

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application and Request )  
of United Telephone Association, Inc. ) Docket No. 20-UTAT-032-KSF  
for an Increase in its Cost-Based Kansas )  
Universal Service Fund Support )

DIRECT TESTIMONY  
OF  
ANN DIGGS  
ON BEHALF OF  
KANSAS CORPORATION COMMISSION STAFF

December 13, 2019

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**I. INTRODUCTION**

**Q: Please state your name, occupation and business address.**

A: My name is Ann Diggs. I am self-employed as the owner of a certified public accounting firm, Ann Diggs, CPA. My business address is 107 Chestnut Street, Wilmington, NC 28401.

**Q: Please discuss your professional background and regulatory experience.**

A: I received a B.B.A. Degree with a Major in Accounting from Washburn University in Topeka, Kansas. I am a CPA licensed to practice in North Carolina. My auditing and accounting experience include nine years of public utility electric, gas and telecommunications regulatory experience with the Staff of the Kansas Corporation Commission (Commission), where I held various positions progressing to Chief of Accounting and Financial Analysis. Additionally, since 2006, I have provided regulatory consulting services on behalf of the Commission Staff (Staff) and have participated in over 20 KUSF audits sponsoring various cost of service adjustments and addressing affiliate transaction and cost allocation issues. A summary of my work and utility regulatory experience is included in Attachment AD-1.

**Q: Have you previously testified before the Commission?**

A: Yes, I have presented written and oral expert witness testimony before the Commission on a broad range of issues including cost of service, acquisition premium recovery, affiliate transactions, cost allocations, and merger savings.

**Q: Please state on whose behalf you are appearing.**

1 A: I am appearing in this docket on behalf of Staff.

2 **Q: Please describe your responsibilities and the procedures you performed in**  
3 **this docket.**

4 A: My responsibilities in this docket were to analyze United Telephone Association,  
5 Inc.'s (UTA or Company) filing, sponsor Staff adjustments and, in conjunction  
6 with Staff, provide recommendations to the Commission. I reviewed the  
7 Company's application, testimony, and schedules, and analyzed responses to data  
8 requests issued by Staff. I participated in phone discussions with Staff and  
9 reviewed other Commission dockets and materials relevant to the issues I am  
10 addressing.

11 **Q: Please describe the purpose and scope of your testimony.**

12 A: I provide background information regarding UTA's operations and affiliate  
13 transactions. I sponsor Staff's regulated and non-regulated allocation factors and  
14 various adjustments to the Company's cost of service, and proffer  
15 recommendations regarding the Company's affiliate transaction procedures.

16 **Q: Please identify the additional attachments to your testimony.**

17 A: Attachment AD-2 contains a summary and support of Staff's allocation factors,  
18 used to apportion shared costs between the Company's regulated and non-  
19 regulated operations. AD-3 contains work papers supporting my sponsored  
20 Income Statement adjustments, identified by adjustment number. AD-4 contains  
21 data requests (DR) that are referenced in my testimony.

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## II. EXECUTIVE SUMMARY

### A. Cost of Service Adjustments

**Q: Please summarize your sponsored adjustments.**

A: My sponsored Income Statement (IS) adjustments are summarized in the following table, along with the effect of each adjustment to the Company's total-company and intrastate cost of service.

ADJ #	DESCRIPTION	TOTAL COMPANY ADJUSTMENT	INTRASTATE ADJUSTMENT
IS - 2	Non-Regulated Allocation of GSF and Other Common Expenses	\$ (284,036)	\$ (168,587)
IS - 3	Payroll Expense and Distribution	\$ (124,270)	\$ ( 73,331)
IS - 4	Employee Benefit and Payroll Tax Expense	\$ (197,289)	\$ (120,356)
IS - 5	Building and Vehicle Lease Expense	\$ ( 93,744)	\$ ( 68,043)

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Each of the above adjustments is described in detail in Section V – Income Statement Adjustments of my testimony. The adjustments are further supported by calculations and explanations contained in my workpapers in Attachment AD-3 which are an integral part of my testimony.

### B. Affiliate Transactions and Cost Allocations

**Q: Please summarize Staff's findings regarding the Company's affiliate transactions and cost allocation procedures.**

A: Staff's findings are summarized as follows:

16

1           1. UTA did not execute written agreements for all services and  
2           transactions to or from its affiliates and did not file affiliate agreements with the  
3           Commission in violation of the Company’s Stipulated Settlement Agreement with  
4           Staff and the Commission’s Order in UTA’s prior KUSF docket<sup>1</sup>.

5           2. UTA did not fully allocate shared resources and costs to non-regulated  
6           operations by failing to allocate common non-labor costs such as General and  
7           Administrative (G&A), Human Resources, and Executive costs. This finding is  
8           discussed and quantified in my adjustment IS-2.

9           3. Vehicles and buildings were leased to UTA by a non-regulated  
10          affiliate, United Wireless Communications, Inc. (UWC or Wireless), at rates  
11          higher than fully distributed cost (FDC) or fair market value (FMV), in violation  
12          of FCC affiliate transaction rules. This finding is discussed and quantified in my  
13          adjustment IS-5.

14          4. Buildings were leased to non-regulated affiliate operations by UTA at  
15          rates lower than FDC or FMV, also in violation of FCC affiliate transaction rules.  
16          This finding is discussed and quantified in my adjustment IS-5.

17      **Q: Please summarize Staff’s recommendations regarding the Company’s**  
18      **affiliate transactions and cost allocation procedures.**

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<sup>1</sup> Docket 10-UTAT-525-KSF.

1 A: Staff recommends the Commission require the Company to execute written  
2 agreements for all services and transactions to or from its affiliates, and to file all  
3 affiliate agreements with the Commission pursuant to K.S.A. 66-1402.

4 **III. AFFILIATE TRANSACTIONS AND COST ALLOCATIONS**

5 ***A. Overview of affiliates and services***

6 **Q: Please provide a brief overview of UTA and its non-regulated affiliates.**

7 A: UTA is a rural Independent Local Exchange Carrier (ILEC), with its corporate  
8 headquarters in Dodge City, Kansas. UTA provides regulated local exchange  
9 telephone service in 10 exchanges in Southwest Kansas. UTA is an affiliate of  
10 United Communications Association, Inc. (UCA) which provides non-regulated  
11 services including:

- 12                   ▪ cable and streaming TV
- 13                   ▪ Internet
- 14                   ▪ VoIP
- 15                   ▪ Long-Distance
- 16                   ▪ Key Systems
- 17                   ▪ Maintenance plans
- 18                   ▪ Web & email hosting
- 19                   ▪ Competitive Local Exchange Carrier (CLEC) services
- 20                   ▪ Inside wire maintenance
- 21                   ▪ Repair and installation services

1           UTA is also the parent company of United Wireless Communications, Inc.  
2           (UWC) which provides non-regulated services including wireless voice and data.  
3           All three affiliated entities have the same board of trustees and management, and  
4           are marketed as the United Family of Companies, bringing state-of-the-art  
5           technology to thousands of customers through internet, television, and both  
6           wireless and landline phone service.

7   **Q:   Please describe what you mean by “non-regulated services”?**

8   A:   Any services provided by an ILEC or its affiliated entity that are not regulated by  
9       the State of Kansas and not eligible for KUSF support. KUSF support is intended  
10      only for “Universal Service” as defined under K.S.A. 66-1,187(p) and includes  
11      landline telephone calls and associated miscellaneous services such as operator  
12      services and directory assistance services. KUSF support is not intended for  
13      wireless data and communications, Cable TV, or other services not regulated by  
14      the State of Kansas. Therefore, direct and shared expenses benefitting these  
15      services are considered “non-regulated” and should not be included in the  
16      Company’s cost of service for purposes of determining KUSF support.

17   **Q:   Describe the goods and services sold or transferred between UTA and its**  
18       **affiliates and common resources and costs UTA shares with UCA and UWC.**

19   A:   The assignment and allocation of common resources and costs are set out in the  
20      Company’s Cost Allocation Manual (CAM), which was provided in Section 14 of  
21      the Company’s application in this docket. The Company provided additional



1 information regarding affiliate transactions and cost allocations in DR-14-Rev<sup>2</sup>, in  
2 a document titled “Service Agreements and Transactions”.

3 My testimony includes Staff adjustments and recommendations related to  
4 the following affiliate transactions and cost allocations:

5 1. Goods and services provided from UTA to its non-regulated affiliates,  
6 UCA and UWC:

7 ▪ Buildings and office space owned by UTA

8 2. Goods and services provided to UTA from its non-regulated affiliate  
9 UWC:

10 ▪ Buildings and office space owned by UWC and leased to UTA

11 ▪ Vehicles owned by UWC and leased to UTA

12 3. Allocation of common costs between regulated and non-regulated  
13 operations:

14 ▪ Payroll and labor costs

15 ▪ General support facility (GSF) costs

16 ▪ Executive non-labor costs

17 ▪ General and Administrative (G&A) non-labor costs

18 **B. Services sold or transferred from the Company to its affiliates**

19 **Q: Please begin with a description of the buildings and office space sold or**  
20 **transferred from UTA to its non-regulated affiliates.**

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<sup>2</sup> Referenced document titled “Service Agreements and Transactions” is attached in AD-4.

1 A: UTA owns the corporate office building, as well as several other outbuildings, in  
2 Dodge City. These buildings are used in the provision of UTA's regulated  
3 operations as well as the non-regulated operations of UCA and UWC.

4 **Q: What are the applicable FCC rules regarding services sold or transferred**  
5 **from a company to its affiliates:**

6 A: Under the FCC's affiliate transaction rules set out in 47 C.F.R. §64.902, these  
7 services are required to be recorded at no less than the higher of fair market value  
8 (FMV) and fully distributed cost (FDC).

9 **Q: How did UTA account for the non-regulated use of these buildings?**

10 A: The corporate office and outbuildings are allocated among the United companies  
11 based on a building floor space study, with each company's calculated usage  
12 based on the payroll hours of employees occupying each office space. UTA's  
13 cost of the building space is calculated on a square foot basis, and then compared  
14 to the average FMV per square foot. Based on the calculations for lease payments  
15 recorded in the test year, UTA appropriately charged UCA & UWC the higher of  
16 FDC or FMV of the building space per square foot for the corporate office  
17 building, however the Company charged its non-regulated affiliates the lower of  
18 FDC or FMV for the Dodge City outbuildings, which was not in compliance with  
19 the FCC affiliate transaction rules.

20 **C. Services sold or transferred to the Company from its affiliates**

21 **Q: Describe the building space provided to the Company from UWC.**

1 A: UWC owns a Wireless Retail Store and Central Office adjacent to UTA's  
2 corporate offices in Dodge City which house UTA employees who perform work  
3 for the United companies. UWC leases this office space to UTA and UCA.

4 **Q: Describe the vehicles provided to the Company from UWC.**

5 A: During the test year, UWC owned 29 plant and non-plant vehicles that were  
6 leased to UTA and used by employees to provide services to the United  
7 companies. The leases included vehicles ranging from 2018 models to 2010  
8 models. In fact, three of the 2010 models were included as leased vehicles in the  
9 Company's prior 2009 docket.

10 **Q: What are the applicable FCC rules regarding services sold or transferred to**  
11 **a company from its affiliates?**

12 A: Under the FCC's affiliate transaction rules set out in 47 C.F.R. §64.902, these  
13 services are required to be recorded at no greater than the lower of FMV and  
14 FDC.

15 **Q: How did UTA account for the building and vehicle leases?**

16 A: In a manner similar to the allocation of the buildings owned by UTA, the  
17 buildings owned by UWC are allocated among the United companies based on a  
18 building floor space study which calculates each affiliate's usage based on the  
19 payroll hours of employees occupying each office space. UWC's cost of the  
20 building space is calculated on a square foot basis, and then compared to the  
21 average FMV per square foot. Based on the calculations for lease payments

1 recorded in the test year, UWC charged UTA the lower of FDC or FMV of the  
2 building space per square foot.

3 Vehicle lease rates were calculated separately for each vehicle, and all  
4 leases were executed in 2018. Lease rates included a return on investment,  
5 grossed up for UWC's tax rate, plus depreciation expense. However, since many  
6 of the vehicles were model years 2015 and older, they should be fully depreciated  
7 on UWC's books. Therefore, the calculation of FDC, which included  
8 depreciation expense, was significantly overstated, and the rates charged to UTA  
9 for those fully depreciated vehicles was recorded at an amount higher than the  
10 lower of FDC or FMV.

11 **D. Allocation of common costs**

12 **Q: You listed above other shared costs which benefit all the United companies,**  
13 **including labor costs, GSF costs, and shared non-labor costs including**  
14 **executive and G&A. Please describe the FCC's rules regarding the**  
15 **allocation of costs between regulated and non-regulated services.**

16 A: The FCC has established the following hierarchy, set out in 47 C.F.R. §64.901,  
17 for the assignment or allocation of costs to regulated and non-regulated activities:

18 (b)(2) Costs shall be directly assigned to either regulated or non-regulated  
19 activities whenever possible. (Emphasis added.)  
20

21 (b)(3) Costs which cannot be directly assigned to either regulated or non-  
22 regulated activities will be described as common costs. Common costs  
23 shall be grouped into homogeneous cost categories designed to facilitate  
24 the proper allocation of costs between a carrier's regulated and non-  
25 regulated activities. Each cost category shall be allocated between

1 regulated and non-regulated activities in accordance with the following  
2 hierarchy:

3  
4 (i) Whenever possible, common cost categories are to be allocated  
5 based upon direct analysis of the origin of the cost themselves.

6  
7 (ii) When direct analysis is not possible, common cost categories  
8 shall be allocated based upon an indirect, cost causative linkage to  
9 another cost category (or group of cost categories) for which a  
10 direct assignment or allocation is available.

11  
12 (iii) When neither direct nor indirect measures of cost allocation  
13 can be found, the cost category shall be allocated based upon a  
14 general allocator computed by using the ratio of all expenses  
15 directly assigned or attributed to regulated and non-regulated  
16 activities.

17  
18 **Q: How did UTA account for these common costs?**

19 A: UTA management and non-management employees maintain daily timesheets  
20 that allocate salary and overheads among the United companies. In addition,  
21 UWC employs part-time employees who provide labor resources to UTA, UCA,  
22 and UWC. These employees complete daily timesheets to track salary and  
23 overhead costs among the companies.

24 GSF costs related to building expenses are included in the building lease  
25 rate calculations. Other GSF costs are allocated to non-regulated operations in the  
26 Company's annual cost study adjustments and reflected in the Company's  
27 schedules to derive the pro forma balances that are the basis of the revenue  
28 requirement. However, common non-labor executive and G&A costs were not  
29 allocated in the annual cost study adjustments.

30 **Q: What were Staff's findings and adjustments regarding the Company's**  
31 **allocation of common costs?**

1 A: Staff's payroll expense adjustment IS-3 updated test year payroll distributions for  
2 employees whose allocation to non-regulated operations changed more than 10%  
3 from the test year to year-to-date at September 30, 2019. The updated payroll  
4 distributions and normalized payroll salaries were further used to calculate Staff's  
5 allocation factors presented in AD-2. Staff applied its allocation factors to  
6 allocate common GSF costs and non-labor executive and G&A costs in  
7 adjustment IS-2.

8 **E. Affiliate Management Agreements**

9 **Q. Please continue with a discussion of affiliate management agreements.**

10 A: In the Company's prior KUSF audit in Docket 10-UTAT-525-KSF, the  
11 Commission accepted the Stipulated Settlement Agreement (SSA) between UTA  
12 and Staff. Paragraph 9(b) of the SSA required UTA to execute written  
13 agreements for all services and transactions to or from its affiliates. Paragraph  
14 9(c) further required UTA to file in the Docket an affidavit of a company official  
15 informing Staff and the Commission that the requirements have been completed.

16 Section 15 of the Company's application in this docket included vehicle  
17 and work equipment leases signed by UTA's Controller, and a document titled  
18 "Table of Contents" which outlined procedures for calculating and allocating  
19 various shared costs among the companies, but did not include a written  
20 agreement executed by UTA for building leases or management, administrative,  
21 technical, and other services and transactions to or from its affiliates as required  
22 by the Commission. In response to an informal inquiry by Staff to provide signed

1           affiliate agreements, the Company provided as a revision to DR 14 a document  
2           titled “Service Agreements and Transactions”, which described common costs  
3           among affiliates and procedures to allocate the costs, but again, did not include an  
4           executed written agreement between UTA and its affiliates as required in the prior  
5           Commission Order. In response to DR 118 (attached), the Company did provide  
6           a coversheet to the “Service Agreements and Transactions” document recently  
7           signed by UTA and its affiliates.

8   **Q:   Why is it important for UTA to execute written agreements with its affiliates**  
9   **for management, operational, and shared costs and services as required in**  
10 **the Commission’s Order approving the SSA in Docket 10-UTAT-525-KSF?**

11 A:   UTA should execute legally-binding written agreements with its affiliates for the  
12       same reasons it executes written agreements with third parties. Although the  
13       United companies share the same management and board of trustees, they are  
14       separate entities, provide a variety of regulated and non-regulated services, and  
15       operate in different service areas and marketing environments. Written  
16       agreements identifying and setting out the terms, conditions, and allocation  
17       methodologies of goods and services provided among affiliates are vital in  
18       establishing a framework which will help ensure regulated telephone operations  
19       do not subsidize the non-regulated operations of the affiliates. Simply having  
20       procedural documents on hand with a description of shared costs similar to the  
21       Company’s CAM is not sufficient. Formal, written affiliate agreements signed by

1 officers of the companies which are regularly maintained and updated are needed  
2 for the protection of UTA's regulated operations.

3 **Q: What are Staff's recommendations to the Commission regarding affiliate  
4 agreements?**

5 A: Staff recommends the Commission require UTA to execute and maintain formal,  
6 legal agreements signed by officers of the entities for all goods and services  
7 provided to or from its affiliated entities, and to file all affiliate agreements with  
8 the Commission pursuant to K.S.A. 66-1402<sup>3</sup>.

9 **V. INCOME STATEMENT ADJUSTMENTS**

10 ***A. IS-2 - Non-Regulated Allocation of Shared GSF, Executive, and G&A***  
11 ***Expenses***

12 **Q: Please discuss Staff's Adjustment IS-2 to allocate the Company's shared  
13 expenses to non-regulated operations.**

14 A: GSF Expenses include Land and Building, Furniture, Office Equipment, and  
15 General Purpose Computers. UTA's Land and Building expense is allocated to  
16 UCA and UWC by inclusion in the calculation of building lease charges. The  
17 other GSF expenses are allocated to non-regulated operations in the Company's  
18 cost study adjustments. Staff used the Company's floor plan study factors to  
19 allocate Land and Building expenses, and calculated its non-regulated allocation

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<sup>3</sup> **K.S.A. 66-1402. Submission of contracts with affiliated interests to commission.** No management, construction, engineering or similar contract hereafter made, with any affiliated interest... shall be effective unless it shall first have been filed with the commission.



1 of remaining GSF costs by applying its allocation factors summarized in  
2 Attachment AD-2 to total test year shared expenses. Staff's adjustment is the  
3 difference between the test year expenses assigned or allocated to non-regulated  
4 operations by the Company and Staff's non-regulated allocation.

5 **Q: Did the Company allocate all shared expenses to non-regulated operations?**

6 A: No. The Company did not allocate shared non-labor Executive expense or G&A  
7 expense. Staff's adjustment includes the allocation of shared non-labor  
8 Executive, Accounting, External Relations, Human Resources, and Miscellaneous  
9 expenses using Staff's allocation factors presented in Attachment AD-2.

10 **Q: Please summarize Staff's adjustment for the non-regulated allocation of GSF**  
11 **expenses.**

12 A: Staff's adjustment decreases the Company's regulated expenses by \$284,036 on a  
13 total company basis and decreases the Company's intrastate expenses by  
14 \$168,587.

15 ***B. IS-3 – Payroll Expense and Distribution Adjustment***

16 *1. Adjustment to Normalize Payroll Expense*

17 **Q: Please discuss IS-3 to adjust test year salaries and distribute Staff's pro**  
18 **forma salary expense.**

19 A: To calculate a normalized, or on-going, level of salary expense, Staff made the  
20 following adjustments to test year salary expense:

1           1. Additional new and terminated positions. Staff made adjustments for  
2 employees who were hired and/or terminated subsequent to the test year.

3           2. Updated salary rates. Staff adjusted salary rates using employees'  
4 most currently available 2019 salary rates.

5           4. Normalized salaries of employees who began employment or changed  
6 job positions at the Company during the 2018 test year.

7           2. Payroll Expense Distribution

8   **Q: Please discuss Staff's distribution of pro forma payroll expense between**  
9 **regulated and non-regulated operations.**

10 A: Generally, Staff used employees' 2018 test year payroll distribution to distribute  
11 its pro forma payroll expense between various payroll accounts. Exceptions are  
12 noted on Staff's Payroll Adjustment Workpapers, IS-3.2. For example, Staff  
13 compared employee's non-regulated labor distributions during the test year to  
14 their current year-to-date September 2019 distributions. If an employee's  
15 variance was greater than 10%, Staff updated the distribution to reflect the more  
16 current 2019 YTD data. Staff's workpaper IS-3.2 provides further details of the  
17 pay rates and the method of distribution for each employee.

18           3. Disallowance of managers' salaries

19   **Q: Does Staff have additional information to present to the Commission**  
20 **regarding the reasonableness of the Company's labor expenses?**

1 A: Yes. Staff performed a comparison of management employees' compensation  
2 with compensation for similar positions reported in the NTCA's 2018 Survey of  
3 Compensation and Benefits in the Independent Telecommunications Industry  
4 (NTCA Survey). Staff's confidential comparative analysis is presented in Staff  
5 Workpaper IS-3.3. Based on the results of this analysis, through this payroll  
6 adjustment, Staff disallowed recovery through the KUSF of the amount of  
7 managers' salaries that exceeded the NTCA Survey's prevailing compensation.

8 **Q: Explain why Staff selected the NTCA Survey for its compensation**  
9 **comparison analysis.**

10 A: Staff selected the NTCA Survey to determine prevailing rates of pay for  
11 comparison with the Company's employees for the following reasons:

12 1. The Survey is an independent and reliable source of actual and current  
13 compensation data. The NTCA – The Rural Broadband Association has  
14 conducted compensation and benefits studies for over 40 years.

15 2. The NTCA Study is the largest and most comprehensive source of  
16 information covering salaries and benefits in the independent telecommunications  
17 industry, and results of annual surveys allow comparisons of the industry's  
18 prevailing salaries. The annual Surveys have a consistent high rate of repeat  
19 participation which ensures users of the survey a credible and reliable source of  
20 salary and benefits data.

1           3. Survey participants reported rates of pay that were in effect January 1,  
2           2018, which is a comparable time period with the Company's payroll data  
3           submitted in this filing.

4           4. The Survey profiles compensation data by geographic location, and  
5           numerous measures of size including operating revenues, number of access lines,  
6           and number of employees, so the Company's compensation can be compared with  
7           companies with similar geographic and size characteristics.

8           5. The Company responded in DR 63 that the Company relied on the  
9           2018 NTCA Survey to establish salaries, benefits, and other employee  
10          compensation in effect during the test year to current.

11       **Q: Describe Staff's methodology in selecting comparable company**  
12       **compensation data.**

13       A: The NTCA Survey profiles employee compensation data submitted by over 300  
14       Telco's by region, and by various measures of size including operating revenue,  
15       number of access lines, and number of employees. For selected management  
16       positions, Staff used the above criteria to calculate an average salary comparable  
17       with those positions at other Telco's of similar size and location.

18       **Q: How did Staff determine prevailing compensation?**

19       A: The NTCA Survey breaks down reported salary data by position by various  
20       percentiles. Staff selected the NTCA Survey's reported 75<sup>th</sup> percentile as the top  
21       of the range representing the prevailing rate of pay. The NTCA Survey states,  
22       "Together, the 25th percentile and the 75th percentile define the middle 50% of

1 all salaries paid for the job. This midrange, based on the reported rates for the  
2 position, generally is considered the most reliable indicator of prevailing salaries.”

3 **Q: Has the Commission addressed excessive employee compensation in prior**  
4 **KUSF dockets?**

5 A: Yes. To aid the Commission in its determination of the reasonableness of the  
6 level of labor costs companies seek recover from the KUSF, Staff has routinely  
7 conducted salary comparison studies in KUSF audits over approximately the last  
8 seven years.

9 In the KUSF Docket 15-MRGT-097-AUD<sup>4</sup>, the Commission affirmed the  
10 Commission’s accepted, historical practice of applying comparative analysis to  
11 evaluate employee compensation. The Commission accepted Staff’s proposed  
12 adjustment to remove the amount of employee compensation that exceeded  
13 Staff’s calculations of prevailing rates of pay based on data contained in the 2014  
14 NTCA Survey and using the same methodology as Staff is using in this docket.

15 Staff also recommended an adjustment to disallow compensation in excess  
16 of prevailing rates of pay in KUSF Docket 15-TWVT-213-AUD. Staff stated in  
17 that docket<sup>5</sup>, “Staff’s adjustment to disallow excessive employee compensation  
18 does not act to restrict or usurp management’s discretion to pay whatever level of

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<sup>4</sup> Docket No. 15-MRGT-097-AUD, In the Matter of the Application of Moundridge Telephone Company, Inc. for Additional Kansas Universal Service Fund Support. April 27, 2015 Order Setting Annual Cost-Based Universal Service Support For Moundridge Telephone Company, Inc. Referenced use of the NTCA Survey as historical Commission practice is also evidenced by its use in Docket Nos. 13-JBNT-437-KSF, 13-CRKT-268-KSF, 13-Pltt-678-KSF and 14-WTCT-142-KSF.

<sup>5</sup> Direct Testimony of Ann Diggs, page 29, lines 8-11.

1 salaries and bonuses it desires but serves to limit the recovery of excessive  
2 compensation from KUSF funds.” Staff would like to incorporate those same  
3 comments into the current docket.

4 In addition, the Commission previously expressed its concerns in  
5 comments submitted to the FCC<sup>6</sup> that the level of employee compensation  
6 included in the regulated revenue requirement should not burden universal service  
7 mechanisms to the benefit of a few.

8 **Q: Please summarize the total effects of Staff’s adjustment IS-3 to normalize  
9 and distribute payroll expense.**

10 A: Staff’s total salary normalization and distribution adjustment was calculated by  
11 taking the difference between its distributed pro forma wages and actual  
12 distributed 2018 test year wages. Staff’s adjustment decreases the Company’s  
13 total regulated expenses by \$124,270 and decreases the Company’s intrastate  
14 expenses by \$73,331.

15 ***C. IS-4 - Benefit and Payroll Tax Adjustment***

16 **Q: Please discuss Staff’s Employee Benefit Adjustment IS-4.**

17 A: In general, the following employee benefits and payroll taxes were updated from  
18 test year levels:

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<sup>6</sup> Comments of the Kansas Corporation Commission Supporting the FCC’s Initiatives Regarding Expenses, Cost Allocations and Affiliate Transactions. WC Docket No. 10-90, WC Docket No. 14-58, CC Docket No. 01-92.

- 1           • NTCA Retirement and Medical and dental insurance, disability insurance,  
2           and group life insurance - updated to most current invoices in 2019,  
3           • Employer's share of FICA taxes – adjusted to Staff's pro forma salary  
4           expense.

5           The Company was able to achieve significant savings in employee health  
6           insurance through the cost-cutting measure of moving to a higher deductible plan.

7           After making the above adjustments, Staff distributed its resulting total  
8           pro forma employee benefits among all accounts using Staff's pro forma salary  
9           distribution percentages.

10   **Q: Please summarize the effects of Staff's Employee Benefit and Payroll Tax  
11   Adjustment IS-4.**

12   A: After distribution of the total benefit and payroll tax adjustments, Staff's  
13   adjustment decreases the Company's regulated expenses by \$197,289 on a total  
14   company basis and decreases the Company's intrastate expenses by \$120,356.

15   **D. IS-5 - Building and Vehicle Lease Adjustment**

16   **Q: Please begin your discussion of Staff Adjustment IS-5, Building and Vehicle  
17   Lease Expense, by describing how UTA calculated the lease rates it charged  
18   to UCA and UWC for office space.**

19   A: The Company calculated a cost per square foot for the office space of its  
20   corporate building and several outbuildings in Dodge City. The total annual  
21   building cost was based on a return on the building investment, annual  
22   depreciation expense, and the prior year's related Building expense. UTA's

1 resulting cost per square foot was then compared to the FMV rate of similar  
2 buildings in Dodge City to determine the higher of cost or market rate to charge  
3 UTA's non-regulated affiliates pursuant to the FCC's affiliate transaction rules.  
4 UTA charged its affiliates the FMV rate for both the corporate office building and  
5 for the outbuildings. However, the higher of cost or market rate for the  
6 outbuildings was UTA's cost. Therefore, UTA under-charged its affiliates for  
7 building space at its Dodge City outbuildings.

8 **Q: Describe the adjustments Staff made to UTA's test year building lease rates.**

9 A: Staff calculated building lease rates in a similar manner, but updated building  
10 investment and building expense to the amounts used to calculate the lease rates  
11 in 2019. Staff also replaced the 10.50% rate of return (ROR) used in the  
12 Company's calculations with Staff's recommended ROR in this docket, sponsored  
13 by Adam Gatewood, of 7.76%. Staff calculated the cost of the corporate office  
14 building and the outbuildings separately and compared the resulting cost per  
15 square foot with the appropriate FMV's. Staff determined the appropriate rate to  
16 use for the corporate building was the higher market value, and the appropriate  
17 rate to use for the outbuildings was the higher cost.

18 **Q: Describe how the Company calculated the lease rates UWC charged to UTA  
19 and UCA for office space.**

20 A: The lease rates for UWC's Retail Sales Office and Central Offices were  
21 calculated in the same manner as described for UTA's corporate office lease.



1           Since UWC is providing the office space to UTA, UWC appropriately charged  
2           the lower of cost or FMV.

3       **Q: Describe the adjustments Staff made to UTA's test year building lease rates.**

4       A:    Again, Staff calculated building lease rates in a similar manner, updating building  
5           investment and building expense to the amounts used to calculate the lease rates  
6           in 2019. Staff also replaced the 10.50% rate of return (ROR) used in the  
7           Company's calculations with Staff's recommended ROR in this docket, sponsored  
8           by Adam Gatewood, of 7.76%.

9                       Staff adjusted the Company's Floor Plan Study for UWC's Retail Office  
10           to disallow the square footage associated with unused areas in the basement. The  
11           Staff members who toured the buildings during their onsite audit reported that the  
12           areas were not used or useful for the provision of regulated telephone service.  
13           Staff's adjustment to the Floor Plan Study resulted in a lower allocation of total  
14           lease expense to UTA's regulated operations.

15       **Q: Describe how the Company calculated the lease rates UWC charged UTA  
16           for vehicle leases.**

17       A:    The Company calculated lease payments on vehicles using a return on the asset  
18           plus recovery of depreciation expense. The resulting cost was compared to a  
19           FMV for each vehicle, and the lease amount is the lesser of the Company's fully  
20           distributed cost or FMV.

21       **Q: Describe the adjustments Staff made to the test year vehicle lease expenses  
22           charged to the Company by UWC.**

1 A: UWC included a 25% annual vehicle depreciation rate in its lease calculations.  
2 Staff noted that many of the vehicles UWC leases to the Company are older than  
3 four years and would, therefore, be fully depreciated. In fact, three of the vehicles  
4 with leases effective January 1, 2018 were being leased to the Company by UWC  
5 in its last KUSF docket approximately nine years ago. By continually renewing  
6 leases every two years on the same vehicles, and including depreciation expense  
7 in the lease calculations, UWC is guaranteeing itself a steady stream of revenue  
8 from UTA's regulated operations on assets that are fully depreciated. In any  
9 event, during the test year, UWC over-stated the FDC of these fully depreciated  
10 vehicles, and is in violation of FCC affiliate transaction rules which require  
11 services provided to a company by an affiliate to be recorded at the lower of FDC  
12 or FMV.

13 Staff made the following adjustments to the Company's calculation of  
14 vehicle lease payments:

- 15 • Staff replaced the ROR used by the Company with Staff's  
16 recommended ROR, sponsored by Adam Gatewood, in this docket  
17 of 7.76%.
- 18 • Staff did not include depreciation expense on vehicles that would  
19 be fully depreciated in the test year if owned by the Company.

20 Further information regarding Staff's building and vehicle lease  
21 adjustments are included in Staff's workpapers, IS-5.1 through IS-5.5.

22 **Q: Please summarize Staff's Building and Lease Expense Adjustment, IS-5.**

1 A: Staff's adjustment decreases the Company's regulated expenses by \$93,744 on a  
2 total company basis and decreases the Company's intrastate expenses by \$68,043.

3 **Q: Does this conclude your testimony?**

4 A: Yes.

5

**Ann Diggs**

**Regulatory Experience and Employment Summary**

2003 - Present

Ann Diggs, CPA

Owner of CPA firm offering utility regulation auditing and consulting, as well as general accounting and tax services.

2001 -2003

Accountant, Bald Head Island Ltd., North Carolina

Corporate accounting responsibilities for resort and property management company.

1998 - 2000

Controller, Regulatory Action Division (RAD) Trust/  
Financial Examiner, North Carolina Department of Insurance

Conducted financial examinations of insurance companies and continuing care facilities. Controller of RAD Trust, established under the supervision of the North Carolina Department of Insurance. Responsible for accounting functions, internal controls, financial reporting, allocation of costs to estates, budget and tax return preparation.

1991 - 1998

Senior Utility Regulatory Auditor, Managing Auditor,  
Chief of Accounting & Financial Analysis, Kansas Corporation Commission

Directed professional staff in the timely development, analysis and recommendations of accounting and financial issues in rate cases, mergers and acquisitions of jurisdictional electric, gas and telecommunications companies. Provided written and oral expert witness testimony in technical hearings. Participated in settlement negotiations.

1986 - 1991

Accountant, Topeka Public Schools

Performed accounting, reporting, grant and budget functions.

1984 - 1986

Senior Utility Regulatory Auditor,  
Kansas Corporation Commission

Audited construction costs of the Wolf Creek Nuclear Generating Station. Prepared written findings. Assisted in technical hearings before the Commission.

1983 - 1984

Central Accountant, Division of Accounts and Reports,  
State of Kansas

Audited vouchers and inventory records for accuracy and compliance.

1982 - 1983

Associate Auditor, Legislative Division of Post Audit, State of Kansas

Performed financial and compliance audits of State agencies. Prepared written findings and recommendations.

ACT	COMMON ASSETS & EXPENSES	ALLOCATION PER STAFF		
		BASIS	REG %	NONREG %
<u>LAND &amp; BUILDINGS</u>				
2111	LAND	STAFF LAND & BLDG STUDY	63.54%	36.46%
2121	BUILDINGS	STAFF LAND & BLDG STUDY	63.54%	36.46%
3100	A/D - BUILDINGS	STAFF LAND & BLDG STUDY	63.54%	36.46%
6561	DEPR EXP - BUILDINGS	STAFF LAND & BLDG STUDY	63.54%	36.46%
6121	LAND & BLDG EXP	STAFF LAND & BLDG STUDY	63.54%	36.46%
7240	PROPERTY TAX EXP	STAFF LAND & BLDG STUDY	63.54%	36.46%
<u>FURNITURE</u>				
2122	FURNITURE	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
3122	A/D - FURNITURE	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6561	DEPR EXP - FURNITURE	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6122	FURNITURE EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
<u>OFFICE EQUIP</u>				
2123.1	OFFICE EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
3123	A/D - OFFICE EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6561	DEPR EXP - OFFICE EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6123	OFFICE EQUIP EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
<u>COMMUNICATIONS EQUIP</u>				
2123.2	COMMUN EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
3123.2	A/D - COMMUN EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6561	DEPR EXP - COMMUN EQUIP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
<u>COMPUTERS</u>				
2124	GENERAL PURPOSE COMPUTERS	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
3124	A/D - COMPUTERS	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6561	DEPR EXP - COMPUTERS	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6124	COMPUTER EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
<u>VEHICLES - NONPLANT</u>				
2112.2	VEHICLES - NONPLANT	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
3112.2	A/D - VEHICLES NONPLANT	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6561	DEPR EXP - VEHICLES	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
<u>VEHICLES, GARAGE &amp; OTHER WORK EQUIP</u>				
2112/2115/2116	VEH, GARAGE & OTHER WORK EQUIP	PRO FORMA WAGES - PLANT EMPL	54.97%	45.03%
31123115/3116	A/D - VEH, GARAGE & OTHER WORK EQUIP	PRO FORMA WAGES - PLANT EMPL	54.97%	45.03%
6561	DEPR EXP - VEH, GARAGE & OTHER EQUIP	PRO FORMA WAGES - PLANT EMPL	54.97%	45.03%
<u>SERVICES EXPENSE</u>				
6623	BILLING & COLLECTION EXPENSE	SUBSCRIBERS AT 9-30-19	44.49%	55.51%
<u>EXECUTIVE, CORPORATE &amp; G&amp;A EXP</u>				
6711	CORP EXPENSE	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6711.1	DIRECTORS EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6721	ACCOUNTING EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6722	EXTERNAL RELATIONS	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6723	HUMAN RESOURCES	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%
6728.1	MISC EXP	PRO FORMA WAGES - ALL EMPL	33.15%	66.85%

United Telephone Association

Allocation Factor - Payroll

Attachment AD-2

Docket 20-UTAT-032-KSF  
 Test Year Ended 12/31/2018

CO	Name	Title	Location	FT/PT	Plant Office	Distribution Summary				% NR Exp
						TPUC 2003	Total Reg Exp	NR Exp UCA/UCW	Total Exp Reg + NR	
UTA			DC Cop	FT	Office					65.63%
UTA			DC Corp	FT	Office					100.00%
UTA			DC Corp	FT	Office					98.95%
UTA			DC Corp	FT	Office					91.23%
UTA			DC Corp	FT	Office					97.80%
UTA			DC Corp	FT	Office					94.40%
UTA			DC Corp	FT	Office					62.93%
UTA			DC Corp	FT	Office					46.88%
UTA			DC Corp	FT	Office					97.93%
UTA			DC Corp	Intern/FT	Office					97.39%
UTA			DC Corp	FT	Office					70.36%
UTA			DC Corp	FT	Office					100.00%
UTA			DC Corp	FT	Office					16.83%
UTA			DC Corp	FT	Office					48.35%
UTA			DC Corp	FT	Office					80.73%
UTA			DC Corp	FT	Office					74.47%
UTA			DC Corp	FT	Office					30.41%
UTA			DC Corp	FT	Office					57.01%
UTA			DC Corp	FT	Office					67.34%
UTA			DC Corp	FT	Office					82.61%
UTA			DC Corp	FT	Office					6.90%
UTA			DC Corp	FT	Office					75.79%
UTA			DC Corp	FT	Office					99.91%
UTA			DC Corp	FT	Office					60.04%
UTA			DC Corp	FT	Office					20.53%
UTA			DC Corp	FT	Office					47.20%
UTA			DC Corp	FT	Office					49.97%
UTA			DC Corp	FT	Office					39.96%
UTA			DC Corp	FT	Office					89.91%
UTA			DC Corp	FT	Office					92.32%
UTA			DC Corp	FT	Office					99.84%
UTA			DC Corp	FT	Office					69.34%
UTA			DC Corp	FT	Office					98.45%
UTA			DC Corp	FT	Office					76.41%
UTA			DC Corp	FT	Office					99.05%
UTA			DC Corp	FT	Office					40.14%

United Telephone Association

Allocation Factor - Payroll

Attachment AD-2

Docket 20-UTAT-032-KSF  
 Test Year Ended 12/31/2018

Distribution Summary

CO	Name	Title	Location	FT/PT	Plant Office	Distribution Summary				% NR Exp
						TPUC 2003	Total Reg Exp	NR Exp UCA/UCW	Total Exp Reg + NR	
UTA			DC Corp	FT	Office					100.00%
UTA			DC Corp	FT	Office					97.53%
UTA			DC Corp	FT	Office					65.61%
UTA			DC Corp	FT	Office					100.00%
UTA			DC Corp	FT	Office					47.25%
UTA			DC Corp	FT	Office					65.38%
UTA			DC Corp	FT	Office					44.56%
UTA			DC Corp	FT	Office					56.86%
UTA			DC Corp	FT	Office					80.97%
UTA			DC Corp	FT	Office					35.23%
UTA			DC Corp	FT	Office					98.07%
UWC			DC Corp	Seasonal	Office					98.60%
UWC			DC Corp	Seasonal	Office					100.00%
UWC			DC Corp	Seasonal	Office					60.40%
UWC			DC Corp	Seasonal	Office					91.40%
<b>TOTAL DC CORP - OFFICE</b>										<b>68.71%</b>
UTA			DC Corp/Mall	FT	Office					99.87%
UTA			DC Corp/Mall	FT	Office					93.26%
UTA			DC Corp/Mall	FT	Office					99.98%
UTA			DC Corp/Mall	FT	Office					100.00%
UTA			DC Corp/Mall	FT	Office					100.00%
UTA			DC Mall	FT	Office					100.00%
UWC			DC Mall	PT	Office					100.00%
<b>TOTAL DC MALL - OFFICE</b>										<b>98.98%</b>
UTA			Garden City	FT	Office					100.00%
UTA			Garden City	FT	Office					100.00%
UTA			Garden City	FT	Office					100.00%
UWC			Garden City St	PT	Office					100.00%
UWC			Garden City St	PT	Office					100.00%
UWC			Garden City St	PT	Office					100.00%
<b>TOTAL</b>										<b>100.00%</b>
UTA			Liberal Store	FT	Office					100.00%
UWC			Liberal Store	PT	Office					100.00%

United Telephone Association

Allocation Factor - Payroll

Attachment AD-2

Docket 20-UTAT-032-KSF  
 Test Year Ended 12/31/2018

							Distribution Summary				
CO	Name	Title	Location	FT/PT	Plant Office	TPUC 2003	Total Reg Exp	NR Exp UCA/UCW	Total Exp Reg + NR	% NR Exp	
UWC			Liberal Store	PT	Office					100.00%	
<b>TOTAL LIBERAL - OFFICE</b>										<b>100.00%</b>	
<b>TOTAL ALL EMPL - OFFICE</b>										<b>72.99%</b>	
UTA			DC Corp	FT	Plant					52.81%	
UTA			DC Corp	PT	Plant					96.56%	
UTA			DC Corp	FT	Plant					12.11%	
UTA			DC Corp	FT	Plant					27.46%	
UTA			DC Corp	FT	Plant					25.33%	
UTA			DC Corp	FT	Plant					83.63%	
UTA			DC Corp	FT	Plant					17.25%	
UTA			DC Corp	FT	Plant					56.33%	
UTA			DC Corp	PT	Plant					29.07%	
UTA			DC Corp	FT	Plant					7.12%	
UTA			DC Corp	FT	Plant					48.00%	
UTA			DC Corp	FT	Plant					33.83%	
UTA			DC Corp	FT	Plant					55.07%	
UTA			DC Corp	FT	Plant					70.39%	
UWC			DC Corp	Seasonal	Plant					43.64%	
<b>TOTAL</b>										<b>44.48%</b>	
UTA			Ashland CO	FT	Plant					71.62%	
UTA			Ashland CO	FT	Plant					28.13%	
UTA			Cimarron CO	FT	Plant					18.60%	
UTA			Montezuma	FT	Plant					8.75%	
UTA			Richfield	FT	Plant					100.00%	
UTA			Spearville CO	FT	Plant					9.40%	
<b>TOTAL OTHER LOCATIONS - PLANT</b>										<b>45.94%</b>	
<b>TOTAL ALL EMPL - PLANT</b>										<b>45.03%</b>	
<b>TOTAL - ALL EMPLOYEES</b>										<b>66.85%</b>	



Desc	County		Land/Bldg Bal	Reg	Ref	Allocate to	Allocate to
			@ 12/31/18	Alloc Factor		Reg	Non-Reg
C.O.	Clark	013	\$ 82,829	100.00%		\$ 82,829	\$ -
C.O.	Finney	028	\$ 21,515	100.00%		\$ 21,515	\$ -
Dodge City Corp Office	Ford	029	\$ 1,754,050	42.20%	(1)	\$ 740,209	\$ 1,013,841
Dodge City Outbuildings	Ford	029	\$ 332,222	63.92%	(1)	\$ 212,357	\$ 119,866
Dodge City Other	Ford	029	\$ 476,066	100.00%		\$ 476,066	\$ -
Ford Co Other	Ford	029	\$ 96,388	100.00%		\$ 96,388	\$ -
C.O.	Gray	035	\$ 274,689	100.00%		\$ 274,689	\$ -
C.O.	Haskell	041	\$ 18,307	100.00%		\$ 18,307	\$ -
C.O.	Hodgeman	042	\$ 47,553	100.00%		\$ 47,553	\$ -
C.O.	Meade	060	\$ 5,673	100.00%		\$ 5,673	\$ -
Total			<u>\$ 3,109,291</u>			<u>\$ 1,975,584</u>	<u>\$ 1,133,707</u>
						<b>63.54%</b>	<b>36.46%</b>

(1) Staff's Pro Forma Floor Plan Study

Staff Workpaper IS-2  
GSF, Executive & G&A Expense Allocation Adjustment

Description	Act	Staff Adjustment	Intrastate Factor	Intrastate Adjustment
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Network Support Expense	6110		0.673128	\$ -
General Support Expense	6120	\$ (79,742)	0.673128	\$ (53,676)
Central Office Switching Expense	6210		0.614686	\$ -
Central Office Transmission Expense	6230		0.614686	\$ -
Cable and Wire Facilities Expense	6410		0.698355	\$ -
Total Plant Specific Operations Expense		<u>\$ (79,742)</u>		<u>\$ (53,676)</u>
<b>PLANT NON-SPECIFIC OPERATIONS EXPENSE</b>				
Other Plant Expense	6510		0.673128	\$ -
Network Operations Expense	6530		0.673128	\$ -
Access Expense	6540	\$ -		\$ -
Depreciation & Amortization Expense	6560	\$ (1,853)	0.670630	\$ (1,242)
Total Plant Non-Specific Operations Expense		<u>\$ (1,853)</u>		<u>\$ (1,242)</u>
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Marketing Expense	6610		0.458347	\$ -
Services Expense	6620		0.458347	\$ -
Total Customer Operations Expense		<u>\$ -</u>		<u>\$ -</u>
<b>CORPORATE OPERATIONS EXPENSE</b>				
Executive and Planning Expense	6710	\$ (57,784)	0.610639	\$ (35,285)
General and Administrative Expense	6720	\$ (144,657)	0.541849	\$ (78,382)
Total Corporate Operations Expense		<u>\$ (202,441)</u>		<u>\$ (113,668)</u>
Total Staff Adjustment		<u>\$ (284,035)</u>		<u>\$ (168,586)</u>

Staff Workpaper IS-2.1  
GSF, Corporate & G&A Expense Allocation - Calculation

Act	Description	Test Year Exp	Per Staff		Per Co		Staff Adj Allocate to Nonreg
			Staff Nonreg %	Total Nonreg Alloc	Allocation to Nonreg	Ref	
6121.000	Land and Building Exp	\$ 274,404		\$ -	\$ -	(1)	\$ -
6122.000	Furniture Exp	\$ (108)	66.85%	\$ (72)	\$ -		\$ (72)
6123.000	Office Equipment Exp	\$ 31,103	66.85%	\$ 20,792	\$ 8,886	(2)	\$ 11,906
6124.000	General Purpose Computers	\$ 177,392	66.85%	\$ 118,586	\$ 50,678	(2)	\$ 67,908
6120	Total GSF Expense	<u>\$ 482,790</u>		<u>\$ 139,306</u>	<u>\$ 59,564</u>		<u>\$ 79,742</u>
6561.000	Depr Exp - Vehicles	\$ -		\$ -			\$ -
6561.000	Depr Exp - Work Equip	\$ 8,044	45.03%	\$ 3,622	\$ 5,117	(2)	\$ (1,495)
6561.000	Depr Exp - Buildings	\$ 142,928		\$ -		(1)	\$ -
6561.000	Depr Exp - Furniture	\$ -		\$ -			\$ -
6561.000	Depr Exp - Office Equip	\$ -		\$ -			\$ -
6561.000	Depr Exp - Commun Equip	\$ -		\$ -			\$ -
6561.000	Depr Exp - Computers	\$ 8,744	66.85%	\$ 5,845	\$ 2,498	(2)	\$ 3,347
6561.000	Depr Exp - Billing Software	\$ -		\$ -	\$ -		\$ -
6561	Total Depr Exp	<u>\$ 159,716</u>		<u>\$ 9,468</u>	<u>\$ 7,615</u>		<u>\$ 1,853</u>
6711.0000.40	Executive Expense	\$ 18,955	66.85%	\$ 12,672	\$ -		\$ 12,672
6711.1100.40	Support Staff - Executive	\$ 67,483	66.85%	\$ 45,112	\$ -		\$ 45,112
6710	Total Executive Exp	<u>\$ 86,439</u>		<u>\$ 57,784</u>	<u>\$ -</u>		<u>\$ 57,784</u>
6721.0000.40	Accounting	\$ 181,794	66.85%	\$ 121,528	\$ -		\$ 121,528
6722.0000.40	External Relations	\$ 8,926	66.85%	\$ 5,967	\$ -		\$ 5,967
6723.0000.40	Human Resources	\$ 3,551	66.85%	\$ 2,374	\$ -		\$ 2,374
6728.1000.40	Miscellaneous Exp	\$ 203,915	66.85%	\$ 136,316	\$ -		\$ 136,316
6720	Total G&A Expense	<u>\$ 216,393</u>		<u>\$ 144,657</u>	<u>\$ -</u>		<u>\$ 144,657</u>
	TOTAL	<u>\$ 945,338</u>		<u>\$ 351,214</u>	<u>\$ 67,179</u>		<u>\$ 284,035</u>

(1) - Building Exp included in affiliate lease payments.  
(2) - Allocated per Co's CSA EXP-2

Staff Workpaper IS-3  
Payroll Expense Adjustment

Description	Act	Staff Adjustment	Intrastate Factor	Intrastate Adjustment
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Network Support Expense	6110	\$ (6,005)	0.673128	\$ (4,042)
General Support Expense	6120	\$ (3,546)	0.673128	\$ (2,387)
Central Office Switching Expense	6210	\$ (4,692)	0.614686	\$ (2,884)
Central Office Transmission Expense	6230	\$ (2,843)	0.614686	\$ (1,748)
Cable and Wire Facilities Expense	6410	\$ (29,673)	0.698355	\$ (20,723)
Total Plant Specific Operations Expense		<u>\$ (46,760)</u>		<u>\$ (31,784)</u>
<b>PLANT NON-SPECIFIC OPERATIONS EXPENSE</b>				
Other Plant Expense	6510	\$ (15,760)	0.673128	\$ (10,609)
Network Operations Expense	6530	\$ (3,013)	0.673128	\$ (2,028)
Access Expense	6540	\$ -		\$ -
Depreciation & Amortization Expense	6560	\$ -		\$ -
Total Plant Non-Specific Operations Expense		<u>\$ (18,773)</u>		<u>\$ (12,637)</u>
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Marketing Expense	6610	\$ (31,079)	0.458347	\$ (14,245)
Services Expense	6620	\$ 3,440	0.458347	\$ 1,577
Total Customer Operations Expense		<u>\$ (27,639)</u>		<u>\$ (12,668)</u>
<b>CORPORATE OPERATIONS EXPENSE</b>				
Executive and Planning Expense	6710	\$ 8,849	0.610639	\$ 5,404
General and Administrative Expense	6720	\$ (39,948)	0.541849	\$ (21,646)
Total Corporate Operations Expense		<u>\$ (31,099)</u>		<u>\$ (16,242)</u>
Total Staff Adjustment		<u>\$ (124,271)</u>		<u>\$ (73,331)</u>

Staff Workpaper IS-3.1  
Payroll Expense Adjustment

Description	Act	Payroll Exp		Staff Adj Inc (Dec) Regulated Exp	% Staff Pro Forma
		Actual TY 2018	Staff Pro Forma		
TPUC - Work Orders	2003	\$ 451,362	\$ 463,051		9.75%
<b>ADJS TO REGULATED EXPENSE</b>					
Plant Specific Operations Expense					
Network Support Expense	6110	\$ 9,229	\$ 3,224	\$ (6,005)	0.07%
General Support Expense	6120	\$ 113,098	\$ 109,552	\$ (3,546)	2.31%
Central Office Switching Expense	6210	\$ 14,017	\$ 9,325	\$ (4,692)	0.20%
Central Office Transmission Expense	6230	\$ 302,381	\$ 299,537	\$ (2,843)	6.31%
Cable and Wire Facilities Expense	6410	\$ 351,247	\$ 321,573	\$ (29,673)	6.77%
Total Plant Specific Operations Expense		<u>\$ 789,972</u>	<u>\$ 743,212</u>	<u>\$ (46,760)</u>	15.65%
Plant Non-Specific Operations Expenses					
Other Plant Expense	6510	\$ 37,894	\$ 22,134	\$ (15,760)	0.47%
Network Operations Expense	6530	\$ 56,343	\$ 53,329	\$ (3,013)	1.12%
Access Expense	6540				0.00%
Depreciation & Amortization Expense	6560				0.00%
Total Plant Non-Specific Operations Expense		<u>\$ 94,236</u>	<u>\$ 75,463</u>	<u>\$ (18,773)</u>	1.59%
Customer Operations Expense					
Marketing Expense	6610	\$ 43,020	\$ 11,940	\$ (31,079)	0.25%
Services Expense	6620	\$ 138,840	\$ 142,281	\$ 3,440	3.00%
Total Customer Operations Expense		<u>\$ 181,860</u>	<u>\$ 154,221</u>	<u>\$ (27,639)</u>	3.25%
Corporate Operations Expense					
Executive and Planning Expense	6710	\$ 169,590	\$ 178,439	\$ 8,849	3.76%
General and Administrative Expense	6720	\$ 309,911	\$ 269,963	\$ (39,948)	5.68%
Total Corporate Operations Expense		<u>\$ 479,501</u>	<u>\$ 448,403</u>	<u>\$ (31,099)</u>	9.44%
<b>TOTAL ADJS TO REGULATED EXPENSE</b>		<u><b>\$ 1,545,569</b></u>	<u><b>\$ 1,421,298</b></u>	<u><b>\$ (124,271)</b></u>	<b>29.92%</b>
Non-Regulated Expense	7990	\$ 2,917,008	\$ 2,866,109		60.33%
Total Payroll Expenses		<u><u>\$ 4,913,940</u></u>	<u><u>\$ 4,750,457</u></u>	<u><u>\$ (124,271)</u></u>	100.00%



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Staff Workpaper IS-3.2  
 Staff Pro Forma Payroll Normalization & Distribution Adjustment

Attachment AD-3

CO	Name	Title	Location	FT/PT	Plant Office	2019 Pro Forma		TOT UTA TPUC		TOT NR TPUC		TOT REG EXP		TOT NONREG EXP		TOT REG + NR EXP		VEH CLEAR		USED LEAVE		TOTAL		Pro Forma	
						PR	Dist	%	RS	SS	%	HRS	\$S	%	HRS	\$S	HRS	\$S	HRS	\$S	HRS	\$S	HRS	\$S	HRS
UTA			Ashland CO	FT	Plant																			29.02%	
UTA			DC Corp	FT	Office																			80.97%	
UTA			DC Corp	FT	Office																			98.61%	
Total Pro Forma - UTA						4																		66.86%	
Total Pro Forma - UTA																									
UWC			Garden City Store	PT	Office																				
UWC																									
UWC			Liberal Store	PT	Office																			100.00%	
UWC			DC Corp	Seasonal	Office																			98.60%	
UWC																									
UWC			Liberal Store	PT	Office																				
UWC																									
UWC			DC Corp		Office																			100.00%	
UWC																									
UWC			DC Corp	Seasonal	Office																			60.40%	
UWC			Garden City Store	PT	Office																			100.00%	
UWC			DC Corp	Seasonal	Office																			91.40%	
UWC																									
UWC			DC Corp	Seasonal	Plant																			43.64%	
UWC			DC Mall	PT	Office																			100.00%	
UWC			Garden City Store	PT	Office																			100.00%	
Total Pro Forma - UWC																								92.61%	
Total Pro Forma - UTA + UWC																								67.11%	
Calculate - Reg acts used to clear vehicle exp in TY (UWC direct charged for veh. Exp)																									
Allocate Vehicle Clearing Act																									
Total Employees - Pro Forma																									33.15%
Total Employees - TY																									66.85%
Staff Adjustment - Payroll Normalization & Distribution																									100.00%
Total Employees - TY																									34.63%
Staff Adjustment - Payroll Normalization & Distribution																									65.37%

- Notes:
- (1) Use 2019 Pay Rate - Dist per TY hrs
  - (2) Hired during/after TY - Normalize PR \$ - 2019 Pay rate x (YTD 5-19 hrs/5 x 12) - Distribute per YTD 5-19 hrs
  - (3) Change in 2019 NR > 10% - 2019 Pay rate - Dist per YTD 5-19 Hrs
  - (4) - Dist TY hrs
  - (5) - Dist TY hrs
  - (6) Terminated
  - (7) Distribute per R. Tuxhorn 2018 actual hrs
  - (8) Distribute per Alvarado 2018 actual hrs
  - (9) Use Granillo-Viurquiz Hrs & Dist
  - (10) Use Velasquez Hrs & Dist

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Staff Workpaper IS-3.2.1  
 Staff Pro Forma Payroll Normalization & Distribution Adjustment

Co	Variance - NR Exp %			Variance > 10%
	2018 DR 10	YTD 2019 DR 10	Variance	
UTA				
UTA A	100.00%	99.25%	-0.75%	
UTA S	99.87%	99.61%	-0.26%	
UTA E				
UTA E	97.30%	97.36%	0.06%	
UTA E	14.85%	16.95%	2.10%	
UTA E				
UTA E	76.48%	61.12%	-15.36%	-15.36%
UTA E	96.57%	98.53%	1.96%	
UTA E	10.70%	2.64%	-8.06%	
UTA E				
UTA E	98.98%	99.76%	0.78%	
UTA E	32.52%	54.51%	21.99%	21.99%
UTA C				
UTA C	99.87%	100.00%	0.13%	
UTA C	100.00%	99.93%	-0.07%	
UTA C	34.26%	28.92%	-5.34%	
UTA C	91.42%	92.71%	1.29%	
UTA C	93.63%	88.51%	-5.12%	
UTA C		98.61%		
UTA C	63.06%	67.81%	4.75%	
UTA D				
UTA D		14.01%		
UTA D	83.94%	89.60%	5.66%	
UTA E	74.15%	98.57%	24.42%	24.42%
UTA F	93.71%	98.88%	5.17%	
UTA	100.00%	100.00%	0.00%	
UTA	100.00%	100.00%	0.00%	
UTA	71.89%	71.00%	-0.89%	
UTA	25.60%	41.93%	16.33%	16.33%
UTA T	51.01%	62.19%	11.18%	11.18%
UTA	56.28%	55.82%	-0.46%	
UTA	100.00%	100.00%	0.00%	
UTA				
UTA	85.31%	99.92%	14.61%	14.61%
UTA H	100.00%	99.40%	-0.60%	
UTA H	11.59%	21.14%	9.55%	
UTA H	22.57%	34.85%	12.28%	12.28%
UTA H	7.67%	9.02%	1.35%	
UTA H	48.84%	49.82%	0.98%	
UTA K	81.02%	79.64%	-1.38%	
UTA K				
UTA K	74.64%	72.54%	-2.10%	
UTA L	32.04%	22.74%	-9.30%	
UTA L	56.54%	55.60%	-0.94%	
UTA L	67.56%	68.80%	1.24%	
UTA L	23.07%	42.40%	19.33%	19.33%
UTA L	57.49%	72.28%	14.79%	14.79%
UTA				
UTA	73.10%	73.43%	0.33%	
UTA	93.22%	91.82%	-1.40%	
UTA	99.98%	100.00%	0.02%	
UTA	100.00%	99.85%	-0.15%	
UTA	3.73%	9.21%	5.48%	5.48%
UTA	73.65%	67.63%	-6.02%	



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Staff Workpaper IS-3.2.1  
 Staff Pro Forma Payroll Normalization & Distribution Adjustment

Co	Variance - NR Exp %			
	2018 DR 10	YTD 2019 DR 10	Variance	Variance > 10%
UTA	99.91%	100.00%	0.09%	
UTA	27.44%	60.21%	32.77%	32.77%
UTA				
UTA	15.97%	43.41%	27.44%	27.44%
UTA	20.45%	26.25%	5.80%	
UTA	50.19%	51.99%	1.80%	
UTA	46.39%	53.28%	6.89%	
UTA	65.64%	61.41%	-4.23%	
UTA	40.28%	33.80%	-6.48%	
UTA	90.05%	94.84%	4.79%	
UTA	79.86%	93.02%	13.16%	13.16%
UTA				
UTA	57.06%	27.18%	-29.88%	-29.88%
UTA	54.62%	56.31%	1.69%	
UTA	69.71%	60.16%	-9.55%	
UTA				
UTA	96.21%	92.84%	-3.37%	
UTA	77.66%	66.78%	-10.88%	-10.88%
UTA	97.28%	99.20%	1.92%	
UTA	100.00%	99.59%	-0.41%	
UTA		12.47%	12.47%	
UTA	72.55%	64.53%	-8.02%	
UTA	40.04%	41.49%	1.45%	
UTA	100.00%	99.74%	-0.26%	
UTA				0.00%
UTA				
UTA	97.54%	98.05%	0.51%	
UTA	100.00%	100.00%	0.00%	
UTA	47.24%	48.29%	1.05%	
UTA		67.49%	67.49%	
UTA	47.74%	44.25%	-3.49%	
UTA				
UTA	70.27%	58.48%	-11.79%	-11.79%
UTA	36.09%	41.76%	5.67%	
UTA				
UTA	26.28%	28.81%	2.53%	
UTA	81.10%	90.96%	9.86%	
UTA	97.65%	96.88%	-0.77%	
UWC				
UWC		100.00%	100.00%	100.00%
UWC				
UWC		100.00%	100.00%	
UWC		99.08%	99.08%	
UWC				
UWC		100.00%	100.00%	100.00%
UWC				
UWC		92.79%	92.79%	
UWC				
UWC		67.19%	67.19%	67.19%
UWC		100.00%	100.00%	
UWC		56.53%	56.53%	56.53%
UWC				
UWC		43.64%	43.64%	43.64%

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Staff Workpaper IS-3.2.1  
 Staff Pro Forma Payroll Normalization & Distribution Adjustment

Co	Name	Title	Variance - NR Exp %		
			2018 DR 10	YTD 2019 DR 10	Variance > 10%
UWC	[REDACTED]	[REDACTED]		99.91%	99.91%
UWC	[REDACTED]	[REDACTED]		100.00%	100.00%

		Survey - Base Salary + Mean Bonus																	
TY	TY	Actual 2018 Wages +	Survey	Operating Revenues \$7,447 (000s) (Note 1)			Access Lines 3,922 (Note 2)			FTE - 90 (Note 3)			Region - Plains			Base Salary Avg All Criteria		Average Mean	All Criteria Third Quartile +
				First	Third	Mean	First	Third	Mean	First	Third	Mean	First	Third	Mean	First	Third		



Total Staff Adj \$ 38,628

- (1) Operating Revenue for FY 2018 (Ref. Company's Filing, Sec 8, Sch 3)
- (2) Average access lines in 2018 per DR 18
- (3) Full Time Employees during TY
- (4) Staff Adjustment = TY Wage + Bonus Exceeding Survey Third Quartile Salary + Mean Bonus

Source: NTCA 2018 Survey reports Compensation and Benefits as of January 1, 2018  
 The NTCA Survey states: Together, the 25th percentile and the 75th percentile define the middle 50% of all salaries paid for the job.  
 This midrange, based on the reported rates for the position, generally is considered the most reliable indicator of prevailing rates of pay.

Staff Workpaper IS-4  
Employee Benefit and PR Tax Adjustment

Description	Act	Staff Adjustment	Intrastate Factor	Intrastate Adjustment
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Network Support Expense	6110	\$ (448)	0.673128	\$ (301)
General Support Expense	6120	\$ (15,207)	0.673128	\$ (10,236)
Central Office Switching Expense	6210	\$ (1,294)	0.614686	\$ (796)
Central Office Transmission Expense	6230	\$ (41,579)	0.614686	\$ (25,558)
Cable and Wire Facilities Expense	6410	\$ (44,637)	0.698355	\$ (31,173)
Total Plant Specific Operations Expense		<u>\$ (103,165)</u>		<u>\$ (68,063)</u>
<b>PLANT NON-SPECIFIC OPERATIONS EXPENSE</b>				
Other Plant Expense	6510	\$ (3,072)	0.673128	\$ (2,068)
Network Operations Expense	6530	\$ (7,403)	0.673128	\$ (4,983)
Access Expense	6540	\$ -		\$ -
Depreciation & Amortization Expense	6560	\$ -		\$ -
Total Plant Non-Specific Operations Expense		<u>\$ (10,475)</u>		<u>\$ (7,051)</u>
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Marketing Expense	6610	\$ (1,657)	0.458347	\$ (760)
Services Expense	6620	\$ (19,750)	0.458347	\$ (9,052)
Total Customer Operations Expense		<u>\$ (21,407)</u>		<u>\$ (9,812)</u>
<b>CORPORATE OPERATIONS EXPENSE</b>				
Executive and Planning Expense	6710	\$ (24,769)	0.610639	\$ (15,125)
General and Administrative Expense	6720	\$ (37,473)	0.541849	\$ (20,305)
Total Corporate Operations Expense		<u>\$ (62,242)</u>		<u>\$ (35,430)</u>
Total Staff Adjustment		<u>\$ (197,289)</u>		<u>\$ (120,356)</u>

Staff Workpaper IS-4.1  
Employee Benefit & PR Tax Expense Adjustment - PR Clearing Distribution

DESCRIPTION	ACT	(1) PR %	DISTRIBUTE BEN & PR TAX ADJ
TPUC - Work Orders	2003	9.75%	(64,276)
<b>ADJS TO REGULATED EXPENSE:</b>			
Plant Specific Operations Expense			
Network Support Expense	6110	0.07%	(448)
General Support Expense	6120	2.31%	(15,207)
Central Office Switching Expense	6210	0.20%	(1,294)
Central Office Transmission Expense	6230	6.31%	(41,579)
Cable and Wire Facilities Expense	6410	6.77%	(44,637)
Total Plant Specific Operations Expense			
Plant Non-Specific Operations Expenses			
Other Plant Expense	6510	0.47%	(3,072)
Network Operations Expense	6530	1.12%	(7,403)
Access Expense	6540	0.00%	-
Depreciation & Amortization Expense	6560	0.00%	-
Total Plant Non-Specific Operations Expense			
Customer Operations Expense			
Marketing Expense	6610	0.25%	(1,657)
Services Expense	6620	3.00%	(19,750)
Total Customer Operations Expense			
Corporate Operations Expense			
Executive and Planning Expense	6710	3.76%	(24,769)
General and Administrative Expense	6720	5.68%	(37,473)
Total Corporate Operations Expense			
<b>TOTAL ADJS TO REGULATED EXPENSE</b>		<b>29.9%</b>	<b>(197,289)</b>
Non-Regulated Expense	7990	60.33%	(397,842)
Total Expenses - TPUC + Regulated + NonReg		100.0%	\$ (659,407)

(1) Per Staff Workpaper - IS-3.1-Staff Payroll Expense Adjustment

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Staff Workpaper IS-4.2  
Employee Benefit and Payroll Tax Expense Adjustment - Calculation

		Annualized		Total Subject to PR Distribution
		4130.200	1310.000	
		Retirement	Med, Dental, LTD	
1	Adjustment to NTCA Employee Insurance Expense: Exp Incurred in TY - Retirement + Surcharge			
	Per Staff - Annualized Expense: Most current invoice 8-1-19 - Retirement + Surcharge (1) Per current pmt in GL - Act 1310.0000 dated 9-19 Total Annualized Exp			
	Staff Adjustment - Retirement & Health Insurance			
2	Adjustment to Social Security Taxes Company's TY Wages Less amount of wages over 132,900 OASDI limit Wages subject to Social Security tax			
	Staff's Pro Forma Wages Less amount of wages over 132,900 OASDI limit Wages subject to Social Security tax			
	Decrease in Wages subject to PR Tax X Employer's Share of Social Security Tax Staff Adjustment - Social Security Taxes			
3	Adjustment to Medicare Taxes Company's TY Wages Staff's Pro Forma Wages Decrease in Wages subject to Medicare Tax X Employer's Share of Medicare Tax Staff Adjustment - Medicare Taxes			
	Total Staff Adjustment - Employee Benefit & PR Tax			<u>\$ (659,407.21)</u>

(1) Per DR 112, retirement is billed over 8 months. The last invoice with R&S premiums is NTCA R&S Aug 2019.

Description	Act	Staff Adjustment	Intrastate Factor	Intrastate Adjustment
RENT REVENUE (INC REV/DEC COS)	5270	\$ (18,424)	1.000000	\$ (18,424)
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Network Support Expense	6110	\$ (252)	0.673128	\$ (170)
General Support Expense	6120	\$ (9,422)	0.673128	\$ (6,342)
Central Office Switching Expense	6210	\$ (729)	0.614686	\$ (448)
Central Office Transmission Expense	6230	\$ (31,989)	0.614686	\$ (19,663)
Cable and Wire Facilities Expense	6410	\$ (32,928)	0.698355	\$ (22,996)
Total Plant Specific Operations Expense		<u>\$ (75,320)</u>		<u>\$ (49,619)</u>
<b>PLANT NON-SPECIFIC OPERATIONS EXPENSE</b>				
Network Operations Expense	6530	\$ -	0.671287	\$ -
Access Expense	6540		-	\$ -
Depreciation & Amortization Expense	6560		0.662248	\$ -
Total Plant Non-Specific Operations Expense		<u>\$ -</u>		<u>\$ -</u>
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Marketing Expense	6610	\$ -	0.730594	\$ -
Decrease Services Expense	6620	\$ -	0.360113	\$ -
Total Customer Operations Expense		<u>\$ -</u>		<u>\$ -</u>
<b>CORPORATE OPERATIONS EXPENSE</b>				
Executive and Planning Expense	6710	\$ -	0.588589	\$ -
General and Administrative Expense	6720	\$ -	0.551603	\$ -
Total Corporate Operations Expense		<u>\$ -</u>		<u>\$ -</u>
Total Staff Adjustment - Effect on COS		<u>\$ (93,744)</u>		<u>\$ (68,043)</u>

Staff Workpaper IS-5.1  
Building & Vehicle Lease Expense Adjustment - Distribution

Description	Act	Vehicle Lease Adj		Building Lease Adj	Total Reg. Vehicle & Building Lease Adj
		TY Clearing	Distribute Per PR %		
RENT REVENUE (INC REV/DEC COS)	5240			\$ (18,424)	\$ (18,424)
TPUC	2300		\$ -		
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>					
Network Support Expense	6110	0.33%	\$ (252)		\$ (252)
General Support Expense	6120	12.51%	\$ (9,422)		\$ (9,422)
Central Office Switching Expense	6210	0.97%	\$ (729)		\$ (729)
Central Office Transmission Expense	6230	42.47%	\$ (31,989)		\$ (31,989)
Cable and Wire Facilities Expense	6410	43.72%	\$ (32,928)		\$ (32,928)
Total Plant Specific Operations Expense			<u>\$ (75,320)</u>		<u>\$ (75,320)</u>
<b>PLANT NON-SPECIFIC OPERATIONS EXPENSE</b>					
Network Operations Expense	6530		\$ -		\$ -
Access Expense	6540				
Depreciation & Amortization Expense	6560				
Total Plant Non-Specific Operations Expense			<u>\$ -</u>		<u>\$ -</u>
<b>CUSTOMER OPERATIONS EXPENSE</b>					
Marketing Expense	6610		\$ -		\$ -
Services Expense	6620		\$ -		\$ -
Total Customer Operations Expense			<u>\$ -</u>		<u>\$ -</u>
<b>CORPORATE OPERATIONS EXPENSE</b>					
Executive and Planning Expense	6710		\$ -		\$ -
General and Administrative Expense	6720		\$ -		\$ -
Total Corporate Operations Expense			<u>\$ -</u>	\$ -	<u>\$ -</u>
<b>NON-REGULATED PR EXPENSE</b>					
			<u>\$ -</u>		
<b>TOTAL</b>		100.0%	<u>\$ (75,320)</u>	<u>\$ (18,424)</u>	<u>\$ (93,744)</u>

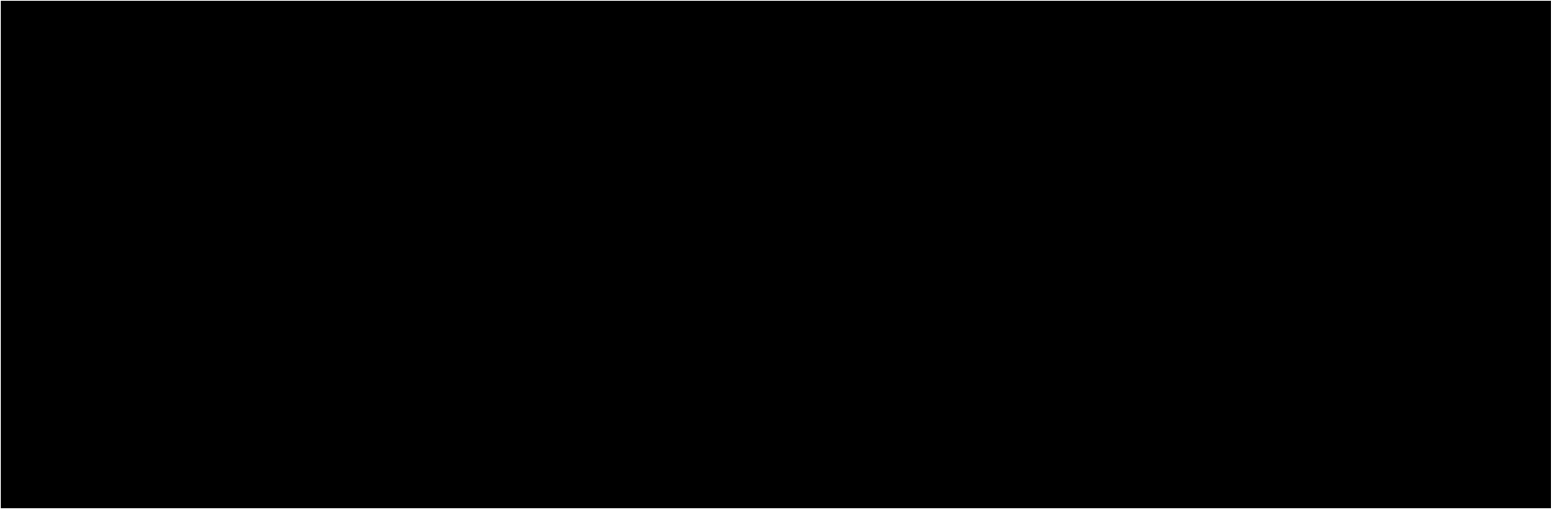


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Staff Workpaper IS-5.2  
Vehicle Lease Expense Calculation

Attachment AD-3

Veh #	Year & Model	Started Lease	Year of Vehicle	New/Used	Miles at start of lease	Lease Term	Co's ROR	Cost/Value	Current Mo Lease Amt	Lease Exp in TY	Depr Rate	Calc Annual Depr Exp	Calc Accum Depr	Accum Depr @ 12/31/18	Net Rate Base @ 12/31/18	Annual Depr	Staff's ROR 7.76%	Total Depr Exp + Return	Diff - Staff Adj
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\$ (75,320)

(1) These vehicles were included in 2009 docket

United Telephone Association  
Docket 20-UTAT-032-KSF  
Test Year Ended 12/31/2018

Attachment AD-3

Staff Workpaper IS-5.3  
UTA Buildings Leased to UCA & UWC

Building Investment  
Accum Depr  
Net Investment

Rate of Return

Return on Investment

Depreciation Rate  
Annual Depr Exp

2018 Building Expenses

Total Annual Building Cost

Total Sq Ft

Cost/SF

Market Rate

Bill Rate - Svc To Affil - Higher Cost or Market

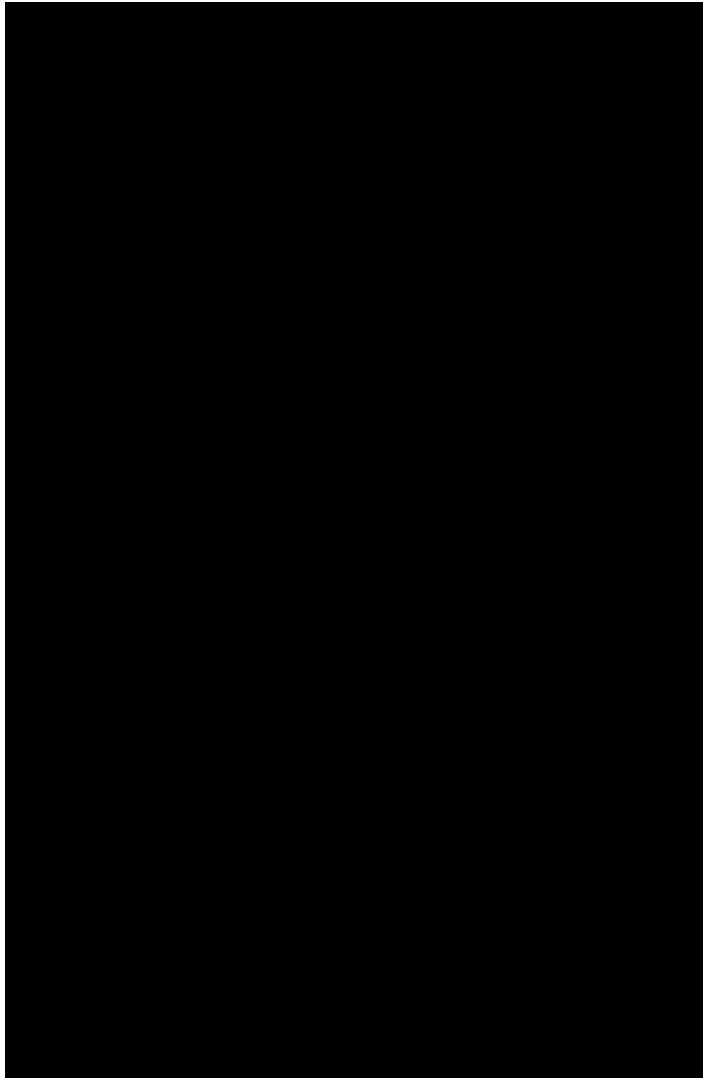
Total Sq Ft X Bill Rate

UCA + UWC Sq Ft %

Total to Bill UCA + UWC

TY Billed UCA + UWC - Act 5240

Staff Adj - Increase Rev Act 5240



\$ 18,424

United Telephone Association  
Docket 20-UTAT-032-KSF  
Test Year Ended 12/31/2018

Attachment AD-3

Staff Workpaper IS-5.4  
UWC Buildings Leased to UTA

Building Investment  
Accum Depr  
Net Investment

Rate of Return

Return on Investment

Depreciation Rate  
Annual Depr Exp

2018 Building Expenses

Total Annual Building Cost

Total Sq Ft

Cost/SF

Market Rate

Bill Rate - Svc From Affil - Lower Cost or Market

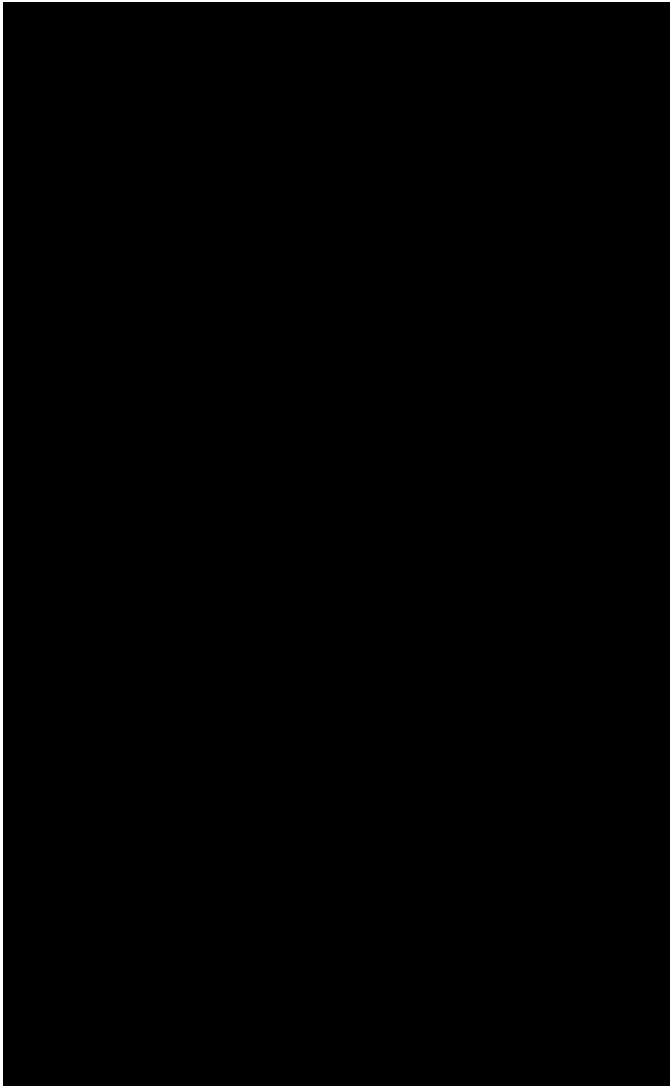
Total Sq Ft X Bill Rate

UTA Sq Ft %

Pro Forma Total to Bill UTA

TY Total Billed UTA - Act 6121.0001

Staff Adj - Decrease Exp Act 6121



\$ (3,079)

B	PER COMPANY						PER STAFF				
	% UTA	SqFt	%UCA	SqFt	% UWC	SqFt	% UTA	SqFt	%NR	SqFt	
	6,859 sqft										
	15.02%	21.54	9.73%	13.95	75.24%	107.89	15.02%	21.54	84.98%	121.86	
	0.08%	1.17	0.04%	0.59	99.88%	1464.82	0.08%	1.17	99.92%	1,465.40	
	0.02%	0.03	0.00%	0.00	99.98%	167.48	0.02%	0.03	99.98%	167.48	
	0.00%	0.00	0.00%	0.00	100.00%	172.58	0.00%	-	100.00%	172.58	
	15.02%	17.10	9.73%	11.07	75.24%	85.64	15.02%	17.10	84.98%	96.73	
	15.02%	54.55	9.73%	35.34	75.24%	273.27	15.02%	54.55	84.98%	308.65	
	15.02%	0.00	9.73%	0.00	75.24%	0.00	15.02%	-	84.98%	-	
	15.02%	29.70	9.73%	19.24	75.24%	148.77	15.02%	29.70	84.98%	168.03	
	26.83%	44.05	29.07%	47.73	44.10%	72.41	26.83%	44.05	73.17%	120.15	
	15.02%	23.95	9.73%	15.52	75.24%	119.97	15.02%	23.95	84.98%	135.51	
	30.66%	50.34	8.52%	13.99	60.85%	99.92	30.66%	50.34	69.34%	113.86	
	20.64%	41.52	50.83%	102.24	28.53%	57.39	20.64%	41.52	79.36%	159.63	
	10.09%	27.64	12.76%	34.95	77.16%	211.34	10.09%	27.64	89.91%	246.26	
	51.65%	167.91	8.01%	26.04	40.34%	131.14	51.65%	167.91	48.35%	157.18	
	51.65%	44.14	8.01%	6.84	40.34%	34.47	51.65%	44.14	48.35%	41.32	
	15.02%	19.60	9.73%	12.70	75.24%	98.20	15.02%	19.60	84.98%	110.91	
	15.02%	24.93	9.73%	16.15	75.24%	124.90	15.02%	24.93	84.98%	141.07	
	15.02%	10.07	9.73%	6.52	75.24%	50.46	15.02%	10.07	84.98%	56.99	
	15.02%	50.62	9.73%	32.79	75.24%	253.58	15.02%	50.62	84.98%	286.41	
	15.02%	21.52	9.73%	13.94	75.24%	107.80	15.02%	21.52	84.98%	121.76	
	15.02%	14.17	9.73%	9.18	75.24%	70.96	15.02%	14.17	84.98%	80.14	
	15.02%	4.78	9.73%	3.10	75.24%	23.95	15.02%	4.78	84.98%	27.05	
	15.02%	21.52	9.73%	13.94	75.24%	107.80	15.02%	21.52	84.98%	121.76	
	15.02%	13.09	9.73%	8.48	75.24%	65.57	15.02%	13.09	84.98%	74.06	
	8.77%	25.83	9.06%	26.68	82.17%	242.01	8.77%	25.83	91.23%	268.70	
	43.19%	70.79	5.70%	9.34	51.10%	83.75	43.19%	70.79	56.81%	93.11	
	15.02%	28.44	9.73%	18.42	75.24%	142.45	15.02%	28.44	84.98%	160.89	
	15.02%	6.72	9.73%	4.35	75.24%	33.64	15.02%	6.72	84.98%	38.00	
	15.02%	56.27	9.73%	36.45	75.24%	281.88	15.02%	56.27	84.98%	318.36	
	15.02%	15.76	9.73%	10.21	75.24%	78.93	15.02%	15.76	84.98%	89.14	
	15.02%	14.05	9.73%	9.10	75.24%	70.38	15.02%	14.05	84.98%	79.49	
	15.02%	59.33	9.73%	38.43	75.24%	297.20	15.02%	59.33	84.98%	335.67	
	6,496 sqft										
	% UTA	SqFt	%UCA	SqFt	% UWC	SqFt					
	15.02%	57.68	9.73%	37.37	75.24%	288.94	15.02%	57.68	84.98%	326.35	
	15.02%	47.73	9.73%	30.92	75.24%	239.09	15.02%	47.73	84.98%	270.04	
	15.02%	175.50	9.73%	113.69	75.24%	879.14	15.02%	175.50	84.98%	992.94	
	15.02%	10.72	9.73%	6.94	75.24%	53.68	15.02%	10.72	84.98%	60.63	
	15.02%	93.10	9.73%	60.31	75.24%	466.37	0.00% (1)	-	100.00%	619.85	
	15.02%	10.52	9.73%	6.82	75.24%	52.71	15.02%	10.52	84.98%	59.53	
	15.02%	71.19	9.73%	46.11	75.24%	356.60	0.00% (1)	-	100.00%	473.94	
	15.02%	41.20	9.73%	26.69	75.24%	206.41	15.02%	41.20	84.98%	233.13	
	15.02%	296.86	9.73%	192.30	75.24%	1487.05	0.00% (1)	-	100.00%	1,976.41	
	15.02%	37.01	9.73%	23.98	75.24%	185.41	0.00% (1)	-	100.00%	246.42	
	15.02%	42.95	9.73%	27.82	75.24%	215.13	0.00% (1)	-	100.00%	285.93	
	15.02%	29.70	9.73%	19.24	75.24%	148.77	15.02%	29.70	84.98%	168.03	

PER COMPANY						PER STAFF			
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt	% UTA	SqFt	%NR	SqFt
15.02%	22.02	9.73%	14.27	75.24%	110.31	15.02%	22.02	84.98%	124.59
15.02%	39.50	9.73%	25.59	75.24%	197.88	15.02%	39.50	84.98%	223.50
<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>				
14.65%	1956.80	9.21%	1229.35	76.14%	10168.02	10.60%	1,415.70	89.40%	11,939.40
<b>As of 12/31/2018</b>									
2,976 sqft									
<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>				
42.39%	105.13	16.23%	40.25	41.38%	102.62	42.39%	105.13	57.61%	142.87
30.15%	112.98	6.48%	24.28	63.37%	237.46	30.15%	112.98	69.85%	261.74
34.37%	142.29	6.48%	26.83	59.15%	244.88	34.37%	142.29	65.63%	271.71
42.39%	110.54	16.23%	42.32	41.38%	107.91	42.39%	110.54	57.61%	150.24
42.39%	84.53	16.23%	32.37	41.38%	82.52	42.39%	84.53	57.61%	114.89
42.39%	49.60	16.23%	18.99	41.38%	48.41	42.39%	49.60	57.61%	67.40
42.39%	37.69	16.23%	14.43	41.38%	36.80	42.39%	37.69	57.61%	51.23
37.07%	43.37	33.16%	38.80	29.77%	34.83	37.07%	43.37	62.93%	73.63
42.39%	36.20	16.23%	13.86	41.38%	35.34	42.39%	36.20	57.61%	49.19
59.86%	92.92	30.39%	47.18	9.76%	15.15	59.86%	92.92	40.14%	62.31
42.39%	17.47	16.23%	6.69	41.38%	17.05	42.39%	17.47	57.61%	23.74
42.39%	145.22	16.23%	55.60	41.38%	141.76	42.39%	145.22	57.61%	197.36
42.39%	17.47	16.23%	6.69	41.38%	17.05	42.39%	17.47	57.61%	23.74
42.39%	97.50	16.23%	37.33	41.38%	95.17	42.39%	97.50	57.61%	132.50
42.39%	110.64	16.23%	42.36	41.38%	108.00	42.39%	110.64	57.61%	150.36
<b>- Accounting/Break Room</b>						4635 sqft			
<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>				
84.26%	242.11	0.20%	0.57	15.53%	44.62	84.26%	242.11	15.74%	45.23
49.67%	59.21	15.43%	18.39	34.90%	41.60	49.67%	59.21	50.33%	59.99
42.39%	21.20	16.23%	8.12	41.38%	20.69	42.39%	21.20	57.61%	28.81
42.39%	51.39	16.23%	19.68	41.38%	50.16	42.39%	51.39	57.61%	69.84
42.39%	124.52	16.23%	47.68	41.38%	121.55	42.39%	124.52	57.61%	169.23
50.03%	96.85	15.72%	30.43	34.24%	66.28	50.03%	96.85	49.97%	96.73
42.39%	67.51	16.23%	25.85	41.38%	65.90	42.39%	67.51	57.61%	91.74
42.39%	42.39	16.23%	16.23	41.38%	41.38	42.39%	42.39	57.61%	57.61
0.50%	1.78	52.77%	188.31	46.73%	166.76	0.50%	1.78	99.50%	355.07
42.39%	61.07	16.23%	23.38	41.38%	59.61	42.39%	61.07	57.61%	82.99
42.39%	133.17	16.23%	50.99	41.38%	130.00	42.39%	133.17	57.61%	180.99
47.86%	340.51	14.21%	101.10	37.93%	269.86	47.86%	340.51	52.14%	370.96
42.39%	28.57	16.23%	10.94	41.38%	27.88	42.39%	28.57	57.61%	38.82
42.39%	37.24	16.23%	14.26	41.38%	36.35	42.39%	37.24	57.61%	50.60
42.39%	20.33	16.23%	7.78	41.38%	19.84	42.39%	20.33	57.61%	27.63
42.39%	329.62	16.23%	126.20	41.38%	321.77	42.39%	329.62	57.61%	447.97
42.39%	73.96	16.23%	28.32	41.38%	72.20	42.39%	73.96	57.61%	100.51
42.39%	72.89	16.23%	27.91	41.38%	71.16	42.39%	72.89	57.61%	99.07
42.39%	15.26	16.23%	5.84	41.38%	14.90	42.39%	15.26	57.61%	20.74
42.39%	33.47	16.23%	12.82	41.38%	32.67	42.39%	33.47	57.61%	45.49
42.39%	73.08	16.23%	27.98	41.38%	71.33	42.39%	73.08	57.61%	99.31
42.39%	72.06	16.23%	27.59	41.38%	70.35	42.39%	72.06	57.61%	97.94
5104 sqft									
<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>				

B

PER COMPANY						PER STAFF			
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt	% UTA	SqFt	%NR	SqFt
42.39%	20.33	16.23%	7.78	41.38%	19.84	42.39%	20.33	57.61%	27.63
42.39%	73.96	16.23%	28.32	41.38%	72.20	42.39%	73.96	57.61%	100.51
42.39%	73.08	16.23%	27.98	41.38%	71.33	42.39%	73.08	57.61%	99.31
14.97%	233.70	8.00%	124.89	77.03%	1202.55	14.97%	233.70	85.03%	1,327.44
42.39%	76.48	16.23%	29.28	41.38%	74.66	42.39%	76.48	57.61%	103.94
29.71%	51.12	21.79%	37.50	48.49%	83.44	29.71%	51.12	70.29%	120.96
42.39%	30.52	16.23%	11.69	41.38%	29.79	42.39%	30.52	57.61%	41.48
42.39%	98.13	16.23%	37.57	41.38%	95.79	42.39%	98.13	57.61%	133.37
42.39%	20.33	16.23%	7.78	41.38%	19.84	42.39%	20.33	57.61%	27.63
42.39%	73.96	16.23%	28.32	41.38%	72.20	42.39%	73.96	57.61%	100.51
42.39%	73.08	16.23%	27.98	41.38%	71.33	42.39%	73.08	57.61%	99.31
42.39%	26.44	16.23%	10.12	41.38%	25.81	42.39%	26.44	57.61%	35.94
42.39%	603.12	16.23%	230.92	41.38%	588.75	42.39%	603.12	57.61%	819.67
42.39%	12.78	16.23%	4.89	41.38%	12.48	42.39%	12.78	57.61%	17.38
42.39%	131.94	16.23%	50.52	41.38%	128.80	42.39%	131.94	57.61%	179.31
42.39%	16.54	16.23%	6.33	41.38%	16.14	42.39%	16.54	57.61%	22.47
42.39%	98.34	16.23%	37.65	41.38%	96.00	42.39%	98.34	57.61%	133.66
5,730 sqft									
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt				
42.39%	123.37	16.23%	47.23	41.38%	120.43	42.39%	123.37	57.61%	167.66
66.15%	135.29	6.23%	12.74	27.62%	56.49	66.15%	135.29	33.85%	69.23
42.39%	23.81	16.23%	9.11	41.38%	23.24	42.39%	23.81	57.61%	32.35
80.35%	145.84	0.00%	0.00	19.65%	35.66	80.35%	145.84	19.65%	35.66
42.39%	958.06	16.23%	366.82	41.38%	935.23	42.39%	958.06	57.61%	1,302.05
57.95%	520.64	19.10%	171.60	22.95%	206.19	57.95%	520.64	42.05%	377.79
42.39%	20.89	16.23%	8.00	41.38%	20.39	42.39%	20.89	57.61%	28.39
42.39%	51.80	16.23%	19.83	41.38%	50.57	42.39%	51.80	57.61%	70.40
42.39%	24.75	16.23%	9.48	41.38%	24.16	42.39%	24.75	57.61%	33.64
41.65%	144.36	4.93%	17.09	53.43%	185.18	41.65%	144.36	58.35%	202.24
42.39%	190.76	16.23%	73.04	41.38%	186.21	42.39%	190.76	57.61%	259.25
27.69%	42.33	2.74%	4.19	69.57%	106.35	27.69%	42.33	72.31%	110.53
42.39%	34.95	16.23%	13.38	41.38%	34.12	42.39%	34.95	57.61%	47.51
42.39%	244.17	16.23%	93.48	41.38%	238.35	42.39%	244.17	57.61%	331.83
2,329 sqft									
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt				
42.39%	151.21	16.23%	57.89	41.38%	147.60	42.39%	151.21	57.61%	205.50
42.39%	68.26	16.23%	26.14	41.38%	66.64	42.39%	68.26	57.61%	92.78
42.39%	79.71	16.23%	30.52	41.38%	77.81	42.39%	79.71	57.61%	108.33
100.00%	416.51	0.00%	0.00	0.00%	0.00	100.00%	416.51	0.00%	-
42.39%	50.87	16.23%	19.48	41.38%	49.66	42.39%	50.87	57.61%	69.13
75.00%	263.96	5.00%	17.60	20.00%	70.39	75.00%	263.96	25.00%	87.99
42.39%	57.09	16.23%	21.86	41.38%	55.73	42.39%	57.09	57.61%	77.59
0.00%	0.00	100.00%	357.80	0.00%	0.00	0.00%	-	100.00%	357.80
42.39%	17.80	16.23%	6.82	41.38%	17.38	42.39%	17.80	57.61%	24.20
42.39%	84.78	16.23%	32.46	41.38%	82.76	42.39%	84.78	57.61%	115.22
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt				
42.20%	8766.78	16.34%	3394.41	41.46%	8613.35	42.20%	8,766.78	57.80%	12,007.77

United Telephone Association  
 Docket 20-UTAT-032-KSF  
 Test Year Ended 12/31/2018

Staff Workpaper IS-5.5  
 Floor Plan Study

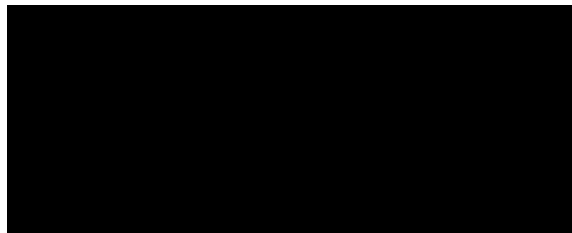
Attachment AD-3

	PER COMPANY						PER STAFF					
	% UTA	SqFt	%UCA	SqFt	% UWC	SqFt	% UTA	SqFt	%NR	SqFt		
Buil		680.47		375.40		70.39						
		60.42%		33.33%		6.25%						
		12240 sqft										
		<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>					
		20.00%	960.00	0.00%	0.00	80.00%	3840.00	20.00%	960.00	80.00%	3,840.00	
		80.00%	2304.00	10.00%	288.00	10.00%	288.00	80.00%	2,304.00	20.00%	576.00	
		100.00%	3840.00	0.00%	0.00	0.00%	0.00	100.00%	3,840.00	0.00%	-	
		100.00%	720.00	0.00%	0.00	0.00%	0.00	100.00%	720.00	0.00%	-	
		of Estimator	7824.00		288.00		4128.00	63.92%	7,824.00	36.08%	4,416.00	
		50.25%	16590.78	11.15%	3682.41	38.59%	12741.35					
BUIL		2,028 sqft										
		<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>					
		33.01%	100.16	25.42%	77.13	41.57%	126.13	33.01%	100.16	66.99%	203.26	
		33.01%	29.15	25.42%	22.45	41.57%	36.71	33.01%	29.15	66.99%	59.17	
		33.01%	21.52	25.42%	16.58	41.57%	27.11	33.01%	21.52	66.99%	43.68	
		33.01%	29.92	25.42%	23.04	41.57%	37.67	33.01%	29.92	66.99%	60.71	
		33.01%	19.50	25.42%	15.02	41.57%	24.56	33.01%	19.50	66.99%	39.58	
		54.10%	102.14	13.01%	24.56	32.89%	62.10	54.10%	102.14	45.90%	86.66	
		33.01%	25.28	25.42%	19.47	41.57%	31.84	33.01%	25.28	66.99%	51.31	
		33.01%	19.15	25.42%	14.75	41.57%	24.12	33.01%	19.15	66.99%	38.87	
		33.01%	17.56	25.42%	13.52	41.57%	22.11	33.01%	17.56	66.99%	35.63	
		48.47%	148.65	33.04%	101.33	18.49%	56.71	48.47%	148.65	51.53%	158.03	
		33.01%	85.93	25.42%	66.17	41.57%	108.21	0.00% (1)	-	100.00%	260.32	
		33.01%	11.64	25.42%	8.97	41.57%	14.66	33.01%	11.64	66.99%	23.63	
		33.01%	25.02	25.42%	19.27	41.57%	31.51	33.01%	25.02	66.99%	50.77	
		33.01%	32.72	25.42%	25.19	41.57%	41.20	33.01%	32.72	66.99%	66.39	
		33.01%	88.47	25.42%	68.13	41.57%	111.41	33.01%	88.47	66.99%	179.53	
			2,736 sqft									
		<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>					
		33.01%	55.70	25.42%	42.90	41.57%	70.15	33.01%	55.70	66.99%	113.05	
		33.01%	614.65	25.42%	473.32	41.57%	774.03	33.01%	614.65	66.99%	1,247.35	
		33.01%	135.85	25.42%	104.61	41.57%	171.08	33.01%	135.85	66.99%	275.69	
		33.01%	21.06	25.42%	16.21	41.57%	26.52	33.01%	21.06	66.99%	42.73	
		33.01%	56.34	25.42%	43.38	41.57%	70.94	33.01%	56.34	66.99%	114.33	
		33.01%	19.48	25.42%	15.00	41.57%	24.53	33.01%	19.48	66.99%	39.52	
			2,028 sqft									
		<b>% UTA</b>	<b>SqFt</b>	<b>%UCA</b>	<b>SqFt</b>	<b>% UWC</b>	<b>SqFt</b>					
		33.01%	36.31	25.42%	27.96	41.57%	45.73	33.01%	36.31	66.99%	73.69	
		27.10%	68.53	1.72%	4.35	71.18%	179.99	27.10%	68.53	72.90%	184.34	
		33.01%	33.07	25.42%	25.47	41.57%	41.65	33.01%	33.07	66.99%	67.12	
	33.01%	61.75	25.42%	47.55	41.57%	77.76	33.01%	61.75	66.99%	125.31		
	33.01%	51.13	25.42%	39.37	41.57%	64.38	33.01%	51.13	66.99%	103.76		
	33.01%	18.25	25.42%	14.05	41.57%	22.98	33.01%	18.25	66.99%	37.03		
	33.01%	83.16	25.42%	64.04	41.57%	104.73	33.01%	83.16	66.99%	168.77		

United Telephone Association  
 Docket 20-UTAT-032-KSF  
 Test Year Ended 12/31/2018

Staff Workpaper IS-5.5  
 Floor Plan Study

Attachment AD-3



PER COMPANY						PER STAFF			
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt	% UTA	SqFt	%NR	SqFt
33.01%	24.74	25.42%	19.05	41.57%	31.15	33.01%	24.74	66.99%	50.20
27.01%	85.14	43.49%	137.09	29.50%	92.99	27.01%	85.14	72.99%	230.08
33.01%	14.64	25.42%	11.28	41.57%	18.44	33.01%	14.64	66.99%	29.72
33.01%	42.43	25.42%	32.67	41.57%	53.43	33.01%	42.43	66.99%	86.10
33.01%	116.53	25.42%	89.73	41.57%	146.74	33.01%	116.53	66.99%	236.47
% UTA	SqFt	%UCA	SqFt	% UWC	SqFt				
33.80%	2295.55	25.38%	1723.60	40.83%	2773.27	32.53%	2,209.62	67.47%	4,582.80

Building Summary

Building A & C	21.11%	4252.35	14.66%	2952.95	64.23%	12941.29	17.99%	3625.32	82.01%	16522.20
Building B & Building C	50.26%	16590.78	11.15%	3682.41	38.59%	12741.35	50.26%	16590.78	49.75%	16423.77
		20843.13		6635.36		25682.64				

PER STAFF SUMM:	SF-REG	SF - NR	SF - TOT
BLDGS A & C	3,625.32	16,522.20	20,147.52
	17.99%	82.01%	
BLDG B-OFFICE	8,766.78	12,007.77	20,774.55
	42.20%	57.80%	
BLDG B- OUT B'S	7,824.00	4,416.00	12,240.00
	63.92%	36.08%	

Note (1) Disallowed regulated % of sq. ft. - space is open/ reserved for future use and not used or useful for regulated telephone operations.





**CERTIFICATE OF SERVICE**

20-UTAT-032-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony was served via electronic service this 13th day of December, 2019, to the following:

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