

COLLEEN R. JAMISON  
JAMISON LAW, LLC

September 23, 2024

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

RE: Mutual Telephone Company  
Request for Additional KUSF  
24-MTLT \_\_\_\_\_-KSF

Dear Ms. Retz:

Attached for filing, please find Mutual Telephone Company's application for additional support from the Kansas Universal Service Fund. In this application, in accordance with K.S.A. 66-1220a, the company has designated the entirety of Sections 12 and 16 as confidential commercial information and requests the Commission shield these sections from public disclosure. Sections 1 – 11 are public.

If you have any questions, please let me know.

Sincerely,

JAMISON LAW, LLC

*Colleen R. Jamison*

Colleen R. Jamison

Att.  
cc: John Tietjens  
Stacey Brigham

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application and Request            )  
of Mutual Telephone Company for an                    )  
Increase in its Cost-Based Kansas Universal            )  
Service Fund Support.                                        )

Docket No. 25-MTLT-\_\_\_\_\_-KSF

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

COMES NOW Mutual Telephone Company (“Mutual” 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. Mutual 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. Mutual’s principal place of business is at 365 Main St., PO Box 338, Little River, KS 67457.
3. Mutual 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 Mutual as an eligible telecommunications carrier in an order dated December 5, 1997, in Docket No. 98-GIMT-241-GIT.

4. Mutual'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 Mutual a reasonable opportunity to recover its costs and investments, and are insufficient to afford Mutual 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 Mutual's rights under traditional rate of return regulation.

5. The proposed increase in Mutual's receipt of KUSF support is based on the Company's embedded costs, revenue requirement, investments, and expenses, and is necessary to allow Mutual 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, Mutual 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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[colleen.jamison@jamisonlaw.legal](mailto:colleen.jamison@jamisonlaw.legal)

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am an attorney for Mutual Telephone Company and that the foregoing is true and correct. Executed on September 23, 2024.

*Colleen R. Jamison*

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Colleen R. Jamison

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

2 A. My name is John Tietjens. My business address is 365 Main St., Little River, KS  
3 67457.

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

6 A. I am employed as General Manager of the Mutual Telephone Company (“Mutual” or  
7 “the Company”).

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

10 A. I have been employed by Mutual since May of 2005 and became the General  
11 Manger in January of 2014. I’ve been involved in all aspects of the company,  
12 construction and installation of fiber plant and equipment, programming and  
13 provisioning of central office and end user station equipment for voice and  
14 broadband services as well as planning, budgeting, forecasting and implementing  
15 new projects. Initially hired as an Operations Technician I moved to supervisor of  
16 operations and then to Operations Manager and later General Manager where I’m  
17 tasked to oversee all aspects of the business, construction of new plant, operations,  
18 sales and marketing and internal office duties and responsibilities, hiring of new  
19 employees, regulatory filings and compliance and reporting to our Board of  
20 Directors on a monthly basis. My education includes a diploma from North West  
21 Kansas Technical College in Communications Technology, an Associate of Applied  
22 Science Degree in Communications Technology and a Bachelor of Science degree  
23 from Fort Hays State University in Technology Leadership.

1

2 **Q. Please begin with a discussion of Mutual' corporate structure.**

3 A. Mutual is organized as a cooperative and provides local exchange telecommunication  
4 service as the carrier of last resort to a single exchange in central Kansas. Mutual is  
5 the parent company of LR Communications, which provides competitive local  
6 exchange, interexchange, Fixed Wireless and non-regulated broadband and internet  
7 services.

8

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

10 A. I am providing this direct testimony in support of Mutual's application and request  
11 for increased support from the Kansas Universal Service Fund ("KUSF"). While  
12 Mutual has retained the consulting firm of TCA, Inc. to calculate its KUSF shortfall –  
13 which is supported by the Direct Testimony of Stacey Brigham - I understand that the  
14 Commission also requires an official company representative to file direct testimony  
15 and to be available as a witness at the evidentiary hearing during KUSF proceedings.  
16 Specifically, the Commission typically requires that the company representative be  
17 authorized to speak on behalf of the company and be able to discuss the company's  
18 corporate structure, cost allocation procedures, affiliate practices and transactions,  
19 and specific company operations and policies. As the General Manager of Mutual, I  
20 will offer the testimony the Commission desires, and I will be available at the  
21 evidentiary hearing, if the parties feel my participation is necessary.

22

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

1 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 Mutual Telephone Company. and that the foregoing is true and correct. Executed on September 20, 2024.

/s/ John Tietjens  
John Tietjens



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

15

16 **Summary**

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

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

22

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 Mutual requesting in this**  
6 **application?**

7 A. The schedules in Mutual's application reflect an intrastate revenue deficiency of  
8 \$452,010. Mutual requests the Commission issue an order increasing its KUSF draw  
9 by this amount.  
10

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

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

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

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

9

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

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

14

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

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

23

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

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

7  
8 **Q. Please continue with a discussion of the schedules contained in Section 3.**

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

12  
13 **Q. What information is included in Section 4?**

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

17  
18 **Q. What information is included in Section 5?**

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

21  
22 **Q. Please explain Section 6 of the application.**

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

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

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

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

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

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

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

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

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

1

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

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

5

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

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

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

17

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

23

24 **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  
5 **Q. Has Mutual made any adjustments to Rate Base?**

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

8  
9 **Q. Please explain Mutual's Adjustment RB2.**

10 A. RB2 coincides with RB1 and recognizes the retirement of assets that are being replaced  
11 by the facilities added in 2023.

12  
13  
14 **Income Statement Adjustments**

15 **Q. Please explain Mutual's Adjustment IS1.**

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

18  
19 **Q. Please explain Mutual's Adjustment IS.**

20 A. Mutual's Adjustment IS2 recognizes the Year 28 KUSF revenues for Mutual as  
21 calculated in the testimony of Steve Garrett.<sup>1</sup>

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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

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

3 A. Mutual's Adjustment IS3 normalizes depreciation expense based on adjusted plant  
4 balances. This adjustment is necessary in order to reflect the level of depreciation  
5 expense Mutual can expect to incur on a going-forward basis. The net change to  
6 depreciation expense also recognizes decreases related to the net balance in specific  
7 accounts. In other words, if a particular plant account was anticipated to become  
8 fully depreciated, Mutual accordingly reduced the test year pro forma depreciation  
9 expense.

10

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

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

21

## 22 **Cost of Capital**

23 **Q. What authorized RoR has Mutual proposed in its KUSF filing?**

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

3

4 **Q. Has Mutual provided any additional information related to its capital structure?**

5 A. No.

6

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

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

11

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

13 A. Yes, it does.

14

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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

VERIFICATION

I, the undersigned, hereby certify under penalty of perjury pursuant to K.S.A. 53-601 that I am a consultant for Mutual Telephone Company and that the foregoing is true and correct. Executed on September 20, 2024.

/s/Stacey Brigham  
Stacey Brigham

## **SECTION 1**

COLLEEN R. JAMISON  
JAMISON LAW, LLC

July 12, 2024

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

RE: Mutual Telephone Company  
Request for increase in cost-based KUSF support

Dear Ms. Retz:

By this letter I am notifying the Commission Mutual Telephone Company 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 Mutual'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: John Tietjens  
Stacey Brigham  
Bob Forsythe  
Steve Garrett

### **SECTION 3**

**Mutual 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	\$ 823,881	\$ 454,450
(2) Rate of Return	Section 7	9.75%	9.75%
(3) Allowable Return	(1) x (2)	80,328	44,309
(4) Operating Income	Section 9	(498,369)	(407,701)
(5) Deficiency (Excess)	(3) - (4)	578,697	452,010
(6) Net to Gross Multiplier	N/A	1.000000	1.000000
(7) Revenue Deficiency (Excess)	(5) x (6)	578,697	452,010
<b>Realized return on rate base</b>	<b>(4) / (1)</b>	<b>-60.49%</b>	<b>-89.71%</b>

## **SECTION 4**



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

Section 4  
Schedule 1

Line	Acct	Description	(A) Book Balance	(B) Cost Study Adjustments	(C) Cost Study Balance	(D) Normalizing Adjustments	(E) Normalized Balance	(F) /--Allocation--/ Interstate	(G) Intrastate	(H) Interstate	(I) Intrastate
1	2111	Land	17,826	(7,470)	\$ 10,356		\$ 10,356	0.447743	0.552257	\$ 4,637	\$ 5,719
2	2112	Vehicles	540,791	(226,621)	314,170	-	314,170	0.447743	0.552257	140,667	173,503
3	2116	Other Work Equipment	372,872	(156,254)	216,618	7,704	224,322	0.447743	0.552257	100,438	123,883
4	2121	Buildings	1,063,271	(445,568)	617,703	-	617,703	0.447743	0.552257	276,572	341,131
5	2122	Office Furniture	113,403	(47,522)	65,881	-	65,881	0.447743	0.552257	29,498	36,383
6	2123	Office Equipment	15,337	(6,427)	8,910	-	8,910	0.447743	0.552257	3,989	4,921
7	2124	General Purpose Computers	104,062	(43,608)	60,455	-	60,455	0.447743	0.552257	27,068	33,387
8											
9		Total General Support Facilities	2,227,562	(933,470)	1,294,093	7,704	1,301,796			582,870	718,927
10											
11	2212	Digital Electronic Switching	311,167	(179,534)	131,634		131,634	0.665608	0.334392	87,616	44,017
12	2232	Circuit Equipment	669,739	179,534	849,273	-	849,273	0.453655	0.546345	385,277	463,996
13	2232.1	Circuit Equipment-Toll Carrier	25,285		25,285		25,285	0.453655	0.546345	11,471	13,814
14											
15		Total Central Office Equipment	1,006,191	-	1,006,191	-	1,006,191			484,364	521,828
16											
17	2300				-		-				-
18											
19		Total Info Orig/Term Equipment	-	-	-	-	-			-	-
20											
21	2423.1	Buried Cable--Fiber	4,308,376	(35,057)	4,273,319	(62,040)	4,211,280	0.440321	0.559679	1,854,316	2,356,964
22	2441	Underground Conduit	287,650		287,650	2,677	290,327	0.440321	0.559679	127,837	162,490
23											
24		Total Cable and Wire Facilities	4,596,026	(35,057)	4,560,970	(59,363)	4,501,607			1,982,153	2,519,454
25											
26	2681	Capitalized Lease			-		-	0.447743	0.552257	-	-
27	2600	Intangibles-Organization	32,000		32,000		32,000	0.447743	0.552257	14,328	17,672
28											
29											
30		Gross Telephone Plant	7,861,780	(968,526)	6,893,254	(51,659)	6,841,594			3,063,714	3,777,880
31											
32	3100	Accumulated Depreciation	(6,924,470)	836,836	(6,087,634)		(6,087,634)	0.447984	0.552016	(2,727,160)	(3,360,474)
33	3400	Accumulated Amortization	-	-	-		-	-	-	-	-
34											
35		Net Telephone Plant	937,310	(131,690)	805,620	(51,659)	753,960			336,553	417,407
36											
37	1220	Materials and Supplies	136		136		136	0.440321	0.559679	60	76
38	1402	RTB Stock	-		-		-	0.447743	0.552257	-	-
39	1403	Goodwill	-		-		-	-	1.000000	-	-
40	1410	Other Noncurrent Asset	-		-		-	-	-	-	-
41	2003	TPUC - Short Term	2,214		2,214		2,214	0.447743	0.552257	991	1,223
42	2005	Telecommunications Pant Adj	-		-		-	0.447743	0.552257	-	-
43	4040	Customer Deposits	(1,800)		(1,800)		(1,800)	0.447743	0.552257	(806)	(994)
44	MISC	Other Credit Accounts	-		-		-	0.447743	0.552257	-	-
45											
46		Net Investment	937,860	(131,690)	806,170	(51,659)	754,510			336,799	417,712
47											
48		Cash Working Capital	69,371		69,371	-	69,371			32,633	36,738
49											
50		Total Rate Base	\$ 1,007,231	\$ (131,690)	\$ 875,541	\$ (51,659)	\$ 823,881		1.000000	\$ 369,432	\$ 454,450

**Mutual 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	\$ 4,441	\$ 5,520	\$ 4,779	\$ 4,730
2	2112 Vehicles	112,065	195,751	142,497	161,988
3	2114 Tools and Other Work Equipment	60,233	84,649	100,145	245,595
4	2115 Garage Work Equipment				
5	2116 Other Work Equipment				
6	2121 Buildings	263,452	337,668	284,478	282,952
7	2122 Furniture	45,482	35,118	30,402	30,088
8	2123 Office Equipment	12,810	4,749	4,112	4,069
9	2124 General Purpose Computers	19,510	27,006	37,418	27,609
10	2212 Digital Electric Switching Equip.	104,052	104,052	104,052	104,052
11	2231 Radio Systems				
12	2232 Circuit Equipment	375,619	420,562	419,235	400,602
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				
19	2422 Underground Cable				
20	2423 Buried Cable	2,890,567	2,903,868	2,932,489	2,929,593
21	2424 Submarine Cable				
22	2426 Intrabuilding Network Cable				
23	2431 Aerial Wire				
24	2441 Conduit Systems	193,100	195,551	199,854	197,200
25	2681 Capital Leases				
26	2690 Intangibles				
27	2003 Telephone Plant Under Const-Short Term	3,103	1,621	235,233	1,458
28	2005 Telephone Plant Adjustment				
29					
30	Total	\$ 4,084,432	\$ 4,316,117	\$ 4,494,692	\$ 4,389,935

Mutual 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	VEHICLES	-
2116	OTHER WORK EQUIPMENT	7,704
2121	BUILDINGS	-
2123.0000	OFFICE SUPPORT EQUIPMENT	-
2124.0000	GENERAL PURPOSE COMPUTERS	-
2232.0000	CIRCUIT EQUIPMENT	-
2423.1000	BURIED CABLE--FIBER	4,787
2441.0000	UNDERGROUND CONDUIT	2,677
2003.0000	TELEPHONE PLANT UNDER CONSTRUCTION	(15,167)
	TOTAL	<u>15,167</u>

Mutual Telephone Company  
Dkt No.

YE 12/31/2023

**W/P RB 2**

**Purpose:**

*To Include 2024 Estimated Retirements*

<u>Acct</u>	<u>Description</u>	<u>Adjustment</u>
2110.100.00	MOTOR VEHICLES	0
2110.500.00	OTHER WORK EQUIPMENT	0
2124.001	GENERAL PURPOSE COMPUTERS	0
2410.210	BURIED CABLE - FIBER	(66,827)
3100.040.00	DEPR RES - MOTOR VEHICLES	0
3100.040.00	DEPR RES - OTHER WORK EQUIP	0
3100.625	DEPR RES - BURIED CABLE FIBER	66,827
Total		<u><u>0</u></u>

## **SECTION 5**

Mutual Telephone Company

Dkt No.  
Accumulated Depreciation and Amortization  
YE 12/31/2023

Section 5

Schedule 1

			TB Workpaper								
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
			Book	Cost Study	Cost Study	Normalizing	Normalized	/--Allocation--/		Interstate	Intrastate
Line	Account	Description	Balance	Adjustments	Balance	Adjustments	Balance	Interstate	Intrastate	Interstate	Intrastate
1	3121.120	A/D -Vehicles	(540,791)	\$ 226,621	(314,170)		(314,170)	0.447743	0.552257	\$ (140,667)	\$ (173,503)
2	3121.160	A/D -Other Work Equipment	(306,672)	\$ 128,512	(178,160)		(178,160)	0.447743	0.552257	(79,770)	(98,390)
3	3121.210	A/D -Buildings	(843,038)	\$ 353,279	(489,760)		(489,760)	0.447743	0.552257	(219,286)	(270,473)
4	3121.220	A/D -Office Furniture	(113,403)	\$ 47,522	(65,881)		(65,881)	0.447743	0.552257	(29,498)	(36,383)
5	3121.230	A/D -Office Equipment	(10,965)	\$ 4,595	(6,370)		(6,370)	0.447743	0.552257	(2,852)	(3,518)
6	3121.240	A/D -General Purpose Computers	(103,975)	\$ 43,571	(60,404)		(60,404)	0.447743	0.552257	(27,045)	(33,358)
7											
8		General Support Facilities	(1,918,844)	804,100	(1,114,744)	-	(1,114,744)	0.447743	0.552257	(499,119)	(615,626)
9											
10	3122.120	A/D -Digital Switching Equipment	(287,592)	165,931	(121,660)		(121,660)	0.665608	0.334392	(80,978)	(40,682)
11					-		-	0.665608	0.334392	-	-
12											
13		Total Central Office Switching	(287,592)	165,931	(121,660)	-	(121,660)	0.665608	0.334392	(80,978)	(40,682)
14											
15	3122.320	A/D -Circuit Equipment	(669,525)	(165,931)	(835,456)		(835,456)	0.453655	0.546345	(379,009)	(456,448)
16	3122.321	A/D -Circuit Equipment - Toll Carrier	(25,285)		(25,285)		(25,285)	0.453655	0.546345	(11,471)	(13,814)
17											
18		Total Central Office Transmission	(694,810)	(165,931)	(860,741)	-	(860,741)	0.453655	0.546345	(390,479)	(470,262)
19											
20					-		-	0.000000	0.000000	-	-
21											
22		Total Info Orig/Term Equipment	-	-	-	-	-			-	-
23											
24											
25	3124.231	A/D -Buried Cable-Fiber	(3,736,028)	32,736	(3,703,292)	(66,827)	(3,770,118)	0.440321	0.559679	(1,660,063)	(2,110,055)
26	3124.410	A/D -Underground Conduit	(287,196)	-	(287,196)		(287,196)	0.440321	0.559679	(126,459)	(160,738)
27											
28		Cable and Wire Facilities	(4,023,224)	32,736	(3,990,488)	(66,827)	(4,057,314)	0.440321	0.5596788	(1,786,522)	(2,270,793)
29											
30		Total Accumulated Depreciation	(6,924,470)	836,836	(6,087,634)	(66,827)	(6,154,461)	0.447984	0.552016	(2,757,098)	(3,397,363)
31											
32					-		-	0.447743	0.552257	-	-
33					-		-	0.447743	0.552257	-	-
34											
35		Total Accumulated Amortization	-	-	-	-	-			-	-
36											
37		Total Accum. Depr and Amort.	\$ (6,924,470)	\$ 836,836	\$ (6,087,634)	\$ (66,827)	\$ (6,154,461)	0.447984	0.552016	\$ (2,757,098)	\$ (3,397,363)

## **SECTION 6**

**Mutual 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	\$ 2,027,000	\$ 947,219	\$ 1,079,782
Less non-cash expenses:			
Depreciation and Amortization	344,559	155,624	188,935
Net Cash Expense before taxes	1,682,442	791,595	890,847
Federal Income Taxes	-	-	-
State Income Taxes	-	-	-
Interest Expense	5,579	2,469	3,110
Total Cash Expenses	1,688,020	794,064	893,957
Cash Working Capital (15 days)	\$ 69,371	\$ 32,633	\$ 36,738
<i>(Total cash exp * .041096)</i>			



## **SECTION 7**

**Mutual 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	156,075	2.36%	5.52%
2	Total Equity	6,466,310	97.64%	
3	Total Capital	<u>\$ 6,622,385</u>	<u>100.00%</u>	
4	<i>Requested Cost of Capital</i>			<b>9.75%</b>

**Mutual 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	Peoples Bank and Trust		0	3.950%	-
2	Peoples Bank and Trust		0	3.950%	-
3	Peoples Bank and Trust		1,016	4.000%	41
4	Peoples Bank and Trust		5,870	4.000%	235
5	Peoples Bank and Trust		6,306	4.000%	252
6	Peoples Bank and Trust		6,374	4.000%	255
7	Peoples Bank and Trust		13,276	4.000%	531
8	Peoples Bank and Trust		29,540	7.000%	2,068
9	Peoples Bank and Trust		27,951	7.000%	1,957
10	Deere & Company		65,742	4.990%	3,281
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24	Total		<u>156,075</u>	<u>5.5221%</u>	<u>8,619</u>
25					
26	Economic Development		0		
27	RDUP Cushion		0		
28					
29					
30	Total Long Term Debt		<u>156,075</u>		

## **SECTION 8**

**Mutual 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	\$ 54,073	\$ 170,234	\$ 30,680	\$ 100,557
1140	Special Cash Deposits				
1150	Working Cash Advance				
1160	Temporary Cash Investments				
1170	Telecommunications Accounts Receivable	348,897	360,528	393,255	355,628
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	18,275	25,374	32,678	136
1280	Prepayments	54,658	49,443	76,956	46,760
1300	Prepaid Taxes				
1310	Prepaid Insurance				
1320	Prepaid Directory Expenses				
1330	Other Prepayments				
1350	Other Current Assets	2,087	4,043	4,796	6,006
	<b>Total Current Assets</b>	<b>477,990</b>	<b>609,622</b>	<b>538,365</b>	<b>509,087</b>
<u>NonCurrent Assets</u>					
1401	Investments in Affiliated Companies	5,344,594	5,615,655	5,942,068	6,116,515
1402	Investments in Nonaffiliated Companies				
1406	Nonregulated Investments				
1407	Unamortized Debt Issuance Expense				
1408	Sinking Funds				
1410	Other Noncurrent Assets	869,878	890,252	709,101	666,598
1438	Deferred Maintenance and Retirements				
1439	Deferred Charges				
1500	Other Jurisdictional Assets - Net				
	<b>Total Noncurrent Assets</b>	<b>6,214,472</b>	<b>6,505,907</b>	<b>6,651,169</b>	<b>6,783,113</b>
<u>Property, Plant &amp; Equipment</u>					
2001	Telecommunications Plant in Service	7,068,590	7,298,889	7,400,841	7,829,780
2002	Property Held for Future Telecommunications Use				
2003	Telecommunications Plant Under Const - Short Term	4,447	2,313	333,895	2,214
2004	Telecommunications Plant Under Const - Long Term				
2005	Telecommunications Plant Adjustment				
2006	Nonoperating Plant				
2007	Goodwill				
	<b>Gross Regulated Property, Plant &amp; Equipment</b>	<b>7,073,037</b>	<b>7,301,202</b>	<b>7,734,736</b>	<b>7,831,994</b>

**Mutual 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	5,469,432	5,945,890	6,497,240	6,924,470
3200	Accumulated Depreciation - Held for Future Use				
3300	Accumulated Depreciation - Nonoperating				
3410	Accumulated Amortization - Capitalized Leases				
3420	Accumulated Amortization - Leasehold Improve				
3500	Accumulated Amortization - Intangible				
3600	Accumulated Amortization - Other				
	Total Depreciation and Amortization	5,469,432	5,945,890	6,497,240	6,924,470
	Total Assets and Other Debits	8,296,067	8,470,841	8,427,030	8,199,724
	Other Nonregulated Assets				
	Accumulated Depr & Amort-Other Nonreg Assets				
	Net Nonregulated Assets				
	Total Assets and Other Debits	\$ 8,296,067	\$ 8,470,841	\$ 8,427,030	\$ 8,199,724
<u>Current Liabilities</u>					
4010	Accounts Payable	\$ 741,569	\$ 991,136	\$ 1,510,924	\$ 1,596,872
4020	Notes Payable				
4030	Advance Billing and Payments				
4040	Customers' Deposits	2,050	3,050	2,700	\$ 1,800
4050	Current Maturities - Long Term				
4060	Current Maturities - Capital Leases				
4070	Income Taxes - Accrued				
4080	Other Taxes - Accrued	28,958	30,052	35,759	\$ 36,477
4100	Net Current Deferred Operating Income Taxes				
4110	Net Current Deferred Nonoperating Income Taxes				
4120	Other Accrued Liabilities				
4130	Other Current Liabilities				
	Total Current Liabilities	772,577	1,024,238	1,549,383	1,635,149
<u>Long Term Debt</u>					
4210	Funded Debt	46,403	84,497	33,496	98,265
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	46,403	84,497	33,496	98,265

**Mutual 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	812,259	816,494	818,157	822,843
4520	Additional Paid-in Capital				
4530	Treasury Stock				
4540	Other Capital	1,477	1,477	1,477	1,477
4550	Retained Earnings	6,663,351	6,544,135	6,024,517	5,641,990
	Total Stockholders Equity	7,477,087	7,362,106	6,844,151	6,466,310
	Total Liabilities and Other Credits	\$ 8,296,067	\$ 8,470,841	\$ 8,427,030	\$ 8,199,724

**Mutual 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	\$ 907,187	\$ 1,031,081	\$ 978,202	\$ 735,683
6000	Operating Expenses	1,081,260	1,091,906	1,244,031	\$ 1,167,576
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				6,914
7250	Provision for Deferred Operating Inc. Taxes - Net				
7200	Total Operating Taxes	0	0	0	6,914
	Operating Income	(174,073)	(60,825)	(265,829)	(438,807)
	<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				
7380	Equity Undistributed Sub. Earnings				
7300	Nonoperating Income & Expenses - Net	0	0	0	0
7400	Total Nonoperating Taxes				
	Total Nonoperating Income & Expenses	0	0	0	0
	Income Available for Fixed Charges	(174,073)	(60,825)	(265,829)	(438,807)
	<u>Fixed Charges</u>				
7510	Interest on Funded Debt				
7520	Interest Expense - Capital Leases				
7530	Amortization of Debt Issuance Expense				
7540	Other Interest Charges				
7500	Total Interest & Related Items	0	0	0	0
7600	Total Extraordinary Items				
	Net Income (after Nonoperating, Fixed Charges, and Extraordinary Items)	(174,073)	(60,825)	(265,829)	(438,807)
7910	Effect of Jurisdictional Ratemaking Diff-Net				
7990	Nonregulated Net Income	784	1,688		
	Net Income (After ratemaking differences including Nonregulated Net Income)	\$ (173,289)	\$ (59,137)	\$ (265,829)	\$ (438,807)



**Mutual 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	\$ 97,183	\$ 98,770	\$ 95,769	\$ 65,301
5002	Extended Area Revenues				
5003	Cellular Mobile Service Revenue				
5004	Other Mobile Service Revenue				
5010	Public Telephone Revenue				
5040	Local Private Line Revenue	480	480	480	480
5050	Customer Premises Revenue				
5060	Other Local Exchange Revenue	18,855	18,971	19,902	17,248
	Other Revenues				
	Other Revenues				
	Total Local Network Service Revenues	<u>116,518</u>	<u>118,221</u>	<u>116,151</u>	<u>83,029</u>
	Federal USF Support	401,813	395,286	380,724	364,788
	CAF BLS Support				
5264	State KUSF Support	219,507	200,953	199,590	192,719
	<u>Network Access &amp; L. D. Service Revenue</u>				
5081	End User Revenue	43,431	47,686	43,332	30,138
	CAF ICC & ARC Support	327,396	115,872	111,264	109,114
	ICLS/IAS	135,649	383,064	355,224	436,343
5082	Interstate Switched Access	546,941	459,710	467,355	65,369
5083	Interstate Special Access	6,987	5,451	933	1,489
5084	Intrastate Switched Access	155,680	25,117	31,419	218,234
5084	Intrastate Special Access	77,969	233,141	208,426	42,155
5080	Other Access Revenue				
5100	Long Distance Service Revenue	11	204	9	9
	Total Network Access Revenue	<u>1,294,064</u>	<u>1,270,246</u>	<u>1,217,962</u>	<u>902,851</u>
	<u>Miscellaneous Revenue</u>				
5230	Directory Revenue	181			
5240	UNE Revenue	0			
5240	Other Rent Revenue	10,270	9,749	3,929	4,294
5250	Corporate Operations Revenue				
5260	Other Miscellaneous Revenue (w/o KUSF)	18,463	18,348	19,279	19,249
	Carrier Billing & Collections Revenue (Interstate)	6,557	6,445	8,097	8,403
	Carrier Billing & Collections Revenue (Intrastate)	30,404	30,999	30,283	32,209
	Total Miscellaneous Revenue	<u>65,875</u>	<u>65,542</u>	<u>61,588</u>	<u>64,155</u>
	<u>Uncollectible Revenue</u>				
5300	Uncollectible Revenue	(1,793)			
	Total KCC Regulated Operating Revenue	<u>2,095,984</u>	<u>2,050,248</u>	<u>1,976,015</u>	<u>1,607,542</u>
5280	Nonregulated Operating Revenue				
5000	Total Operating Revenue	<u>\$ 2,095,984</u>	<u>\$ 2,050,248</u>	<u>\$ 1,976,015</u>	<u>\$ 1,607,542</u>

**Mutual 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	\$ 8,040	\$ 6,173	\$ 5,996	\$ 5,071
6113	Aircraft Expense				
6114	Special Purpose Vehicle Expense	10,017	9,430	10,745	8,135
6115	Garage Work Equipment Expense				
6116	Other Work Equipment Expense				
	Total Network Support Expense	<u>18,057</u>	<u>15,603</u>	<u>16,741</u>	<u>13,206</u>
<u>General Support Expenses</u>					
6121	Land & Building Expenses	29,019	16,042	21,323	15,494
6122	Furniture and Art Works Expense				1,021
6123	Office Equipment Expense	4,432	4,322	5,710	4,563
6124	General Purpose Computers Expense	6,143	7,906	10,253	6,004
	Total General Support Expenses	<u>39,595</u>	<u>28,271</u>	<u>37,286</u>	<u>27,082</u>
<u>Central Office Switching Expenses</u>					
6211	Analog Electronic Expense				
6212	Digital Electronic Expense	76,331	82,622	141,511	125,086
6215	Electro-Mechanical Expense				
	Total Central Office Switching Expenses	<u>76,331</u>	<u>82,622</u>	<u>141,511</u>	<u>125,086</u>
6220	Operators System Expense				
6231	Radio System Expense				
6231	Circuit Equipment Expense	85,010	110,909	116,882	125,821
6230	Central Office Transmission Expense	<u>85,010</u>	<u>110,909</u>	<u>116,882</u>	<u>125,821</u>
<u>Information/Origination/Termination Expenses</u>					
6311	Station Apparatus Expense				
6341	Large Private Branch Expense				
6351	Public Telephone Terminal Equipment Expense				
6362	Other Terminal Equipment Expense				
	Total Inf./Orig./Termination Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Cable and Wire Facilities Expenses</u>					
6411	Poles Expense				
6421	Aerial Cable Expense				
6422	Underground Cable Expense				
6423	Buried Cable Expense	28,079	13,623	29,610	30,775
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	<u>28,079</u>	<u>13,623</u>	<u>29,610</u>	<u>30,775</u>
	Total Plant Specific Operations Expense	<u>247,072</u>	<u>251,027</u>	<u>342,030</u>	<u>321,969</u>

**Mutual 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	10,136	8,878	9,113	8,468
6532	Network Administration Expense				
6533	Testing Expense				
6534	Plant Operations Administration Expense	295,152	225,373	326,227	384,023
6535	Engineering Expense				
	Total Network Operations Expenses	305,288	234,251	335,340	392,491
6540	Access Expense	13,108	13,320	12,279	9,243
<u>Depreciation and Amortization Expenses</u>					
6561	Depr. Expense - Telecom Plant in Service	365,185	429,591	403,581	315,095
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	365,185	429,591	403,581	315,095
	Total Plant Nonspecific Operations Expense	683,581	677,162	751,200	716,829
<b>CUSTOMER OPERATIONS EXPENSE</b>					
6610	Marketing	57,069	75,406	76,222	49,805
6620	Services	125,915	138,362	171,902	181,573
	Total Customer Operations Expense	182,984	213,768	248,124	231,378
<b>CORPORATE OPERATIONS EXPENSE</b>					
6710	Executive and Planning	133,065	141,288	174,387	205,287
6720	General and Administrative	512,001	474,861	475,564	500,215
6790	Provision for Uncollectible Notes Receivable				
	Total Corporate Operations Expense	645,066	616,148	649,951	705,502
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,758,703</b>	<b>\$ 1,758,106</b>	<b>\$ 1,991,306</b>	<b>\$ 1,975,679</b>

**Mutual 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	\$ 107,027	\$ 124,149	\$ 203,691	\$ 159,085
Plant Non-specific Operations	278,637	240,967	312,284	369,372
Customer Operations	116,861	97,824	118,839	116,195
Corporate Operations	237,133	248,285	247,127	300,853
Non Regulated Expenses				
Total	<u>\$ 739,658</u>	<u>\$ 711,225</u>	<u>\$ 881,941</u>	<u>\$ 945,505</u>
<i>Pensions &amp; Benefits</i>				
Plant Specific Operations				
Plant Non-specific Operations	7,849	7,250	8,229	7,536
Customer Operations				
Corporate Operations	29,028	26,191	27,073	30,444
Non Regulated Expenses				
Total	<u>\$ 36,877</u>	<u>\$ 33,441</u>	<u>\$ 35,302</u>	<u>\$ 37,980</u>
<i>Total Payrolls</i>				
Plant Specific Operations	\$ 107,027	\$ 124,149	\$ 203,691	\$ 159,085
Plant Non-specific Operations	286,486	248,217	320,513	376,908
Customer Operations	116,861	97,824	118,839	116,195
Corporate Operations	266,161	274,476	274,200	331,297
Total	<u>\$ 776,535</u>	<u>\$ 744,666</u>	<u>\$ 917,243</u>	<u>\$ 983,485</u>

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

**Section 8**  
Schedule 6

Month	Interstate	Intrastate Interlata	Intrastate Intralata	Total
Jan-21	61,040	30,454	11,237	102,731
Feb-21	64,049	32,126	10,955	107,130
Mar-21	57,587	28,381	10,804	96,772
Apr-21	61,843	29,132	10,911	101,886
May-21	58,354	27,170	7,831	93,355
Jun-21	11,437	20,605	2,250	34,292
Jul-21	14,008	20,181	2,419	36,608
Aug-21	11,617	19,057	2,313	32,987
Sep-21	13,494	20,350	1,536	35,380
Oct-21	12,044	19,567	2,074	33,685
Nov-21	12,419	19,649	1,611	33,679
Dec-21	12,117	17,948	2,148	32,213
Jan-22	11,612	16,859	2,579	31,050
Feb-22	10,994	16,308	2,359	29,661
Mar-22	10,282	14,112	1,648	26,042
Apr-22	9,841	15,843	2,020	27,704
May-22	10,451	15,362	1,978	27,791
Jun-22	8,666	15,159	1,706	25,531
Jul-22	8,982	16,374	1,681	27,037
Aug-22	8,150	15,497	1,565	25,212
Sep-22	10,713	15,125	1,166	27,004
Oct-22	9,052	13,703	844	23,599
Nov-22	8,129	13,797	832	22,758
Dec-22	7,849	13,055	1,061	21,965
Jan-23	7,932	13,385	1,124	22,441
Feb-23	6,896	12,463	1,161	20,520
Mar-23	6,884	12,394	1,278	20,556
Apr-23	7,809	15,077	1,413	24,299
May-23	7,904	14,626	1,079	23,609
Jun-23	7,203	13,728	809	21,740
Jul-23	7,488	13,115	909	21,512
Aug-23	6,940	13,756	1,159	21,855
Sep-23	7,596	13,854	1,043	22,493
Oct-23	6,365	12,251	924	19,540
Nov-23	7,012	14,320	765	22,097
Dec-23	6,841	12,941	1,040	20,822
Total 2021	390,009	284,620	66,089	740,718
Total 2022	114,721	181,194	19,439	315,354
Total 2023	86,870	161,910	12,704	261,484

SER = Intrastate/InterLATA

SRA = Intrastate/IntraLATA

## **SECTION 9**

Mutual 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	\$ 83,029		\$ 83,029		\$ 83,029			\$ -	\$ 83,029
2	5060 Federal High Cost Loop Support	394,788		394,788	\$ (93,780)	301,008			-	301,008
3	5082 Kansas Universal Service Support	192,719		192,719	\$ (11,284)	181,435			-	181,435
4	5080 Network Access Revenue	902,842		902,842		902,842			851,492	51,350
5	5100 Long Distance Network Service Rev	9		9		9			-	9
6	Billing and Collection	40,613		40,613		40,613			8,403	32,209
7	Misc Revenue	23,542		23,542		23,542			-	23,542
8	Non-regulated revenue	-		-		-			-	-
9	5300 Uncollectible Revenue	(502)		(502)		(502)			-	(502)
10	<b>Total Revenues</b>	<b>1,637,040</b>	<b>-</b>	<b>1,637,040</b>	<b>(105,064)</b>	<b>1,531,976</b>			<b>859,895</b>	<b>672,080</b>
<b>Plant Specific Operations Expenses</b>										
11	6110 Network Support Expense	13,206	-	13,206		13,206	0.447743	0.552257	5,913	7,293
12	6120 General Support Expense	58,151	(25,357)	32,794		32,794	0.447743	0.552257	14,683	18,111
13	6210 Central Office Switching Expense	127,503	(2,779)	124,723		124,723	0.481383	0.518617	60,040	64,684
14	6230 Central Office Transmission Expense	125,821	-	125,821		125,821	0.481383	0.518617	60,568	65,253
15	6310 Information Orig/Term Expense	-	-	-		-	0.000000	0.000000	-	-
16	6410 Cable and Wire Facilities Exp	30,775	-	30,775		30,775	0.440321	0.559679	13,551	17,224
17	<b>Total Plant Specific Operations Expenses</b>	<b>355,457</b>	<b>(28,136)</b>	<b>327,320</b>	<b>-</b>	<b>327,320</b>			<b>154,755</b>	<b>172,565</b>
<b>Plant Non-Specific Operations Expense</b>										
18	6510 Other Plant Expense	-	-	-		-	0.000000	0.552257	-	-
19	6530 Network Operations Expense	392,491	-	392,491	-	392,491	0.447743	0.552257	175,735	216,756
20	6540 Access Expense	12,995	(3,740)	9,255		9,255	1.000000	0.000000	9,255	-
21	6560 Depreciation & Amortization	471,444	(75,123)	396,321	(51,762)	344,559	0.451661	0.548339	155,624	188,935
22	6564 Amort of Intangible	-	-	-		-	0.447743	0.552257	-	-
23	<b>Total Plant Non-Specific Operations Expenses</b>	<b>876,931</b>	<b>(78,863)</b>	<b>798,067</b>	<b>(51,762)</b>	<b>746,305</b>			<b>340,614</b>	<b>405,691</b>
<b>Customer Operations Expense</b>										
24	6610 Marketing Expense	49,805	(2,870)	46,934		46,934	0.253092	0.746908	11,879	35,055
25	6620 Directory Expense	-	-	-		-	0.000000	1.000000	-	-
26	6620 Services Expense	192,948	(16,810)	176,137		176,137	0.401884	0.598116	70,787	105,351
27	<b>Total Customer Operations Expense</b>	<b>242,752</b>	<b>(19,681)</b>	<b>223,071</b>	<b>-</b>	<b>223,071</b>			<b>82,665</b>	<b>140,406</b>
<b>Corporate Operations Expense</b>										
28	6710 Executive and Planning Exp	205,287	(6,306)	198,982		198,982	0.438479	0.561521	87,249	111,732
29	6720 General and Administrative Exp	500,215	(11,708)	488,508		488,508	0.561200	0.438800	274,150	214,357
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>705,502</b>	<b>(18,013)</b>	<b>687,489</b>	<b>30,000</b>	<b>717,489</b>			<b>361,400</b>	<b>356,089</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	10,497	(1,388)	9,108		9,108	0.447743	0.552257	4,078	5,030
35	7250 Deferred Operating Income Taxes	-	-	-		-			-	-
36	7340 Allowance for Funds Used During Construction	-	-	-		-	0.000000	0.000000	-	-
37	7370 Contributions and Fees	-	7,050	7,050		7,050	0.525681	0.000000	3,706	-
38	5240 Rent Revenue	-	-	-		-	0.000000	0.000000	-	-
39	7310 Dividend & Interest	-	-	-		-	0.000000	1.000000	-	-
40	7360 Other Income	(390)	390	-		-			-	-
41	7500 Interest Expense	-	-	-		-		1.000000	-	-
42	<b>Total Operating Taxes &amp; Other Operating Exp.</b>	<b>10,107</b>	<b>6,051</b>	<b>16,158</b>	<b>-</b>	<b>16,158</b>			<b>7,784</b>	<b>5,030</b>
43	<b>Total Operating Expenses</b>	<b>2,190,749</b>	<b>(138,642)</b>	<b>2,052,107</b>	<b>(21,762)</b>	<b>2,030,344</b>			<b>947,219</b>	<b>1,079,782</b>
44	<b>Net Operating Income</b>	<b>\$ (553,709)</b>	<b>\$ 138,642</b>	<b>\$ (415,067)</b>	<b>\$ (83,302)</b>	<b>\$ (498,369)</b>			<b>\$ (87,323)</b>	<b>\$ (407,701)</b>

**Mutual 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	\$ (93,780)	W/P IS 1
	<i>To update Federal Universal Service Fund Receipts to the most recent USAC Projections</i>			
5084	KUSF Revenue	IS 2	\$ (11,284)	W/P IS 2
	<i>To normalize and rebalance KUSF</i>			
	Total Revenue Adjustments		<u>\$ (105,064)</u>	
6561	Depreciation Expense	IS 3	\$ (51,762)	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>\$ (21,762)</u>	



Mutual 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	\$	394,788
USF Revenue (High Cost Loop) - 2024 Projected	\$	<u>301,008</u>
<b>5084 Revenue Adjustment</b>	<b>\$</b>	<b>(93,780)</b>

Mutual 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>	\$ 192,719
	<i>KUSF Revenue - Year 28 Estimated</i>	<u>\$ 181,435</u>
<b>5084</b>	<b>KUSF Revenue Adjustment</b>	<b>\$ (11,284)</b>

Mutual 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	\$ (51,762)

Mutual 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. Book Balance	Cost Study Adj	Adjusted Accum Depr	Normalized Plant	Staff Adjusted Acc. Dep.	Adjusted Net Book	Depreciation Rate	Annual Depreciation	Normalized Depreciation
2111	Land	17,826	(7,470)	10,356	-	10,356							10,356	0.00%	-	-
2112	Vehicles	540,791	(226,621)	314,170	-	314,170	3121.12	(540,791)	226,621	(314,170)	-	(314,170)	(0)	26.27%	82,532	(0)
2116	Other Work Equipment	372,872	(156,254)	216,618	7,704	224,322	3121.16	(306,672)	128,512	(178,160)	-	(178,160)	46,162	23.98%	53,792	46,162
2121	Buildings	1,063,271	(445,568)	617,703	-	617,703	3121.21	(843,038)	353,279	(489,760)	-	(489,760)	127,943	5.02%	31,009	31,009
2122	Office Furniture	113,403	(47,522)	65,881	-	65,881	3121.22	(113,403)	47,522	(65,881)	-	(65,881)	0	20.00%	13,176	0
2123	Office Equipment	15,337	(6,427)	8,910	-	8,910	3121.23	(10,965)	4,595	(6,370)	-	(6,370)	2,540	13.65%	1,216	1,216
2124	General Purpose Computers	104,062	(43,608)	60,455	-	60,455	3121.24	(103,975)	43,571	(60,404)	-	(60,404)	51	18.57%	11,226	51
	Total General Support Facilities	2,227,562	(933,470)	1,294,093	7,704	1,301,796		(1,918,844)	804,100	(1,114,744)	-	(1,114,744)	187,052		192,952	78,438
2212.000	Digital Electronic Switching	311,167	(179,534)	131,634	-	131,634	3122.12	(287,592)	165,931	(121,660)	-	(121,660)	9,973	11.58%	15,243	9,973
2232.000	Circuit Equipment	669,739	179,534	849,273	-	849,273	3122.32	(669,525)	(165,931)	(835,456)	-	(835,456)	13,816	15.96%	135,544	13,816
2232.100	Circuit Equipment-Toll Carrier	25,285	0	25,285	-	25,285	3122.321	(25,285)	-	(25,285)	-	(25,285)	-	15.96%	4,035	-
	Total Central Office Equipment	1,006,191	-	1,006,191	-	1,006,191		(982,402)	(0)	(982,402)	-	(982,402)	23,789		154,823	23,789
2423.100	Buried Cable--Fiber	4,308,376	(35,057)	4,273,319	(62,040)	4,211,280	3124.231	(3,736,028)	32,736	(3,703,292)	(66,827)	(3,770,118)	441,162	5.68%	239,201	239,201
2441.000	Underground Conduit	287,650	-	287,650	2,677	290,327	3124.41	(287,196)	-	(287,196)	-	(287,196)	3,131	4.00%	11,613	3,131
	Total Cable & Wire Facilities	4,596,026	(35,057)	4,560,970	(59,363)	4,501,607		(4,023,224)	32,736	(3,990,488)	(66,827)	(4,057,314)	444,292		250,814	242,331
2681	Capitalized Lease	-	-	-	-	-	3410.33	-	-	-	-	-	-	0.00%	-	-
2600	Intangibles-Organization	32,000	-	32,000	-	32,000		-	-	-	-	-	32,000		-	-
	Total Telephone Plant	7,861,780	(968,526)	6,893,254	(51,659)	6,841,594		(6,924,470)	836,836	(6,087,634)	(66,827)	(6,154,461)	687,134		598,589	344,559
	Check					\$ -										
														Normalized Depr Exp		344,559
														Cost Study Depr Exp		396,321
																<u>(51,762)</u>

## **SECTION 11**

**Mutual Telephone Company**

Dkt No.  
Operating Taxes  
YE 12/31/2023

**Section 11**  
**Schedule 1**

Section 11 (i) Taxes chargeable to Operations	Source	12/31/2023 Balance	Jurisdictional Allocation	
			Intrastate %	Intrastate Amt
Total Payroll Taxes	Payroll Records	46,912	<i>N/A - various accounts</i>	
Total Property Taxes	Acct. 7240	9,108	0.552257	5,030
Total Operating Taxes		<u>56,020</u>		

Section 11 (ii - iv)

Mutual Telephone Company is organized under the cooperative laws of the state of Kansas.



## **SECTION 12**

## **SECTION 16**