

In the Matter of the Application and Request
of United Telephone Association, Inc. for an
Increase in its Cost-Based Kansas Universal
Service Fund Support.

)
)
) DOCKET NO. 20-UTAT-032-KSF
)

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF

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UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF REVENUE REQUIREMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE REV_REQ

Line No.	Description	A Staff Adjusted Total Company	B Staff Adjusted Interstate	C Staff Adjusted Intrastate
****	*****	*****	*****	*****
1	PROFORMA RATE BASE	\$16,124,370	\$5,493,745	\$10,630,610
2	STAFF RATE OF RETURN	8.6084%	10.2500%	7.7600%
3	OPERATING INCOME REQUIRED	1,388,044	563,109	824,935
4	PROFORMA OPERATING INCOME	780,177	1,099,388	(319,211)
5	NET PROFORMA REVENUE INCREASE / (DECREASE)	607,867	(536,279)	1,144,146

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTED AND PRO FORMA RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE A_1

Line No.	Acct	Description	A Applicant Book Balance	B Applicant Cost Study Adjustments	C Applicant Cost Study Balance	D Applicant Proforma Adjustments	E Applicant Proforma Balance	F Staff Adjustments	G Staff Adjusted Balance	H /--- Allocation ---/ Interstate	I Intrastate	J Staff Adjusted Interstate Rate Base	K Staff Adjusted Intrastate Rate Base
1	2111	Land	\$292,763	\$0	\$292,763	\$0	\$292,763	\$0	\$292,763	0.326872	0.673128	\$95,696	\$197,067
2	2112	Motor Vehicles	674,762	(429,205)	245,557	0	245,557	18,254	263,811	0.326872	0.673128	86,232	\$177,579
3	2112.2	Motor Vehicles Non-Plant	76,215	(48,479)	27,736	0	27,736	(11,008)	16,728	0.326872	0.673128	5,468	\$11,260
4	2115	Garage Work Equipment	23,580	(14,999)	8,581	0	8,581	1,550	10,131	0.326872	0.673128	3,312	\$6,819
5	2116	Other Work Equipment	1,086,425	(691,058)	395,367	0	395,367	5,246	400,613	0.326872	0.673128	130,949	\$269,664
6	2121	Buildings	2,816,528	0	2,816,528	0	2,816,528	0	2,816,528	0.326872	0.673128	920,644	\$1,895,884
7	2121.1	Buildings - So Englewood	28,630	0	28,630	0	28,630	0	28,630	0.326872	0.673128	9,358	\$19,272
8	2122	Furniture	424,797	(121,358)	303,439	0	303,439	0	303,439	0.326872	0.673128	99,186	\$204,253
9	2123.1	Office Support Equipment	90,015	(25,716)	64,299	0	64,299	(1,721)	62,578	0.326872	0.673128	20,455	\$42,123
10	2123.2	Company Communications Equipment	100,381	(28,677)	71,704	0	71,704	0	71,704	0.326872	0.673128	23,438	\$48,266
11	2124	General Purpose Computers	3,305,242	(843,568)	2,461,674	(1,566)	2,460,108	886	2,460,994	0.326872	0.673128	804,430	\$1,656,564
12		Total General Support Facilities	8,919,338	(2,203,060)	6,716,278	(1,566)	6,714,712	13,207	6,727,919			2,199,168	4,528,751
13	2212	Digital Electronic CO Office	890,801	239,075	1,129,876	400,235	1,530,111	93,560	1,623,671	0.849499	0.150501	1,379,307	244,364
14	2212.1	Central Office Equipment	7,254	0	7,254	0	7,254	0	7,254	0.849499	0.150501	6,162	1,092
15	2232	Carrier & Circuit Equipment	13,966,086	(399,047)	13,567,039	(112,138)	13,454,901	(289,404)	13,165,497	0.354484	0.645516	4,666,955	8,498,542
16	2232	Carrier & Circuit Equipment 2013	4,331,375	(281,807)	4,049,568	110,261	4,159,829	268,631	4,428,460	0.354484	0.645516	1,569,818	2,858,642
17	2232.1	Carrier & Circuit Equipment So Eng	115,642	0	115,642	0	115,642	0	115,642	0.354484	0.645516	40,993	74,649
18	2232.1	Carrier & Circuit Equipment - OK	42,248	0	42,248	0	42,248	0	42,248	0.354484	0.645516	14,976	27,272
19	2232.2	Fiber Connection Equipment	226,024	0	226,024	25,700	251,724	32,612	284,336	0.354484	0.645516	100,793	183,543
20		Total Central Office Equipment	19,579,430	(441,779)	19,137,651	424,058	19,561,709	105,399	19,667,108			7,779,004	11,888,104
21	2351	Public Telephone Equipment	0	0	0	0	0	0	0			0	0
22		Total Info Orig/Term Equipment	0	0	0	0	0	0	0			0	0
23	2421	Aerial Cable	26,131	(26,131)	0	0	0	(1,616)	(1,616)	0.301645	0.698355	(487)	(1,129)
24	2422	Underground Cable	252,171	0	252,171	(25,512)	226,659	(1,731)	224,928	0.301645	0.698355	67,848	157,080
25	2423	Buried Cable	43,057,640	(1,095,533)	41,962,107	176,605	42,138,712	869,988	43,008,700	0.301645	0.698355	12,973,379	30,035,321
26	2423.1	Buried Cable - So Eng	856,370	0	856,370	190	856,560	5,572	862,132	0.301645	0.698355	260,058	602,074
27	2431	Aerial Wire	39,042	(39,042)	0	0	0	0	0	0.301645	0.698355	0	0
28	2431	C&W - Map Com	858,487	0	858,487	0	858,487	0	858,487	0.301645	0.698355	258,958	599,529
29	2441	Conduit Systems	694,759	0	694,759	0	694,759	0	694,759	0.301645	0.698355	209,571	485,188
30	2441.1	Conduit Systems So Englewood	1,835	0	1,835	0	1,835	0	1,835	0.301645	0.698355	554	1,281
31		Total Cable and Wire Facilities	45,786,435	(1,160,706)	44,625,729	151,283	44,777,012	872,213	45,649,225			13,769,880	31,879,345
32	2681	Capital Lease	0	0	0	0	0	0	0	0.000000	1.000000	0	0
33	2690	Intangibles	1,905	0	1,905	0	1,905	0	1,905	0.326872	0.673128	623	1,282
34		Gross Telephone Plant	74,287,108	(3,805,545)	70,481,563	573,775	71,055,338	990,819	72,046,157			23,748,676	48,297,481
35	3100	Accumulated Depreciation	(59,164,759)	3,194,778	(55,969,981)	1,802,454	(54,167,527)	(2,526,698)	(56,694,225)	0.326416	0.673584	(18,505,902)	(38,188,323)
36	MISC	Misc Accum. Depr and Amort	0	0	0	0	0	0	0	0.000000	0.000000	0	0
37		Net Telephone Plant	15,122,349	(610,767)	14,511,582	2,376,229	16,887,811	(1,535,879)	15,351,932			5,242,773	10,109,159
38	1220	Materials and Supplies	732,048	0	732,048	0	732,048	(129,119)	602,929	0.301645	0.698355	181,871	421,058
39	1402	RTB Stock	0	0	0	0	0	0	0	0.326872	0.673128	0	0
40	1403	Goodwill	0	0	0	0	0	0	0	0.000000	1.000000	0	0
41	1403	Other Noncurrent Asset	2,452,245	(1,648,523)	803,722	(803,722)	0	0	0	0.389361	0.610639	0	0
42	2003	TPUC - Short Term	1,554,843	0	1,554,843	(1,554,843)	0	0	0	0.326872	0.673128	0	0
43	4361	Deferred Income Taxes	0	0	0	0	0	0	0	0.326872	0.673128	0	0
44	4040	Customer Deposits	(450)	0	(450)	0	(450)	0	(450)	0.326872	0.673128	(147)	(303)
45	MISC	Other Credit Accounts	0	0	0	0	0	0	0	0.326872	0.673128	0	0
46		Net Investment	19,861,035	(2,259,290)	17,601,745	17,664	17,619,409	(1,664,998)	15,954,411			5,424,497	10,529,914
47		Cash Working Capital	188,994	0	188,994	0	188,994	(19,035)	169,959			69,248	100,696
48		Total Rate Base	\$20,050,029	(\$2,259,290)	\$17,790,739	\$17,664	\$17,808,403	(\$1,684,033)	\$16,124,370			\$5,493,745	\$10,630,610

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE A_2

Line No.	Acct	Description	A Applicant Pro Forma Rate Base	B Staff Adjustment No. 1	C Staff Adjustment No. 2	D Staff Adjustment No. 3	E Staff Adjustment No. 4	F Total Staff Adjustments	G Staff Adjusted Rate Base
1	2111	Land	\$292,763					\$0	\$292,763
2	2112	Motor Vehicles	245,557	18,254				18,254	263,811
3	2112.2	Motor Vehicles Non-Plant	27,736	(11,008)				(11,008)	16,728
4	2115	Garage Work Equipment	8,581	1,550				1,550	10,131
5	2116	Other Work Equipment	395,367	5,246				5,246	400,613
6	2121	Buildings	2,816,528					0	2,816,528
7	2121.1	Buildings - So Englewood	28,630					0	28,630
8	2122	Furniture	303,439					0	303,439
9	2123.1	Office Support Equipment	64,299	(1,721)				(1,721)	62,578
10	2123.2	Company Communications Equipment	71,704					0	71,704
11	2124	General Purpose Computers	2,460,108	886				886	2,460,994
12		Total General Support Facilities	6,714,712	13,207	0	0	0	13,207	6,727,919
13	2212	Digital Electronic CO Office	1,530,111	93,560				93,560	1,623,671
14	2212.1	Central Office Equipment	7,254					0	7,254
15	2232	Carrier & Circuit Equipment	13,454,901	(289,404)				(289,404)	13,165,497
16	2232	Carrier & Circuit Equipment 2013	4,159,829	268,631				268,631	4,428,460
17	2232.1	Carrier & Circuit Equipment So Eng	115,642					0	115,642
18	2232.1	Carrier & Circuit Equipment - OK	42,248					0	42,248
19	2232.2	Fiber Connection Equipment	251,724	32,612			0	32,612	284,336
20		Total Central Office Equipment	19,561,709	105,399	0	0	0	105,399	19,667,108
21	2351	Public Telephone Equipment	0					0	0
22		Total Info Orig/Term Equipment	0	0	0	0	0	0	0
23	2421	Aerial Cable	0	(1,616)				(1,616)	(1,616)
24	2422	Underground Cable	226,659	(1,731)				(1,731)	224,928
25	2423	Buried Cable	42,138,712	869,988				869,988	43,008,700
26	2423.1	Buried Cable - So Eng	856,560	5,572				5,572	862,132
27	2431	Aerial Wire	0					0	0
28	2431	C&W - Map Com	858,487					0	858,487
29	2441	Conduit Systems	694,759					0	694,759
30	2441.1	Conduit Systems So Englewood	1,835					0	1,835
31		Total Cable and Wire Facilities	44,777,012	872,213	0	0	0	872,213	45,649,225
32	2681	Capital Lease	0					0	0
33	2690	Intangibles	1,905					0	1,905
34		Gross Telephone Plant	71,055,338	990,819	0	0	0	990,819	72,046,157
35	3100	Accumulated Depreciation	(54,167,527)		(2,526,698)			(2,526,698)	(56,694,225)
36	MISC	Misc Accum. Depr and Amort	0					0	0
37		Net Telephone Plant	16,887,811	990,819	(2,526,698)	0	0	(1,535,879)	15,351,932
38	1220	Materials and Supplies	732,048			(129,119)		(129,119)	602,929
39	1402	RTB Stock	0					0	0
40	1403	Goodwill	0					0	0
41	1403	Accumulated Amort-Goodwill	0					0	0
42	2003	TPUC - Short Term	0					0	0
43	4361	Deferred Income Taxes	0					0	0
44	4040	Customer Deposits	(450)					0	(450)
45	MISC	Other Credit Accounts	0					0	0
46		Net Investment	17,619,409	990,819	(2,526,698)	(129,119)	0	(1,664,998)	15,954,411
47		Cash Working Capital	188,994				(19,035)	(19,035)	169,959
48		Total Rate Base	\$17,808,403	\$990,819	(\$2,526,698)	(\$129,119)	(\$19,035)	(\$1,684,033)	\$16,124,370

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF CASH WORKING CAPITAL AS ADJUSTED
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE A_3

Line No.	Description	A Applicant Proforma Balance	B Staff Adjustments	C Staff Adjusted Balance	D Total Staff Adjusted Interstate	E Total Staff Adjusted Intrastate
****	*****	*****	*****	*****	*****	*****
1	Total Operating Expenses	\$8,196,544	(\$725,065)	\$7,471,479	\$2,780,470	\$4,691,009
2	Less: Depreciation and Amortization Expenses	3,598,040	57,220	3,655,260	1,203,933	2,451,327
3	Net Cash Expense before Taxes	4,598,504	(782,285)	3,816,219	1,576,537	2,239,682
4	Federal Income Taxes	0				
5	State Income Taxes	0				
6	Interest Expense (from Schedule B-4-1)	0	319,088	319,088	108,490	210,598
7	Total Cash Expenses	4,598,504	(463,197)	4,135,307	1,685,027	2,450,280
8	Staff Adjusted Cash Working Capital for O&M Operations (15 days) (total cash expense * .041096) (15 days / 365 days)	\$188,980	(\$19,035)	\$169,944	\$69,248	\$100,696

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE A_4

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO RATE BASE
****	*****	*****
	<u>STAFF ADJUSTMENT NO. 1</u> (Jackson)	
1	Motor Vehicles	18,254
2	Motor Vehicles Non-Plant	(11,008)
3	Garage Work Equipment	1,550
4	Other Work Equipment	5,246
5	Office Support Equipment	(1,721)
6	General Purpose Computers	886
7	Digital Electronic CO Office	93,560
8	Carrier & Circuit Equipment	(289,404)
9	Carrier & Circuit Equipment 2013	268,631
10	Fiber Connection Equipment	32,612
11	Aerial Cable	(1,616)
12	Underground Cable	(1,731)
13	Buried Cable	869,988
14	Buried Cable - So Eng	5,572
15	To reflect Staff's adjustment to update plant in service to September 30, 2019.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Jackson)	
16	Accumulated Depreciation	(2,526,698)
17	To reflect Staff's adjustment to update accumulated depreciation to September 30, 2019.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Jackson)	
18	Materials and Supplies	(129,119)
19	To reflect Staff's adjustment to normalize materials and supplies.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Jackson)	
20	Cash Working Capital	(19,035)
21	To reflect Staff's adjustment to cash working capital as a result of all other Staff adjustments.	

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_1

Line No.	Acct. No.	Description	A Applicant Book Balance	B Applicant Cost Study Adjustments	C Applicant Cost Study Balance	D Applicant Proforma Adjustments	E Applicant Proforma Balance	F Staff Adjustments	G Staff Adjusted Balance	H /— Allocation —/ Interstate	I Intrastate	J Staff Adjusted Interstate Balance	K Staff Adjusted Intrastate Balance	L Staff Pro Forma Adjustments	M Staff Pro Forma Adjusted Intrastate
Operating Revenues															
1	5001	Local Network Services Revenues	\$1,037,005	\$0	\$1,037,005	\$0	\$1,037,005	\$26,473	\$1,063,478			\$0	\$1,063,478		\$1,063,478
2		Federal High Cost Loop Support	1,812,872	0	1,812,872	441,181	2,254,053	120,639	2,374,692			0	2,374,692		\$2,374,692
3		Kansas Universal Service Support	235,488	0	235,488	49,542	285,030	(75)	284,955			0	284,955	\$1,144,146	\$1,429,101
4	5080	Network Access Revenue	3,930,792	0	3,930,792	(1,075)	3,929,717	1,300	3,931,017			3,874,667	56,350		\$56,350
5	5100	Long Distance Network Service Rev	0	0	0	0	0	0	0			0	0		\$0
6	5270	Billing and Collection	12,335	0	12,335	0	12,335	18,424	30,759			5,191	25,568		\$25,568
7	5270	Misc Revenue	565,161	0	565,161	0	565,161	0	565,161			0	565,161		\$565,161
8	5280	Non-regulated Revenue	0	0	0	0	0	0	0			0	0		\$0
9	5300	Uncollectible Revenue	1,594	0	1,594	0	1,594	0	1,594			0	1,594		\$1,594
10		Total Revenues	7,595,247	0	7,595,247	489,648	8,084,895	166,761	8,251,656			3,879,858	4,371,798	1,144,146	5,515,944
Plant Specific Operations Expenses															
11	6110	Network Support Expense	60,317	0	60,317	0	60,317	(7,418)	52,899	0.326872	0.673128	17,291	35,608		35,608
12	6120	General Support Expense	482,790	(217,466)	265,324	0	265,324	(107,917)	157,407	0.326872	0.673128	51,452	105,955		105,955
13	6210	Central Office Switching Expense	121,398	(36,985)	84,413	0	84,413	(7,091)	77,322	0.385314	0.614686	29,793	47,529		47,529
14	6230	Central Office Transmission Expense	1,057,625	0	1,057,625	0	1,057,625	(89,003)	968,622	0.385314	0.614686	373,224	595,398		595,398
15	6310	Information Orig/Term Expense	0	0	0	0	0	0	0	0.000000	1.000000	0	0		0
16	6410	Cable and Wire Facilities Exp	846,339	(15,866)	830,473	0	830,473	(116,288)	714,185	0.301645	0.698355	215,430	498,755		498,755
17		Total Plant Specific Operations Exp.	2,568,469	(270,317)	2,298,152	0	2,298,152	(327,717)	1,970,435			687,190	1,283,245	0	1,283,245
Plant Non-Specific Operations Expense															
18	6510	Other Plant Expense	57,451	0	57,451	0	57,451	(18,832)	38,619	0.326872	0.673128	12,623	25,996		25,996
19	6530	Network Operations Expense	68,993	0	68,993	0	68,993	(10,416)	58,577	0.326872	0.673128	19,147	39,430		39,430
20	6540	Access Expense	101,318	5,135	106,453	0	106,453	0	106,453	1.000000	0.000000	106,453	0		0
21	6560	Depreciation & Amortization	3,351,007	(76,083)	3,274,924	323,116	3,598,040	57,220	3,655,260	0.329370	0.670630	1,203,933	2,451,327		2,451,327
22	6565	Amort of Plant Acquisition Adjustment	0	0	0	0	0	0	0	0.326872	0.673128	0	0		0
23		Total Plant Non-Specific Operations Exp.	3,578,769	(70,948)	3,507,821	323,116	3,830,937	27,972	3,858,909			1,342,157	2,516,752	0	2,516,752
Customer Operations Expense															
24	6610	Marketing Expense	76,186	0	76,186	0	76,186	(37,989)	38,197	0.541653	0.458347	20,690	17,507		17,507
25	6620	Directory Expense	91,127	0	91,127	0	91,127	(9)	91,118	0.541653	0.458347	49,354	41,764		41,764
26	6620	Services Expense	369,666	0	369,666	0	369,666	(16,544)	353,122	0.541653	0.458347	191,270	161,852		161,852
27		Total Customer Operations Expense	536,979	0	536,979	0	536,979	(54,542)	482,437			261,313	221,124	0	221,124
Corporate Operations Expense															
28	6710	Executive and Planning Expense	406,128	(1,881)	404,247	0	404,247	(97,151)	307,096	0.389361	0.610639	119,571	187,525		187,525
29	6720	General and Administrative Expense	983,033	(6,587)	976,446	0	976,446	(248,685)	727,761	0.458151	0.541849	333,424	394,337		394,337
30	6720	General and Administrative Exp (KUSF Audit)	0	0	0	30,000	30,000	(17,784)	12,216	0.000000	1.000000	0	12,216		12,216
31		Total Corporate Operations Expense	1,389,161	(8,468)	1,380,693	30,000	1,410,693	(363,620)	1,047,073			452,996	594,077	0	594,077
Operating Taxes & Other Operating Expenses															
32	7210	Amortization of ITC	0	0	0	0	0	0	0			0	0		0
33	7220	Operating Federal Income Taxes	0	0	0	0	0	0	0			0	0		0
34	7230	Operating State Income Taxes	0	0	0	0	0	0	0			0	0		0
35	7240	Other Operating Taxes	124,601	(4,838)	119,763	0	119,763	(7,158)	112,605	0.326872	0.673128	36,807	75,798		75,798
36	7250	Deferred Operating Income Taxes	0	0	0	0	0	0	0			0	0		0
37	7340	Allow. for Funds Used During Const.	0	0	0	0	0	0	0			0	0		0
38	7370	Contributions and Fees	5,514	(5,514)	0	0	0	0	0			0	0		0
39	5240	Rent Revenue	0	0	0	0	0	0	0			0	0		0
40	7500	Interest on Customer Deposits	20	0	20	0	20	0	20	0.328874	0.671126	7	13		13
41		Total Oper. Taxes & Other Oper. Exp.	130,135	(10,352)	119,783	0	119,783	(7,158)	112,625			36,814	75,811	0	75,811
42		Total Operating Expenses	8,203,513	(360,085)	7,843,428	353,116	8,196,544	(725,065)	7,471,479			2,780,470	4,691,009	0	4,691,009
43		Net Operating Income	(\$608,266)	\$360,085	(\$248,181)	\$136,532	(\$111,649)	\$891,826	\$780,177			\$1,099,388	(\$319,211)	\$1,144,146	\$824,935

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_2
Page 1 of 2

Line No.	Acct. No.	Description	A Applicant Proforma Inc. Statement	B Staff Adjustment No. 1	C Staff Adjustment No. 2	D Staff Adjustment No. 3	E Staff Adjustment No. 4	F Staff Adjustment No. 5	G Staff Adjustment No. 6	H Staff Adjustment No. 7	I Staff Adjustment No. 8	J Staff Adjustment No. 9	K Staff Adjustment No. 10

<u>Operating Revenues</u>													
1	5001	Local Network Services Revenues	\$1,037,005									26,473	
2		Federal High Cost Loop Support	2,254,053	120,639									
3		Kansas Universal Service Support	285,030									(75)	
4	5080	Network Access Revenue	3,929,717									225	1,075
5	5100	Long Distance Network Service Rev	0										
6	5270	Billing and Collection	12,335					18,424					
7	5270	Misc Revenue	565,161										
8	5280	Non-regulated Revenue	0										
9	5300	Uncollectible Revenue	1,594										
10		Total Revenues	8,084,895	120,639	0	0	0	18,424	0	0	0	26,623	1,075
<u>Plant Specific Operations Expenses</u>													
11	6110	Network Support Expense	60,317			(6,005)	(448)	(252)		(707)			
12	6120	General Support Expense	265,324		(79,742)	(3,546)	(15,207)	(9,422)					
13	6210	Central Office Switching Expense	84,413			(4,692)	(1,294)	(729)					
14	6230	Central Office Transmission Expense	1,057,625			(2,843)	(41,579)	(31,989)		(12,592)			
15	6310	Information Orig/Term Expense	0										
16	6410	Cable and Wire Facilities Exp	830,473			(29,673)	(44,637)	(32,928)		(8,537)			
17		Total Plant Specific Operations Exp.	2,298,152	0	(79,742)	(46,759)	(103,165)	(75,320)	0	(21,836)	0	0	0
<u>Plant Non-Specific Operations Expense</u>													
18	6510	Other Plant Expense	57,451			(15,760)	(3,072)						
19	6530	Network Operations Expense	68,993			(3,013)	(7,403)						
20	6540	Access Expense	106,453										
21	6560	Depreciation & Amortization	3,598,040		(1,853)				59,073				
22	6565	Amort of Plant Acquisition Adjustment	0										
23		Total Plant Non-Specific Operations Exp.	3,830,937	0	(1,853)	(18,773)	(10,475)	0	59,073	0	0	0	0
<u>Customer Operations Expense</u>													
24	6610	Marketing Expense	76,186			(31,079)	(1,657)			(1,137)			
25	6620	Directory Expense	91,127										
26	6620	Services Expense	369,666			3,440	(19,750)			(234)			
27		Total Customer Operations Expense	536,979	0	0	(27,639)	(21,407)	0	0	(1,371)	0	0	0
<u>Corporate Operations Expense</u>													
28	6710	Executive and Planning Expense	404,247		(57,784)	8,849	(24,769)			(5,265)	(18,033)		
29	6720	General and Administrative Expense	976,446		(144,657)	(39,948)	(37,473)			(1,633)			
30	6720	General and Administrative Exp (KUSF Audi	30,000										
31		Total Corporate Operations Expense	1,410,693	0	(202,441)	(31,099)	(62,242)	0	0	(6,898)	(18,033)	0	0
<u>Operating Taxes & Other Operating Expenses</u>													
32	7210	Amortization of ITC	0										
33	7220	Operating Federal Income Taxes	0										
34	7230	Operating State Income Taxes	0										
35	7240	Other Operating Taxes	119,763										
36	7250	Deferred Operating Income Taxes	0										
37	7340	Allow. for Funds Used During Const.	0										
38	7370	Contributions and Fees	0										
39	5240	Rent Revenue	0										
40	7500	Interest on Customer Deposits	20										
41		Total Oper. Taxes & Other Oper. Exp.	119,783	0	0	0	0	0	0	0	0	0	0
42		Total Operating Expenses	8,196,544	0	(284,036)	(124,270)	(197,289)	(75,320)	59,073	(30,105)	(18,033)	0	0
43		Net Operating Income	(\$111,649)	\$120,639	\$284,036	\$124,270	\$197,289	\$93,744	(\$59,073)	\$30,105	\$18,033	\$26,623	\$1,075

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_2
Page 2 of 2

Line No.	Acct. No.	Description	L Staff Adjustment No. 11	M Staff Adjustment No. 12	N Staff Adjustment No. 13	O Staff Adjustment No. 14	P Staff Adjustment No. 15	Q Staff Adjustment No. 16	R Staff Adjustment No. 17	S Staff Adjustment No. 18	T Staff Adjustment No. 19	U Total Staff Adjustments	V Staff Adj. Income Statement

		<u>Operating Revenues</u>											
1	5001	Local Network Services Revenues										\$26,473	\$1,063,478
2		Federal High Cost Loop Support										120,639	2,374,692
3		Kansas Universal Service Support										(75)	284,955
4	5080	Network Access Revenue										1,300	3,931,017
5	5100	Long Distance Network Service Rev										0	0
6	5270	Billing and Collection										18,424	30,759
7	5270	Misc Revenue										0	565,161
8	5280	Non-regulated Revenue										0	0
9	5300	Uncollectible Revenue										0	1,594
10		Total Revenues	0	0	0	0	0	0	0	0	0	166,761	8,251,656
		<u>Plant Specific Operations Expenses</u>											
11	6110	Network Support Expense							(6)			(7,418)	52,899
12	6120	General Support Expense										(107,917)	157,407
13	6210	Central Office Switching Expense							(376)			(7,091)	77,322
14	6230	Central Office Transmission Expense										(89,003)	968,622
15	6310	Information Orig/Term Expense										0	0
16	6410	Cable and Wire Facilities Exp							(513)			(116,288)	714,185
17		Total Plant Specific Operations Exp.	0	0	0	0	0	0	(895)	0	0	(327,717)	1,970,435
		<u>Plant Non-Specific Operations Expense</u>											
18	6510	Other Plant Expense										(18,832)	38,619
19	6530	Network Operations Expense										(10,416)	58,577
20	6540	Access Expense										0	106,453
21	6560	Depreciation & Amortization										57,220	3,655,260
22	6565	Amort of Plant Acquisition Adjustment										0	0
23		Total Plant Non-Specific Operations Exp.	0	0	0	0	0	0	0	0	0	27,972	3,858,909
		<u>Customer Operations Expense</u>											
24	6610	Marketing Expense			(4,082)				(34)			(37,989)	38,197
25	6620	Directory Expense							(9)			(9)	91,118
26	6620	Services Expense										(16,544)	353,122
27		Total Customer Operations Expense	0	0	(4,082)	0	0	0	(43)	0	0	(54,542)	482,437
		<u>Corporate Operations Expense</u>											
28	6710	Executive and Planning Expense							(149)			(97,151)	307,096
29	6720	General and Administrative Expense			(2,146)	(4,615)	(3,090)	(2,839)	(4,883)	(617)	(6,784)	(248,685)	727,761
30	6720	General and Administrative Exp (KUSF Audi	(17,784)									(17,784)	12,216
31		Total Corporate Operations Expense	(17,784)	0	(2,146)	(4,615)	(3,090)	(2,839)	(5,032)	(617)	(6,784)	(363,620)	1,047,073
		<u>Operating Taxes & Other Operating Expenses</u>											
32	7210	Amortization of ITC										0	0
33	7220	Operating Federal Income Taxes										0	0
34	7230	Operating State Income Taxes										0	0
35	7240	Other Operating Taxes		(7,158)								(7,158)	112,605
36	7250	Deferred Operating Income Taxes										0	0
37	7340	Allow. for Funds Used During Const.										0	0
38	7370	Contributions and Fees										0	0
39	5240	Rent Revenue										0	0
40	7500	Interest on Customer Deposits										0	20
41		Total Oper. Taxes & Other Oper. Exp.	0	(7,158)	0	0	0	0	0	0	0	(7,158)	112,625
42		Total Operating Expenses	(17,784)	(7,158)	(6,228)	(4,615)	(3,090)	(2,839)	(5,970)	(617)	(6,784)	(725,065)	7,471,479
43		Net Operating Income	\$17,784	\$7,158	\$6,228	\$4,615	\$3,090	\$2,839	\$5,970	\$617	\$6,784	\$891,826	\$780,177

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_3
Page 1 of 3

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO OPERATIONS
*	*****	*****
	<u>STAFF ADJUSTMENT NO. 1</u> (McCullar)	
1	Federal High Cost Loop Support	\$120,639
2	To reflect known level of FHCL support.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Diggs)	
3	General Support Expense	(79,742)
4	Depreciation & Amortization	(1,853)
5	Executive and Planning Expense	(57,784)
6	General and Administrative Expense	(144,657)
7	To reflect Staff's adjustment to non-regulated GSF, Executive and G&A expense allocation.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Diggs)	
8	Network Support Expense	(6,005)
9	General Support Expense	(3,546)
10	Central Office Switching Expense	(4,692)
11	Central Office Transmission Expense	(2,843)
12	Cable and Wire Facilities Exp	(29,673)
13	Other Plant Expense	(15,760)
14	Network Operations Expense	(3,013)
15	Marketing Expense	(31,079)
16	Services Expense	3,440
17	Executive and Planning Expense	8,849
18	General and Administrative Expense	(39,948)
19	To reflect Staff's adjustment to normalize and update payroll expense.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Diggs)	
20	Network Support Expense	(448)
21	General Support Expense	(15,207)
22	Central Office Switching Expense	(1,294)
23	Central Office Transmission Expense	(41,579)
24	Cable and Wire Facilities Exp	(44,637)
25	Other Plant Expense	(3,072)
26	Network Operations Expense	(7,403)
27	Marketing Expense	(1,657)
28	Services Expense	(19,750)
29	Executive and Planning Expense	(24,769)
30	General and Administrative Expense	(37,473)
31	To reflect Staff's adjustment to normalize and update employee benefits and payroll related taxes.	

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_3
Page 2 of 3

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO OPERATIONS
*	*****	*****
	<u>STAFF ADJUSTMENT NO. 5</u> (Diggs)	
32	Billing and Collection	18,424
33	Network Support Expense	(252)
34	General Support Expense	(9,422)
35	Central Office Switching Expense	(729)
36	Central Office Transmission Expense	(31,989)
37	Cable and Wire Facilities Exp	(32,928)
38	To reflect Staff's adjustment to building and vehicle lease expense.	
	<u>STAFF ADJUSTMENT NO. 6</u> (Jackson)	
39	Depreciation & Amortization	59,073
40	To reflect Staff's adjustment to update depreciation expense through September 30, 2019.	
	<u>STAFF ADJUSTMENT NO. 7</u> (Jackson)	
41	Network Support Expense	(707)
42	Central Office Transmission Expense	(12,592)
43	Cable and Wire Facilities Exp	(8,537)
44	Marketing Expense	(1,137)
45	Services Expense	(234)
46	Executive and Planning Expense	(5,265)
47	General and Administrative Expense	(1,633)
48	To reflect Staff's adjustment to remove travel and training expenses.	
	<u>STAFF ADJUSTMENT NO. 8</u> (Jackson)	
49	Executive and Planning Expense	(18,033)
50	To reflect Staff's adjustment to Board of Directors compensation and miscellaneous expenses.	
	<u>STAFF ADJUSTMENT NO. 9</u> (Figgs)	
51	Local Network Services Revenues	26,473
52	Kansas Universal Service Support	(75)
53	Network Access Revenue	225
54	To reflect Staff's adjustment to reflect current level of local revenue, intrastate access revenue and KUSF support.	
	<u>STAFF ADJUSTMENT NO. 10</u> (Figgs)	
55	Network Access Revenue	1,075
56	To reverse the Company's adjustment to network access revenue.	
	<u>STAFF ADJUSTMENT NO. 11</u> (Figgs)	
57	General and Administrative Exp (KUSF Audit)	(17,784)
58	To reflect Staff's adjustment to update for actual audit expense.	

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_3
Page 3 of 3

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO OPERATIONS
*	*****	*****
	<u>STAFF ADJUSTMENT NO. 12</u> (Figgs)	
59	Other Operating Taxes	(7,158)
60	To reflect Staff's adjustment to property tax expense.	
	<u>STAFF ADJUSTMENT NO. 13</u> (Figgs)	
61	Marketing Expense	(4,082)
62	General and Administrative Expense	(2,146)
63	To reflect Staff's adjustment to remove corporate image advertising expense.	
	<u>STAFF ADJUSTMENT NO. 14</u> (Figgs)	
64	General and Administrative Expense	(4,615)
65	To reflect Staff's adjustment to remove dues and donations.	
	<u>STAFF ADJUSTMENT NO. 15</u> (Figgs)	
66	General and Administrative Expense	(3,090)
67	To reflect Staff's adjustment to remove lobbying expenses.	
	<u>STAFF ADJUSTMENT NO. 16</u> (Figgs)	
68	General and Administrative Expense	(2,839)
69	To reflect Staff's adjustment to remove miscellaneous expenses.	
	<u>STAFF ADJUSTMENT NO. 17</u> (Figgs)	
70	Network Support Expense	(6)
71	Central Office Switching Expense	(376)
72	Cable and Wire Facilities Exp	(513)
73	Marketing Expense	(34)
74	Directory Expense	(9)
75	Executive and Planning Expense	(149)
76	General and Administrative Expense	(4,883)
77	To reflect Staff's adjustment to remove refreshment expenses.	
	<u>STAFF ADJUSTMENT NO. 18</u> (Figgs)	
78	General and Administrative Expense	(617)
79	To reflect Staff's adjustment to remove fitness memberships.	
	<u>STAFF ADJUSTMENT NO. 19</u> (Figgs)	
80	General and Administrative Expense	(6,784)
81	To reflect Staff's adjustment to remove clothing allowance expense.	

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
INTEREST CALCULATION
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE B_4_1

LINE NO.	DESCRIPTION	A STAFF ADJUSTED	B TOTAL STAFF ADJUSTED INTERSTATE	C TOTAL STAFF ADJUSTED INTRASTATE
*****	*****	*****	*****	*****
1	RATE BASE	\$15,954,411	\$5,424,497	\$10,529,914
2	WEIGHTED COST OF DEBT (Schedule C-1)	<u>2.0000%</u>	<u>2.0000%</u>	<u>2.0000%</u>
3	INTEREST EXPENSE	<u>\$319,088</u>	<u>\$108,490</u>	<u>\$210,598</u>

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE C_1

Line No.	Description	A Applicant Per Filing Balance	B Staff Adjustments	C Staff Adjusted Book Balance	D Staff Hypothetical Capital Structure Ratios	E Cost of Capital	F Weighted Cost of Capital
****	*****	*****	*****	*****	*****	*****	*****
1	Total Long Term Debt	\$0	\$26,617,565	\$26,617,565	40.00%	5.00%	2.00%
2	Total Common Equity	66,543,913	(26,617,565)	39,926,348	60.00%	9.60%	5.76%
4	Total Capitalization	\$66,543,913	\$0	\$66,543,913	100.00%		7.76%

Total Weighted Cost of Debt:

Long Term Debt 2.0000%

Total Cost of Debt 2.0000%

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

SCHEDULE C_2

Line No.	Description	A Applicant Per Book Balance	B Staff Adjustment No. 1	C Total Staff Adjustments	D Staff Adjusted Capital Structure
****	*****	*****	*****	*****	*****
1	Long Term Debt	\$0	\$26,617,565	\$26,617,565	\$26,617,565
2	Common Equity	66,543,913	(26,617,565)	(26,617,565)	39,926,348
3	Total Capitalization	\$66,543,913	\$0	\$0	\$66,543,913

UNITED TELEPHONE ASSOCIATION, INC.
DOCKET NO. 20-UTAT-032-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2018

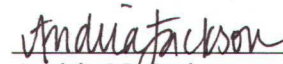
SCHEDULE C_3

LINE NO.	DESCRIPTION	INCREASE / (DECREASE) TO CAPITAL STRUCTURE
****	*****	*****
	<u>STAFF ADJUSTMENT NO. 1</u>	
1	LONG TERM DEBT	\$26,617,565
2	COMMON EQUITY	(26,617,565)
3	To reflect Staff's hypothetical capital structure.	

VERIFICATION

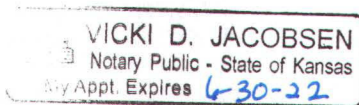
STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

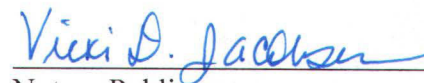
Andria N. Jackson, of lawful age, being duly sworn upon her oath deposes and states that she is a Senior Managing Auditor for the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Staff's Schedules* and attests that the statements therein are true and correct to the best of her knowledge, information and belief.



Andria N. Jackson
Senior Managing Auditor
The State Corporation Commission
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 13th day of December, 2019.





Notary Public

My Appointment Expires: June 30, 2022

CERTIFICATE OF SERVICE

20-UTAT-032-KSF

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

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/s/ Vicki Jacobsen

Vicki Jacobsen