

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

In the Matter of the Transfer of Ownership)
of Elkhart Telephone Company to IdeaTek)
Telcom, LLC.) Docket No. 26-ELKT - 109 -ACQ

DIRECT TESTIMONY OF DANIEL FRIESEN
ON BEHALF OF IDEATEK TELCOM, LLC.

October 1, 2025

I. INTRODUCTION

Q: Please state your name, your position and your business address.

A: Daniel Friesen. I am the Co-Founder and Chief Innovation Officer of IdeaTek Telcom, LLC
("IdeaTek") and my business address is 111 Old Mill Lane, Buhler, KS 67522.

Q: On whose behalf is your testimony offered?

A: My testimony is offered on behalf of IdeaTek in support of its joint application with Epic
Touch Co. ("Epic Touch") for IdeaTek's purchase of Epic Touch's stock and subsequent
acquisition of Elkhart Telephone Company ("Elkhart Telephone").

Q: Please describe the corporate structure of IdeaTek.

A: IdeaTek is a Kansas limited liability company. IdeaTek is a wholly owned subsidiary of
IdeaTek Holdings. IdeaTek Holdings is a wholly owned subsidiary of Last Dance
Intermediate III, LLC ("LDI"), which itself is indirectly and wholly owned by Delaware
limited partnership Last Dance Holdings, L.P. ("LDH").

Q: Who is IdeaTek?

A: IdeaTek is a competitive local exchange carrier in Kansas certificated by the Kansas
Corporation Commission ("Commission" or "KCC") that provides voice, data, transport,

1 and broadband services to customers across Kansas (Docket No. 06-WLDT-1005-COC).
2 The KCC has also granted IdeaTek a certificate to provide interexchange (“IXC”) operator
3 services (Docket No. 08-WLDT-1077-COC) and has issued orders granting IdeaTek
4 eligible telecommunications carrier status (Docket No. 19-WLDT-102-ETC) and high-cost
5 ETC designation expansion (Docket No. 21-WLDT-343-ETC).

6 **Q: Are you aware of a joint application filed in this docket?**

7 A: Yes, I am aware of the application, I have reviewed its contents, and I am familiar with the
8 underlying transaction.

9 **Q: What is your understanding of the nature of the transaction for which Commission**
10 **approval is sought?**

11 A: Epic Touch and IdeaTek have entered into a Stock Purchase Agreement by which IdeaTek
12 would acquire all shares of Epic Touch and thus ownership of Epic Touch’s two
13 subsidiaries. It is my understanding that Commission approval is sought because Epic
14 Touch’s subsidiary, Elkhart Telephone, provides telecommunications services in various
15 Kansas communities, and IdeaTek requests permission from the Commission to continue
16 to provide these services.

17 **Q: Does the transaction require other additional steps be taken?**

18 A: The transfer of Elkhart Telephone’s domestic 214 license requires approval by the Federal
19 Communications Commission (“FCC”). Otherwise, no additional steps are necessary.

20 **Q: Are you familiar with the standards followed by the KCC in evaluating whether a**
21 **merger or acquisition should be approved?**

22 A: Yes. I understand that the Commission must determine whether the proposed acquisition
23 will “promote the public convenience and necessity” as provided in K.S.A. 66-131. To

1 conduct this analysis, the Commission reviews applications such as ours by applying its
2 Merger Standards, as confirmed in Docket No. 16-KCPE-593-ACQ, “Order on Merger
3 Standards” issued August 9, 2016. The Merger Standards include the following¹:

4 (a) The effect of the transaction on consumers, including:

5 (i) the effect of the proposed transaction on the financial condition of the newly
6 created entity as compared to the financial condition of the stand-alone entities
7 if the transaction did not occur;

8 (ii) reasonableness of the purchase price, including whether the purchase price
9 was reasonable in light of the savings that can be demonstrated from the merger
10 and whether the purchase price is within a reasonable range;

11 (iii) whether ratepayer benefits resulting from the transaction can be quantified;
12 (iv) whether there are operational synergies that justify payment of a premium
13 in excess of book value; and

14 (v) the effect of the proposed transaction on the existing competition.
15

16 (b) The effect of the transaction on the environment.
17

18 (c) Whether the proposed transaction will be beneficial on an overall basis to state and
19 local economies and to communities in the area served by the resulting public utility
20 operations in the state. Whether the proposed transaction will likely create labor
21 dislocations that may be particularly harmful to local communities, or the state
22 generally, and whether measures can be taken to mitigate the harm.
23

24 (d) Whether the proposed transaction will preserve the jurisdiction of the KCC and the
25 capacity of the KCC to effectively regulate and audit public utility operations in the
26 state.
27

28 (e) The effect of the transaction on affected public utility shareholders.
29

30 (f) Whether the transaction maximizes the use of Kansas energy resources.
31

32 (g) Whether the transaction will reduce the possibility of economic waste.
33

34 (h) What impact, if any, the transaction has on the public safety.
35

36 In addition, acquirers of a CLEC certificate must demonstrate they possess the technical,
37 managerial and financial ability to meet the Commission's Quality of Service (QOS)
38 standards pursuant to K.S.A. 66-2005(w).

¹ The Commission has noted that each transaction is fact dependent, and some factors may be expanded or removed depending on the circumstances.

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1 funding its plans for the upgrade of the fiber network to 10 gigabit fiber and eventually 40
2 gigabit fiber capacity.²

3 **Q: How will Kansas consumers' rates be affected by the transaction?**

4 A: The transaction will have no impact on rates, terms, conditions, or quality of service.
5 Additionally, Elkhart Telephone's IXC customers will not be impacted; they will continue
6 to receive the exceptional service that is currently provided.

7 **Q: What impact is the transaction expected to have on the quality of service for Kansas**
8 **consumers?**

9 A: There is no anticipated change in the quality of service to Kansas customers as a result of
10 the transaction.

11 (b) The effect of the transaction on the environment.

12
13 **Q: Will there be any effect on the environment as a result of the transaction?**

14 A: The transaction is not expected to have any material impact on the environment.

15
16 (c) Whether the proposed transaction will be beneficial on an overall basis to state and local
17 economies and to communities in the area served by the resulting public utility operations in
18 the state. Whether the proposed transaction will likely create labor dislocations that may be
19 particularly harmful to local communities, or the state generally, and whether measures can be
20 taken to mitigate the harm.

21
22 **Q: Do the parties anticipate a reduction in personnel, company headquarters, payment**
23 **centers, customer service locations, or associated personnel costs because of the**
24 **transaction?**

25 A: No, the parties do not intend or expect there to be any material changes in personnel levels,
26 the location of Elkhart Telephone's headquarters, payment centers, or customer service

² 10 gigabit equals 10,000 megabits per second and is over 33 times faster than the current average speed in Kansas of 295 megabits per second. See average speeds cited from <https://www.speedtest.net/performance/united-states/kansas> (9/24/25).

1 locations. Personnel costs, including employee salaries, are similarly expected to be
2 unaffected by the transaction.

3 **Q: Will it benefit local economies and communities?**

4 A: Yes. First, the transaction is structured to avoid negative impacts on customers, local
5 economies and Kansas communities. Specifically, the change in ownership will involve the
6 sale of holding company stock, which will leave the overall structure of the company intact
7 below the holding company level.

8 The transaction will be beneficial to state and local economies in Kansas by
9 providing stable, efficient, and economic communication services to the communities
10 served by Elkhart Telephone. Further there is the potential for future financial investment
11 and expansion of services through IdeaTek's financial security and managerial expertise.
12 Additionally, the transaction increases the likelihood of expansion in advanced
13 communications capabilities as economic and regulatory circumstances permit. Savings
14 resulting from increased efficiency and economies of scale will increase company
15 resources available to expand and improve advanced services available to consumers. Such
16 expansion and improvement could provide support for business retention and expansion in
17 rural areas, with resulting opportunities for remote employment and increased earnings.
18 Expanded business and employment opportunities in turn can provide generally an
19 improved tax base supporting local and state government and education operations.

20 **Q: What about employment?**

21 A: After the transaction is closed, it is anticipated that, except for certain discrete upper
22 management, Elkhart Telephone's existing workforce will be maintained. As a result, there
23 will be no major workforce downsizing that may be harmful to local communities or the

1 state generally, which might otherwise be required should a different purchaser acquire
2 Elkhart Telephone.

3 **Q: Has either party conducted specific analysis quantifying the predicted operational**
4 **efficiencies related to this transaction?**

5 A: Yes, as is customary in all substantial transactions such as this, Ideatek performed an
6 analysis of the potential efficiency of the transaction and believes there is good potential to
7 reduce operational costs and dependency on governmental subsidies. However, there are
8 no anticipated reductions in personnel or customer service.

9 **Q: Does IdeaTek intend to remain involved in the communities served by Elkhart**
10 **Telephone?**

11 A: Yes. IdeaTek plans to remain fully involved and supportive of the territories it serves,
12 including Elkhart Telephone's territory.

13 (d) Whether the proposed transaction will preserve the jurisdiction of the KCC and the capacity of
14 the KCC to effectively regulate and audit public utility operations in the state.

15
16 **Q: Will the Commission's jurisdiction be impacted by the transaction?**

17 A: No. The transaction will not cause any change to Commission jurisdiction over any of the
18 entities involved.

19 (e) The effect of the transaction on affected public utility shareholders.

20
21 **Q: What is the effect of the transaction on shareholders?**

22 A: Neither IdeaTek nor Elkhart Telephone are publicly owned companies. However, the
23 impact on the owners of the companies will be positive. First, the owners of Elkhart
24 Telephone have decided to end their involvement in providing communications and related
25 service in Kansas and this transaction will allow that to happen for them. Second, it will
26 allow IdeaTek to expand its operations in Kansas. Ideatek is well capitalized and confirms

1 it has the necessary capital via available cash, debt financing, and equity or a combination
2 thereof to fund the acquisition.

3 (f) Whether the transaction maximizes the use of Kansas energy resources.

4
5 **Q: Does the transaction maximize the use of energy resources?**

6 A: There will be no material impact on Kansas' energy resources. IdeaTek does not believe
7 this Merger Standard is really applicable to the analysis in this case.

8 (g) Whether the transaction will reduce the possibility of economic waste.

9 **Q: Will the transaction reduce the possibility of economic waste?**

10 A: There is no likelihood of economic waste because of the transaction. As previously discussed,
11 with only a few high-level exceptions, IdeaTek intends to retain all current employees at their
12 current locations. Further, the company anticipates operational efficiencies, and savings will
13 occur as a result of the transaction.

14 (h) What impact, if any, the transaction has on public safety.

15 **Q: Will the transaction impact public safety?**

16 A: The transaction is a cash-for-stock transaction that does not change how Elkhart Telephone
17 interacts with the Public Safety Answering Points within its service areas for 911/E911
18 purposes.

19 III. TECHNICAL, MANAGERIAL AND FINANCIAL ABILITY

20 **Q: Does IdeaTek possess the technical, managerial and financial ability to meet the**
21 **Commission's QOS standards?**

22 A: Definitely. IdeaTek's experience in providing telecommunications services is discussed
23 above, and the background of its management team is set forth in Exhibit B to the
24 Application. IdeaTek has operated telecommunications networks in Kansas since 2005.
25 Currently, IdeaTek holds certificate of convenience as a competitive local exchange carrier

1 in Kansas (Docket No. 06-WLDT-1005-COC) and a certificate allowing it to provide
2 interexchange and operator services (Docket No. 08-WLDT-1077-COC). The KCC has
3 also issued orders granting eligible telecommunications carrier status (Docket No. 19-
4 WLDT-102-ETC) and granting high-cost ETC designation expansion (Docket No. 21-
5 WLDT-343-ETC) to IdeaTek. IdeaTek's executives and employees have decades of
6 experience in the telecommunications industry, and particularly with providing
7 telecommunications services to consumers in rural Kansas.

8 IdeaTek's financials are included as Confidential Exhibit C to the Application. The
9 transaction is a cash-for-stock transaction that does not change how Elkhart Telephone
10 interacts and will have no direct impact on the company's obligation to comply with the
11 Commission's Quality of Service standards pursuant to K.S.A. 66-2005(w).

12 **Q: Can you summarize why you believe the proposed transaction is reasonable?**

13 A: Yes, the proposed transaction is reasonable for several reasons. First, the transaction will
14 positively benefit Elkhart Telephone customers by increasing efficiency without any
15 impact on quality of service or rates. Second, the transaction poses no threat to local
16 economies as no personnel changes are anticipated. Third, the transaction ensures that
17 Elkhart Telephone will continue its impressive tenure of serving customers of Kansas,
18 which would not necessarily be the case if it were purchased by another company. IdeaTek
19 also has a demonstrated interest in providing these services to rural Kansas communities,
20 and this transaction will ensure that both the Elkhart Telephone name and quality of service
21 will live on even as ownership structure changes, with IdeaTek providing added efficiency.
22 Finally, the transaction maintains the Commission's jurisdiction over Elkhart Telephone's
23 Kansas operations.

1 **Q: What are the parties' expectations regarding operational efficiencies resulting from**
2 **the transaction?**

3 A: The parties anticipate that the transaction will increase operational efficiencies, as IdeaTek
4 will bring its added technological and economic capabilities and experience to the current
5 operations.

6 **Q: Aside from that which you have already testified about, are there any other changes**
7 **to Elkhart Telephone's certifications or tariffs being sought by this application?**

8 A: No, there are no other planned changes to tariffs or certifications.

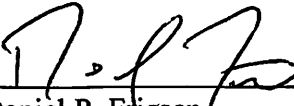
9 **Q: Does this conclude your testimony?**

10 A: Yes, it does, but I wish to reserve the right to revise my testimony should I become aware
11 of additional information that would affect the accuracy of my given responses. Thank you.

VERIFICATION

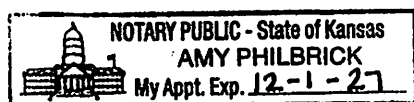
STATE OF KANSAS)
) ss
COUNTY OF Reno)

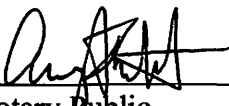
The undersigned, Daniel P. Friesen, upon oath first duly sworn, states that he is Chief Innovation Officer of IdeaTek Telecom, LLC, that he has reviewed the foregoing direct testimony, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.



Daniel P. Friesen

Subscribed and sworn to before me this 24th day of September, 2025.





Notary Public

My appointment expires: 12-1-27