)	0.705812	0.294188	(192,116)	(80,075)
20											
21	3232.0DT.00	ACCUM DEPR CIRCUIT EQUIP DIGITAL	(920,728)		(920,728)		(920,728)	0.346054	0.653946	(318,622)	(602,106)
22	3232.3DT.00	ACCUM DEPR - CIRCUIT EQ - DIGITAL - TOLL	(78,301)		(78,301)		(78,301)	0.346054	0.653946	(27,096)	(51,205)
23	3232.400.00	ACCUM DEPR - CIRCUIT EQUIPMENT - DSL	(655,794)	(46,378)	(702,171)		(702,171)	0.346054	0.653946	(242,989)	(459,182)
24	3232.500.00	ACCUM DEPR - CIRCUIT EQUIP - FTTH	(1,270,173)		(1,270,173)		(1,270,173)	0.346054	0.653946	(439,549)	(830,624)
25	3232.600.00	ACCUM DEPR - SPEED TEST EQUIP	(8,793)		(8,793)		(8,793)	0.346054	0.653946	(3,043)	(5,750)
26											
27		Total Central Office Transmission	(2,933,789)	(46,378)	(2,980,167)	-	(2,980,167)	0.346054	0.653946	(1,031,299)	(1,948,868)
28											
29					-		-	0.000000	0.000000	-	-
30											
31		Total Info Orig/Term Equipment	-	-	-	-	-			-	-
32											
33											
34	3421.000.00	ACCUM DEPR AERIAL CABLE FIBER	(49,386)		(49,386)		(49,386)	0.286091	0.713909	(14,129)	(35,257)
35	3423.000.00	ACCUM DEPR BURIED CABLE METALLIC	(48,796)		(48,796)		(48,796)	0.286091	0.713909	(13,960)	(34,836)
36	3423.200.00	ACCUM DEPR - BURIED CBL TOLL - FIBER	(341,900)		(341,900)		(341,900)	0.286091	0.713909	(97,814)	(244,085)
37	3423.300.00	ACCUM DEPR - BURIED FIBER	(12,091,437)		(12,091,437)		(12,091,437)	0.286091	0.713909	(3,459,252)	(8,632,185)
38	3423.400.00	ACCUM DEPR - BUR FIBER TOLL - CC TO GE	(133,254)		(133,254)		(133,254)	0.286091	0.713909	(38,123)	(95,131)
39											
40		Cable and Wire Facilities	(12,664,774)	-	(12,664,774)	-	(12,664,774)	0.286091	0.7139089	(3,623,279)	(9,041,495)
41											
42		Total Accumulated Depreciation	(17,846,828)	526,086	(17,320,741)	-	(17,320,741)	0.304352	0.695648	(5,271,607)	(12,049,134)
43											
44					-		-	0.302729	0.697271	-	-
45					-		-	0.302729	0.697271	-	-
46											
47		Total Accumulated Amortization	-	-	-	-	-			-	-
48											
49		Total Accum. Depr and Amort.	\$ (17,846,828)	\$ 526,086	\$ (17,320,741)	\$ -	\$ (17,320,741)	0.304352	0.695648	\$ (5,271,607)	\$ (12,049,134)

## **SECTION 6**

**Cunningham Telephone Company**  
**Dkt No.**  
**YE 12/31/2023**

**Section 6**

**Purpose:**

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

**Cash Working Capital**

	Total Company	Interstate	Intrastate
Total Expenses	\$ 4,169,963	\$ 1,378,869	\$ 2,791,094
Less non-cash expenses:			
Depreciation and Amortization	1,177,991	342,793	835,198
Net Cash Expense before taxes	2,991,972	1,036,076	1,955,896
Federal Income Taxes	-	-	-
State Income Taxes	-	-	-
Interest Expense			-
Total Cash Expenses	2,991,972	1,036,076	1,955,896
Cash Working Capital (15 days)	\$ 122,958	\$ 42,579	\$ 80,380
<i>(Total cash exp * .041096)</i>			

## **SECTION 7**

**Cunningham Telephone Company**  
**Dkt No.**  
**Capital and Cost of Money**  
**YE 12/31/2023**

**Section 7**  
**Schedule 1**

**Requested Capital Structure/Rate of Return**

Ln	(A) Description	(B) 12/31/2023	(C) Allocation	(D) Average Cost
1	Total Long Term Debt	-	0.00%	0.00%
2	Total Equity	4,351,035	100.00%	
3	Total Capital	<u>\$ 4,351,035</u>	<u>100.00%</u>	
4	<i>Requested Cost of Capital</i>			<b>9.75%</b>

**Cunningham Telephone Company**  
**Dkt No.**  
**Long Term Debt Schedule**  
**YE 12/31/2023**

**Section 7**  
**Schedule 2**

Ln	Issuer	Loan ID	12/31/2023	Rate	Annual Interest
1					-
2					-
3					-
4					-
5					-
6					-
7					-
8					-
9					-
10					-
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24	Total		-	-	-
25					
26	Economic Development		0		
27	RDUP Cushion		0		
28					
29					
30	Total Long Term Debt		-		



## **SECTION 8**

**Cunningham Telephone Company**  
**Dkt No.**  
**Four Year Comparative Balance Sheet**

**Section 8**  
**Schedule 1**

**KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.**

Acct No.	Account Title	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
<u>Current Assets</u>					
1130	Cash	\$ 1,975,421	\$ 1,400,043	\$ 1,081,026	\$ 1,121,721
1140	Special Cash Deposits				
1150	Working Cash Advance				
1160	Temporary Cash Investments				
1170	Telecommunications Accounts Receivable	1,042,060	988,077	963,861	1,010,661
1171	Allowance for Doubtful Accounts				
1190	Other Accounts Receivable				
1191	Accounts Receivable Allowance - Other				
1200	Notes Receivable				
1201	Notes Receivable Allowance				
1210	Interest and Dividends Receivable				
1220	Materials and Supplies	351,785	375,925	406,409	382,266
1280	Prepayments	58,063	87,513	99,598	84,047
1300	Prepaid Taxes				
1310	Prepaid Insurance				
1320	Prepaid Directory Expenses				
1330	Other Prepayments				
1350	Other Current Assets				
	<b>Total Current Assets</b>	<b>3,427,329</b>	<b>2,851,558</b>	<b>2,550,894</b>	<b>2,598,695</b>
<u>NonCurrent Assets</u>					
1401	Investments in Affiliated Companies				
1402	Investments in Nonaffiliated Companies	148,780	375,622	361,125	400,948
1406	Nonregulated Investments	1,587	1,587	1,587	1,587
1407	Unamortized Debt Issuance Expense				
1408	Sinking Funds				
1410	Other Noncurrent Assets				
1438	Deferred Maintenance and Retirements				
1439	Deferred Charges				
1500	Other Jurisdictional Assets - Net				
	<b>Total Noncurrent Assets</b>	<b>150,367</b>	<b>377,209</b>	<b>362,712</b>	<b>402,535</b>
<u>Property, Plant &amp; Equipment</u>					
2001	Telecommunications Plant in Service	19,766,785	20,007,486	20,642,552	20,883,022
2002	Property Held for Future Telecommunications Use				
2003	Telecommunications Plant Under Const - Short Term	1,153	70,345	262,539	359,571
2004	Telecommunications Plant Under Const - Long Term	11,951	11,951	82,938	141,929
2005	Telecommunications Plant Adjustment	61,636	0	11,951	11,951
2006	Nonoperating Plant				
2007	Goodwill				
	<b>Gross Regulated Property, Plant &amp; Equipment</b>	<b>19,841,525</b>	<b>20,089,782</b>	<b>20,999,980</b>	<b>21,396,473</b>

**Cunningham Telephone Company**  
**Dkt No.**  
**Four Year Comparative Balance Sheet**

**Section 8**  
**Schedule 1**

**KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.**

Acct No.	Account Title	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
<u>Depreciation and Amortization</u>					
3100	Accumulated Depreciation	15,045,864	16,029,832	16,887,299	17,846,828
3200	Accumulated Depreciation - Held for Future Use				
3300	Accumulated Depreciation - Nonoperating	73,587	11,951	11,951	11,951
3410	Accumulated Amortization - Capitalized Leases				
3420	Accumulated Amortization - Leasehold Improve				
3500	Accumulated Amortization - Intangible				
3600	Accumulated Amortization - Other				
	Total Depreciation and Amortization	15,119,451	16,041,783	16,899,250	17,858,779
	Total Assets and Other Debits	8,299,770	7,276,766	7,014,336	6,538,924
	Other Nonregulated Assets				
	Accumulated Depr & Amort-Other Nonreg Assets				
	Net Nonregulated Assets				
	Total Assets and Other Debits	\$ 8,299,770	\$ 7,276,766	\$ 7,014,336	\$ 6,538,924
<u>Current Liabilities</u>					
4010	Accounts Payable	\$ 1,675,610	\$ 1,374,077	\$ 1,703,706	\$ 1,572,373
4020	Notes Payable				
4030	Advance Billing and Payments				
4040	Customers' Deposits	120,786	120,324	118,376	\$ 108,077
4050	Current Maturities - Long Term				
4060	Current Maturities - Capital Leases				
4070	Income Taxes - Accrued				
4080	Other Taxes - Accrued	70,949	64,890	36,933	35,153
4100	Net Current Deferred Operating Income Taxes				
4110	Net Current Deferred Nonoperating Income Taxes				
4120	Other Accrued Liabilities				
4130	Other Current Liabilities	456,916	473,429	469,815	472,286
	Total Current Liabilities	2,324,261	2,032,720	2,328,830	2,187,889
<u>Long Term Debt</u>					
4210	Funded Debt	122,626	0		
4220	Premium on Long Term Debt				
4230	Discount on Long Term Debt				
4240	Reacquired Debt				
4250	Obligations Under Capital Leases				
4260	Advances from Affiliated Companies				
4270	Other Long Term Debt				
	Total Long Term Debt	122,626	0	0	0

**Cunningham Telephone Company**  
**Dkt No.**  
**Four Year Comparative Balance Sheet**

**Section 8**  
**Schedule 1**

**KCC REPORT - TOTAL COMPANY. SCHEDULE 3 & 5.**

Acct No.	Account Title	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
	<u>Other Liabilities and Deferred Credits</u>				
4310	Other Long Term Liabilities				
4320	Unamortized Operating Investment Tax Credits-Net				
4330	Unamortized Nonoperating Investment Tax Credits-Net				
4340	Net Noncurrent Deferred Operating Income Taxes				
4350	Net Noncurrent Deferred Nonoperating Income Taxes				
4360	Other Deferred Credits				
4370	Other Jurisdictional Liabilities and Deferred Credits-Net				
	Total Other Liabilities and Deferred Credits	0	0	0	0
	<u>Stockholders' Equity</u>				
4510	Capital Stock	14,400	14,400	14,400	14,400
4520	Additional Paid-in Capital				
4530	Treasury Stock				
4540	Other Capital				
4550	Retained Earnings	5,838,483	5,229,646	4,671,106	4,336,635
	Total Stockholders Equity	5,852,883	5,244,046	4,685,506	4,351,035
	Total Liabilities and Other Credits	\$ 8,299,770	\$ 7,276,766	\$ 7,014,336	\$ 6,538,924

**Cunningham Telephone Company**  
**Dkt No.**  
**Four Year Comparative Income Statement**

**Section 8**  
**Schedule 2**

**KCC REPORT - KANSAS ONLY. SCHEDULE 6.**

Acct No.	Line Title	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
	<u>Telephone Operating Income</u>				
5000	Operating Revenues	\$ 3,858,876	\$ 3,373,723	\$ 3,336,223	\$ 3,599,536
6000	Operating Expenses	3,833,835	3,570,014	3,700,859	\$ 3,912,278
7100	Other Operating Income & Expenses - Net				
7210	Operating Investment Tax Credits				
7220	Federal Income Taxes - Operating				
7230	State & Local Income Taxes - Operating				
7240	Other Operating Taxes	66,490	58,361	52,430	43,992
7250	Provision for Deferred Operating Inc. Taxes - Net				
7200	Total Operating Taxes	66,490	58,361	52,430	43,992
	Operating Income	(41,449)	(254,653)	(417,066)	(356,734)
	<u>NonOperating Income and Expenses</u>				
7310	Dividend Income				
7320	Interest Income				
7330	Income from Sinking and Other Funds				
7340	Allowance for Funds Used During Const				
7350	Gain or Loss from Disposition of Property				
7360	Other Nonoperating Income				
7370	Special Charges		(57,609)	(45,595)	(12,620)
7380	Equity Undistributed Sub. Earnings				
7300	Nonoperating Income & Expenses - Net	0	(57,609)	(45,595)	(12,620)
7400	Total Nonoperating Taxes				
	Total Nonoperating Income & Expenses	0	(57,609)	(45,595)	(12,620)
	Income Available for Fixed Charges	(41,449)	(312,261)	(462,661)	(369,354)
	<u>Fixed Charges</u>				
7510	Interest on Funded Debt	69,624	8,171		
7520	Interest Expense - Capital Leases				
7530	Amortization of Debt Issuance Expense				
7540	Other Interest Charges				
7500	Total Interest & Related Items	69,624	8,171	0	0
7600	Total Extraordinary Items				
	Net Income (after Nonoperating, Fixed Charges, and Extraordinary Items)	(111,073)	(320,432)	(462,661)	(369,354)
7910	Effect of Jurisdictional Ratemaking Diff-Net				
7990	Nonregulated Net Income	92,901	144,657	141,562	155,387
	Net Income (After ratemaking differences including Nonregulated Net Income)	\$ (18,172)	\$ (175,775)	\$ (321,099)	\$ (213,967)

**Cunningham Telephone Company**  
**Dkt No.**  
**4 Year Comparative Operating Revenues**

**Section 8**  
**Schedule 3**

**KCC REPORT - TOTAL KANSAS. SCHEDULE 18.**

Acct No.	Account Title	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
	<u>Local Network Service Revenue</u>				
5001	Basic Area Revenue	\$ 185,112	\$ 182,522	\$ 191,984	\$ 190,603
5002	Extended Area Revenues				
5003	Cellular Mobile Service Revenue				
5004	Other Mobile Service Revenue				
5010	Public Telephone Revenue				
5040	Local Private Line Revenue				
5050	Customer Premises Revenue				
5060	Other Local Exchange Revenue	28,800	27,345	25,221	24,107
	Other Revenues				
	Other Revenues				
	Total Local Network Service Revenues	<u>213,912</u>	<u>209,867</u>	<u>217,205</u>	<u>214,710</u>
	Federal USF Support	1,348,180	1,182,248	1,204,902	1,188,444
	CAF BLS Support				
5264	State KUSF Support	870,963	796,859	789,154	763,148
	<u>Network Access &amp; L. D. Service Revenue</u>				
5081	End User Revenue	82,920	86,849	87,815	89,057
	CAF ICC & ARC Support	118,449	86,412	84,498	87,132
	ICLS/IAS	837,324	819,263	791,208	914,166
5082	Interstate Switched Access	127,252	33,045	3,177	1,488
5083	Interstate Special Access	120,516	44,242	12,578	179,961
5084	Intrastate Switched Access	4,951	3,120	2,583	2,072
5084	Intrastate Special Access	113,118	93,273	133,309	152,911
5080	Other Access Revenue				
5100	Long Distance Service Revenue				
	Total Network Access Revenue	<u>1,404,530</u>	<u>1,166,204</u>	<u>1,115,168</u>	<u>1,426,787</u>
	<u>Miscellaneous Revenue</u>				
5230	Directory Revenue	15,503	14,950	5,278	2,644
5240	UNE Revenue				
5240	Other Rent Revenue				
5250	Corporate Operations Revenue				
5260	Other Miscellaneous Revenue (w/o KUSF)	947	838	809	1,030
	Carrier Billing & Collections Revenue (Interstate)	1,101	903	810	686
	Carrier Billing & Collections Revenue (Intrastate)	3,233	3,131	2,897	2,623
	Total Miscellaneous Revenue	<u>20,784</u>	<u>19,822</u>	<u>9,794</u>	<u>6,983</u>
	<u>Uncollectible Revenue</u>				
5300	Uncollectible Revenue	507	(1,277)		(536)
	Total KCC Regulated Operating Revenue	<u>3,858,876</u>	<u>3,373,723</u>	<u>3,336,223</u>	<u>3,599,536</u>
5280	Nonregulated Operating Revenue	49,927	51,261	46,929	62,053
5000	Total Operating Revenue	<u>\$ 3,908,803</u>	<u>\$ 3,424,984</u>	<u>\$ 3,383,152</u>	<u>\$ 3,661,589</u>

**Cunningham Telephone Company**  
**Dkt No.**  
**4 Year Comparative Operating Expenses**

**Section 8**  
**Schedule 4**

**KCC REPORT - TOTAL KANSAS. SCHEDULE 21.**

Acct No.	Operating Expense Accounts	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>					
<u>Network Support Expenses</u>					
6112	Motor Vehicle Expense	\$ 38,248	\$ 52,492	\$ 57,009	\$ 54,388
6113	Aircraft Expense				
6114	Special Purpose Vehicle Expense				
6115	Garage Work Equipment Expense				
6116	Other Work Equipment Expense				
	Total Network Support Expense	38,248	52,492	57,009	54,388
<u>General Support Expenses</u>					
6121	Land & Building Expenses	187,307	113,035	195,590	210,407
6122	Furniture and Art Works Expense	405	1,691	(215)	1,225
6123	Office Equipment Expense	9,090	7,526	7,105	10,341
6124	General Purpose Computers Expense	73,967	113,069	92,829	92,039
	Total General Support Expenses	270,769	235,321	295,309	314,012
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic Expense				
6212	Digital Electronic Expense	82,476	118,893	69,042	70,338
6215	Electro-Mechanical Expense				
	Total Central Office Switching Expenses	82,476	118,893	69,042	70,338
6220	Operators System Expense				
6231	Radio System Expense				
6231	Circuit Equipment Expense	251,888	235,136	199,354	202,732
6230	Central Office Transmission Expense	251,888	235,136	199,354	202,732
<u>Information/Origination/Termination Expenses</u>					
6311	Station Apparatus Expense	53,799	45,742	26,407	28,959
6341	Large Private Branch Expense				
6351	Public Telephone Terminal Equipment Expense				
6362	Other Terminal Equipment Expense				
	Total Inf./Orig./Termination Expenses	53,799	45,742	26,407	28,959
<u>Cable and Wire Facilities Expenses</u>					
6411	Poles Expense				
6421	Aerial Cable Expense				
6422	Underground Cable Expense				
6423	Buried Cable Expense	268,909	316,711	347,078	383,133
6424	Submarine Cable Expense				
6425	Deep Sea Cable Expense				
6426	Intrabuilding Network Cable Expense				
6431	Aerial Wire Expense				
6441	Conduit Systems Expense				
	Total Cable and Wire Facilities Expenses	268,909	316,711	347,078	383,133
	Total Plant Specific Operations Expense	966,089	1,004,295	994,200	1,053,562

**Cunningham Telephone Company**  
**Dkt No.**  
**4 Year Comparative Operating Expenses**

**Section 8**  
**Schedule 4**

**KCC REPORT - TOTAL KANSAS. SCHEDULE 21.**

Acct No.	Operating Expense Accounts	12/31/2020 Balance	12/31/2021 Balance	12/31/2022 Balance	12/31/2023 Balance
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>					
<u>Other Property Plant and Equipment Expenses</u>					
6511	Property Held for Future Telecom Use Exp				
6512	Provisioning Expense				
	Total Other Prop. Plant and Equip. Expenses	0	0	0	0
<u>Network Operations Expenses</u>					
6531	Power Expense	48,029	55,106	58,243	58,685
6532	Network Administration Expense	185,058	170,775	192,662	229,263
6533	Testing Expense	105	19	1,729	0
6534	Plant Operations Administration Expense	186,117	167,370	205,635	244,423
6535	Engineering Expense				
	Total Network Operations Expenses	419,309	393,270	458,269	532,371
6540	Access Expense	17,184	23,638	11,357	32,568
<u>Depreciation and Amortization Expenses</u>					
6561	Depr. Expense - Telecom Plant in Service	1,327,683	962,701	932,106	944,219
6561.1	Amortization of Extraordinary Retirements				
6562	Depr Expense-Prop Held for Future Telecom				
6563	Amortization Expense-Tangible				
6564	Amortization Expense-Intangible				
6565	Amortization Expense-Other				
	Total Depreciation and Amortization Expenses	1,327,683	962,701	932,106	944,219
	Total Plant Nonspecific Operations Expense	1,764,176	1,379,609	1,401,732	1,509,158
<b>CUSTOMER OPERATIONS EXPENSE</b>					
6610	Marketing	19,273	16,615	30,581	43,859
6620	Services	407,934	376,201	402,892	412,427
	Total Customer Operations Expense	427,207	392,816	433,473	456,286
<b>CORPORATE OPERATIONS EXPENSE</b>					
6710	Executive and Planning	141,730	141,682	146,179	167,926
6720	General and Administrative	534,633	651,612	725,276	725,346
6790	Provision for Uncollectible Notes Receivable				
	Total Corporate Operations Expense	676,363	793,294	871,455	893,272
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 3,833,835</b>	<b>\$ 3,570,014</b>	<b>\$ 3,700,859</b>	<b>\$ 3,912,278</b>



**Cunningham Telephone Company**  
**Dkt No.**  
**Annual Payrolls**

**Section 8**  
**Schedule 5**

**KCC REPORT - TOTAL KANSAS. SCHEDULE 26.**

Description	2020	2021	2022	2023
<i>Salaries &amp; Wages</i>				
Plant Specific Operations	\$ 285,501	\$ 279,274	\$ 299,311	\$ 284,279
Plant Non-specific Operations	243,227	226,442	251,383	270,974
Customer Operations	109,966	92,705	90,502	85,773
Corporate Operations	226,360	273,654	307,026	275,734
Non Regulated Expenses				
Total	<u>\$ 865,054</u>	<u>\$ 872,074</u>	<u>\$ 948,222</u>	<u>\$ 916,759</u>
<i>Pensions &amp; Benefits</i>				
Plant Specific Operations	\$ 180,768	\$ 171,712	182,792	187,209
Plant Non-specific Operations	54,489	49,802	58,671	56,962
Customer Operations	130,155	116,012	122,186	118,941
Corporate Operations	81,312	99,415	151,266	157,649
Non Regulated Expenses				
Total	<u>\$ 446,724</u>	<u>\$ 436,941</u>	<u>\$ 514,915</u>	<u>\$ 520,762</u>
<i>Total Payrolls</i>				
Plant Specific Operations	\$ 466,269	\$ 450,986	\$ 482,103	\$ 471,488
Plant Non-specific Operations	297,716	276,243	310,054	327,936
Customer Operations	240,121	208,717	212,688	204,714
Corporate Operations	307,672	373,069	458,292	433,383
Total	<u>\$ 1,311,778</u>	<u>\$ 1,309,016</u>	<u>\$ 1,463,137</u>	<u>\$ 1,437,521</u>

**Cunningham Telephone Company**  
Dkt No.  
Monthly Intrastate Access Minutes

**Section 8**  
Schedule 6

Month	Interstate	Intrastate Interlata	Intrastate Intralata	Total
Jan-21	37,419	38,233	32,990	108,642
Feb-21	35,511	37,943	32,553	106,007
Mar-21	31,942	32,122	29,169	93,233
Apr-21	34,759	32,677	28,501	95,937
May-21	31,565	29,667	25,668	86,900
Jun-21	31,268	45,164	9,958	86,390
Jul-21	28,682	43,700	9,171	81,553
Aug-21	28,609	44,188	8,826	81,623
Sep-21	30,135	42,737	7,673	80,545
Oct-21	27,592	39,090	7,264	73,946
Nov-21	32,336	47,167	8,176	87,679
Dec-21	30,390	44,982	6,923	82,295
Jan-22	29,910	47,913	6,684	84,507
Feb-22	31,256	46,870	6,108	84,234
Mar-22	27,006	45,460	5,250	77,716
Apr-22	27,655	46,972	5,779	80,406
May-22	27,023	43,393	6,085	76,501
Jun-22	24,993	47,423	5,758	78,174
Jul-22	24,423	47,064	5,555	77,042
Aug-22	26,313	51,154	6,150	83,617
Sep-22	25,617	47,741	5,655	79,013
Oct-22	25,417	47,339	5,459	78,215
Nov-22	25,761	48,797	6,180	80,738
Dec-22	25,715	45,755	4,804	76,274
Jan-23	18,000	44,176	2,245	64,421
Feb-23	18,660	45,707	2,217	66,584
Mar-23	18,703	48,273	1,980	68,956
Apr-23	16,955	36,741	1,636	55,332
May-23	17,927	39,204	2,015	59,146
Jun-23	17,950	34,146	1,944	54,040
Jul-23	15,220	35,211	1,749	52,180
Aug-23	14,966	34,694	1,373	51,033
Sep-23	14,485	37,264	1,914	53,663
Oct-23	14,280	37,363	1,895	53,538
Nov-23	14,150	35,715	1,790	51,655
Dec-23	15,595	37,478	1,618	54,691
Total 2021	380,208	477,670	206,872	1,064,750
Total 2022	321,089	565,881	69,467	956,437
Total 2023	196,891	465,972	22,376	685,239

SER = Intrastate/InterLATA

SRA = Intrastate/IntraLATA

## **SECTION 9**

Cunningham Telephone Company  
Dkt No.  
Test Year and Normalized Income Statement  
YE 12/31/2023

Section 9  
Schedule 1

Line	Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Book Balance	Cost Study Adjustments	Cost Study Balance	Normalizing Adjustments	Normalized Balance	/--Allocation-- Interstate Intrastate		Interstate	Intrastate
<b>Operating Revenues</b>										
1	5001 Local Network Services Revenues	\$ 214,710		\$ 214,710		\$ 214,710			-	\$ 214,710
2	5060 Federal High Cost Loop Support	1,188,444		1,188,444	\$ (326,554)	861,890			-	861,890
3	5082 Kansas Universal Service Support	763,148		763,148	\$ (44,246)	718,902			-	718,902
4	5080 Network Access Revenue	1,426,783		1,426,783		1,426,783			1,271,801	154,983
5	5100 Long Distance Network Service Rev			-		-			-	-
6	Billing and Collection	3,308		3,308		3,308			686	2,623
7	Misc Revenue	3,674		3,674		3,674			-	3,674
8	Non-regulated revenue	155,388	(155,388)	-		-			-	-
9	5300 Uncollectible Revenue	(534)		(534)		(534)			-	(534)
10	<b>Total Revenues</b>	<b>3,754,922</b>	<b>(155,388)</b>	<b>3,599,534</b>	<b>(370,799)</b>	<b>3,228,734</b>			<b>1,272,486</b>	<b>1,956,248</b>
<b>Plant Specific Operations Expenses</b>										
11	6110 Network Support Expense	54,388		54,388		54,388	0.302729	0.697271	16,465	37,923
12	6120 General Support Expense	386,413	(90,052)	296,361		296,361	0.302729	0.697271	89,717	206,644
13	6210 Central Office Switching Expense	118,096	(47,514)	70,582		70,582	0.377504	0.622496	26,645	43,937
14	6230 Central Office Transmission Expense	202,732		202,732		202,732	0.377504	0.622496	76,532	126,200
15	6310 Information Orig/Term Expense	28,959	(28,959)	-		-	0.000000	0.000000	-	-
16	6410 Cable and Wire Facilities Exp	383,133		383,133		383,133	0.286091	0.713909	109,611	273,522
17	<b>Total Plant Specific Operations Expenses</b>	<b>1,173,721</b>	<b>(166,525)</b>	<b>1,007,196</b>	<b>-</b>	<b>1,007,196</b>			<b>318,970</b>	<b>688,226</b>
<b>Plant Non-Specific Operations Expense</b>										
18	6510 Other Plant Expense			-		-	0.000000	0.697271	-	-
19	6530 Network Operations Expense	532,371		532,371	-	532,371	0.302729	0.697271	161,164	371,207
20	6540 Access Expense	32,568	(11,776)	20,792		20,792	1.000000	0.000000	20,792	-
21	6560 Depreciation & Amortization	959,529	(19,042)	940,487	237,504	1,177,991	0.290998	0.709002	342,793	835,198
22	6564 Amort of Intangible			-		-	0.302729	0.697271	-	-
23	<b>Total Plant Non-Specific Operations Expenses</b>	<b>1,524,468</b>	<b>(30,818)</b>	<b>1,493,650</b>	<b>237,504</b>	<b>1,731,154</b>			<b>524,749</b>	<b>1,206,405</b>
<b>Customer Operations Expense</b>										
24	6610 Marketing Expense	45,224	(2,628)	42,596		42,596	0.338016	0.661984	14,398	28,198
25	6620 Directory Expense	26,087		26,087		26,087	0.158873	0.841127	4,144	21,942
26	6620 Services Expense	386,340	4,642	390,983		390,983	0.359858	0.640142	140,698	250,284
27	<b>Total Customer Operations Expense</b>	<b>457,651</b>	<b>2,014</b>	<b>459,665</b>	<b>-</b>	<b>459,665</b>			<b>159,241</b>	<b>300,424</b>
<b>Corporate Operations Expense</b>										
28	6710 Executive and Planning Exp	167,926	(16,323)	151,603		151,603	0.326240	0.673760	49,459	102,144
29	6720 General and Administrative Exp	767,404	(33,530)	733,874		733,874	0.419799	0.580201	308,080	425,794
30	6720 General and Administrative (Rate Case Expense)				30,000	30,000	0.000000	1.000000	-	30,000
30	<b>Total Corporate Operations Expense</b>	<b>935,330</b>	<b>(49,852)</b>	<b>885,478</b>	<b>30,000</b>	<b>915,478</b>			<b>357,539</b>	<b>557,939</b>
<b>Operating Taxes &amp; Other Operating Expenses</b>										
31	7210 Amortization of ITC			-		-			-	-
32	7220 Operating Federal Income Taxes			-		-			-	-
33	7230 Operating State Income Taxes			-		-			-	-
34	7240 Other Operating Taxes	45,093	(1,243)	43,850		43,850	0.302729	0.697271	13,275	30,575
35	7250 Deferred Operating Income Taxes			-		-			-	-
36	7340 Allowance for Funds Used During Construction			-		-	0.000000	0.000000	-	-
37	7370 Contributions and Fees	12,620		12,620		12,620	0.403781	0.596219	5,096	7,524
38	5240 Rent Revenue			-		-	0.000000	0.000000	-	-
39	7310 Dividend & Interest			-		-	0.000000	1.000000	-	-
40	7360 Other Income			-		-			-	-
41	7500 Interest Expense			-		-			1.000000	-
42	<b>Total Operating Taxes &amp; Other Operating Exp.</b>	<b>57,713</b>	<b>(1,243)</b>	<b>56,470</b>	<b>-</b>	<b>56,470</b>			<b>18,370</b>	<b>38,100</b>
43	<b>Total Operating Expenses</b>	<b>4,148,882</b>	<b>(246,424)</b>	<b>3,902,459</b>	<b>267,504</b>	<b>4,169,963</b>			<b>1,378,869</b>	<b>2,791,094</b>
44	<b>Net Operating Income</b>	<b>\$ (393,960)</b>	<b>\$ 91,035</b>	<b>\$ (302,925)</b>	<b>\$ (638,304)</b>	<b>\$ (941,229)</b>			<b>\$ (106,383)</b>	<b>\$ (834,845)</b>

**Cunningham Telephone Company**  
Dkt No.  
Summary of Income Statement Adjustments  
YE 12/31/2023

**Section 9**  
Schedule 2

Acct	Description	Adj #	Amount	Source
5084.1	Universal Service Fund Payments	IS 1	\$ (326,554)	W/P IS 1
	<i>To update Federal Universal Service Fund Receipts to the most recent USAC Projections</i>			
5084	KUSF Revenue	IS 2	\$ (44,246)	W/P IS 2
	<i>To normalize and rebalance KUSF</i>			
	Total Revenue Adjustments		<u>\$ (370,799)</u>	
6561	Depreciation Expense	IS 3	\$ 237,504	W/P IS 3
	<i>To Normalize Depreciation</i>			
6720	KUSF Audit Expenses (5 yr Ammortization)	IS 4	\$ 30,000	W/P IS 4
	<i>To Include KUSF Proceeding Expenses</i>			
	Total Expense Adjustments		<u>\$ 267,504</u>	

Cunningham Telephone Company  
Dkt No.

YE 12/31/2023

**W/P IS1**

**Purpose:**

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

<u>Account Description</u>		<u>Annual Amount</u>
5084 USF Revenue (High Cost Loop) - 2023 Recorded	\$	1,188,444
USF Revenue (High Cost Loop) - 2024 Projected	\$	<u>861,890</u>
<b>5084 Revenue Adjustment</b>	<b>\$</b>	<b>(326,554)</b>

Cunningham Telephone Company  
Dkt No.

YE 12/31/2023

**W/P IS2**

**Purpose:**

*To normalize and rebalance KUSF*

<u>Account</u>	<u>Description</u>	<u>Annual Amount</u>
5084	<i>KUSF Revenue - Year 27 Recorded</i>	\$ 763,148
	<i>KUSF Revenue - Year 28 Estimated</i>	<u>\$ 718,902</u>
<b>5084</b>	<b>KUSF Revenue Adjustment</b>	<b>\$ (44,246)</b>

Cunningham Telephone Company  
Dkt No.

YE 12/31/2023

**W/P IS3**

**Purpose:**

*To Normalize Depreciation*

<u>Account Description</u>	<u>Annual Amount</u>
6560.00 Depreciation Expense	\$ 237,504



Cunningham Telephone Company  
Dkt No.

YE 12/31/2023

**W/P IS4**

**Purpose:**

*To Include Estimated Proceeding Expense*

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

## **SECTION 10**

Section 10

Plant Acct	Description	12/31/23 Plant Book Balance	Cost Study Adj	Adjusted Gross Plant	Normalized Plant Additions	Adjusted Gross Plant	A/D Acct	12/31/23 Acc. Dep.	Cost Study Adj	Adjusted Accum Depr	Normalized Plant	Staff Adjusted Acc. Dep.	Adjusted Net Book	Depreciation Rate	Annual Depreciation	Normalized Depreciation
2111.000.00	LAND	12,357	(3,479)	8,878	-	8,878				-		-	8,878	0.00%	-	-
2112.000.CO	MOTOR VEHICLES - COMMON	4,455	-	4,455	-	4,455	3112.000.CO	(4,455)	-	(4,455)	-	(4,455)	-	26.27%	1,170	-
2112.100.00	MOTOR VEHICLES REGULATED	45,937	-	45,937	-	45,937	3112.100.00	(45,937)	-	(45,937)	-	(45,937)	-	26.27%	12,068	-
2115.000.00	GARAGE WORK EQUIPMENT	970	-	970	-	970	3115.000.00	(970)	-	(970)	-	(970)	-	19.12%	185	-
2116.000.00	OTHER WORK EQUIPMENT	613,249	-	613,249	11,173	624,422	3116.000.00	(610,290)	-	(610,290)	-	(610,290)	14,133	23.80%	148,613	14,133
2121.000.00	BUILDINGS	887,212	(249,767)	637,444	10,685	648,130	3121.000.00	(748,310)	210,664	(537,646)	-	(537,646)	110,484	5.02%	32,536	32,536
2122.000.00	FURNITURE	176,963	(49,819)	127,145	-	127,145	3122.000.00	(176,963)	49,819	(127,145)	-	(127,145)	(0)	15.57%	19,796	(0)
2123.100.00	OFFICE EQUIP OFFICE SUPPORT EQUIP	26,761	(7,534)	19,228	-	19,228	3123.100.00	(21,813)	6,141	(15,672)	-	(15,672)	3,555	18.10%	3,480	3,480
2123.200.00	OFFICE EQUIP COMPANY COMMUNICA'	19,056	(5,365)	13,691	-	13,691	3123.200.00	(5,271)	1,484	(3,787)	-	(3,787)	9,904	18.10%	2,478	2,478
2123.400.00	OFFICE EQUIP ITEMS \$200 OR LESS	279	(79)	201	-	201	3123.400.00	(279)	79	(201)	-	(201)	0	18.10%	36	0
2124.000.00	GENERAL PURPOSE COMPUTERS	85,506	(24,071)	61,434	15,962	77,396	3124.000.00	(80,039)	22,533	(57,507)	-	(57,507)	19,889	18.10%	14,009	14,009
Total General Support Facilities		1,872,746	(340,114)	1,532,632	37,820	1,570,453		(1,694,328)	290,718	(1,403,610)	-	(1,403,610)	166,843		234,372	66,636
2212.000.00	DIGITAL SWITCHING	488,797	(281,746)	207,051	-	207,051	3212.000.00	(488,797)	281,746	(207,051)	-	(207,051)	-	11.58%	23,977	-
2212.100.00	DIGITAL SWITCHING COMMOM POWER	55,776	0	55,776	-	55,776	3212.100.00	(55,776)	-	(55,776)	-	(55,776)	-	11.58%	6,459	-
2212.200.00	ROBOCALL SOFTWARE	40,430	(4,523)	35,907	-	35,907	3212.200.00	(9,364)	-	(9,364)	-	(9,364)	26,544	11.58%	4,158	4,158
2232.00T.00	CIRCUIT EQUIP DIGITAL	920,728	0	920,728	-	920,728	3232.00T.00	(920,728)	-	(920,728)	-	(920,728)	-	16.00%	147,317	-
2232.3DT.00	CIRCUIT EQ DIGITAL TOLL	78,301	0	78,301	-	78,301	3232.3DT.00	(78,301)	-	(78,301)	-	(78,301)	-	16.00%	12,528	-
2232.400.00	CIRCUIT EQUIP - DSL	656,657	50,900	707,557	-	707,557	3232.400.00	(655,794)	(46,378)	(702,171)	-	(702,171)	5,386	16.00%	113,209	5,386
2232.500.00	CIRCUIT EQUIPMENT - FTTH	1,367,978	0	1,367,978	225,562	1,593,540	3232.500.00	(1,270,173)	-	(1,270,173)	-	(1,270,173)	323,367	16.00%	254,966	254,966
2232.600.00	SPEED TESTING EQUIPMENT	43,986	0	43,986	-	43,986	3232.600.00	(8,793)	-	(8,793)	-	(8,793)	35,193	16.00%	7,038	7,038
Total Central Office Equipment		3,652,652	(235,368)	3,417,284	225,562	3,642,846		(3,487,726)	235,368	(3,252,358)	-	(3,252,358)	390,488		569,651	271,548
2421.000.00	AERIAL CABLE FIBER	49,386	-	49,386	-	49,386	3421.000.00	(49,386)	-	(49,386)	-	(49,386)	-	17.58%	8,682	-
2423.000.00	BURIED CABLE METALLIC	48,796	-	48,796	-	48,796	3423.000.00	(48,796)	-	(48,796)	-	(48,796)	-	5.68%	2,772	-
2423.200.00	BURIED CABLE TOLL FIBER	341,617	-	341,617	-	341,617	3423.200.00	(341,900)	-	(341,900)	-	(341,900)	(283)	5.68%	19,404	(283)
2423.300.00	BURIED CABLE FIBER	14,784,569	-	14,784,569	5,745	14,790,314	3423.300.00	(12,091,437)	-	(12,091,437)	-	(12,091,437)	2,698,877	5.68%	840,090	840,090
2423.400.00	BURIED CABLE FIBER TOLL CC TO GE	133,254	-	133,254	-	133,254	3423.400.00	(133,254)	-	(133,254)	-	(133,254)	-	5.68%	7,569	-
Total Cable & Wire Facilities		15,357,623	-	15,357,623	5,745	15,363,368		(12,664,774)	-	(12,664,774)	-	(12,664,774)	2,698,595		878,516	839,807
2681	Capitalized Lease	-	-	-	-	-	3410.33	-	-	-	-	-	-	0.00%	-	-
2600	Intangibles-Organization	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Total Telephone Plant		20,883,021	(575,482)	20,307,540	269,128	20,576,667		(17,846,828)	526,086	(17,320,741)	-	(17,320,741)	3,255,926		1,682,540	1,177,991
Check						\$ -										
														Normalized Depr Exp	1,177,991	
														Cost Study Depr Exp	940,487	
															<u>237,504</u>	