

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

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

DIRECT TESTIMONY

PREPARED BY

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KANSAS CORPORATION COMMISSION

December 13, 2019

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I. INTRODUCTION

Q. Please state your name.

A. My name is Andria N. Jackson.

Q. What is your business address?

A. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas 66604.

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

A. I am employed by the Kansas Corporation Commission (KCC or Commission) as a Senior Managing Auditor.

Q. Would you please describe your educational background and professional experience?

A. I received a Bachelor's of Science in Business Administration with an emphasis in Finance and Marketing in December 2007 and a Masters of Business Administration in December of 2010 from Washburn University. I began employment with the Commission as a Regulatory Auditor in June 2008 and was promoted to Senior Auditor in July 2013 and then to Managing Auditor in January 2015. I was promoted to my current position in July 2018.

Q. Have you ever testified before the Commission?

A. Yes. I have filed testimony before the Commission in several dockets, including Docket Nos. 09-MKEE-969-RTS, 10-EPDE-314-RTS, 11-MKEE-439-RTS, 11-CNHT-659-KSF, 11-EPDE-856-RTS, 12-WSEE-112-RTS, 12-MKEE-380-RTS, 12-MKEE-491-RTS, 12-KCPE-764-RTS, 13-CRKT-268-KSF, 13-JBNT-437-KSF, 13-PLTT-678-KSF, 14-KCPE-272-RTS, 14-BHCG-502-RTS, 15-MRGT-097-AUD, 15-KCPE-116-RTS, 15-TWVT-213-AUD, 16-MDWE-324-TFR, 16-

1 KGSG-491-RTS, 17-KCPE-201-RTS, 18-GIMX-248-GIV, 18-KCPE-480-RTS,
2 19-EPDE-223-RTS, and 19-GNBT-505-KSF.

3 **II. EXECUTIVE SUMMARY**

4 **Q. What were your responsibilities in the review of the United Telephone**
5 **Association, Inc. (United or UTA) Application in Docket No. 20-UTAT-032-**
6 **KSF (20-032 Docket)?**

7 A. My responsibilities as the lead auditor in this case were to analyze, audit and
8 review United's Application requesting an increase in its cost-based Kansas
9 Universal Service Fund (KUSF) support and to oversee the preparation of Staff's
10 revenue requirement analysis. I reviewed the Company's filing, requested and
11 analyzed additional information, and participated in an on-site review at the
12 Company's headquarters in Dodge City, Kansas, to inspect records, tour the
13 Company's facilities, and to confer with United's management and consultant. In
14 addition, I calculated and am sponsoring selected Staff adjustments to United's
15 pro forma rate base and income statement. I am also sponsoring Staff's
16 schedules. My duties are carried out under the direction of the Chief of
17 Accounting and Financial Analysis, Justin Grady. In summary, I recommend that
18 the Commission make the following changes to United's filed revenue
19 requirement recommendation:

- 20 ▪ Update plant in service to reflect balances as of September 30, 2019;
21 ▪ Update accumulated depreciation to reflect balances as of September 30,
22 2019;

- 1 ▪ Normalize materials and supplies, as well as remove inventory that is no
- 2 longer used and useful;
- 3 ▪ Update cash working capital (CWC) to reflect the impact of Staff's
- 4 adjustments;
- 5 ▪ Update depreciation expense to correspond with Staff's recommended
- 6 updates to plant in service and accumulated depreciation;
- 7 ▪ Remove travel and training expenditures related to non-regulated
- 8 operations, entertainment, spousal travel, etc.; and
- 9 ▪ Remove a portion of the Board of Directors compensation and also
- 10 disallow various Board Member expenditures.

11 **Q. Please provide the list of Staff witnesses and a brief description of the**
12 **testimony each is sponsoring.**

13 A. Ann Diggs: Ms. Diggs sponsors testimony related to various income statement
14 adjustments including payroll, employee benefits, leases, etc. Additionally, Ms.
15 Diggs sponsors the regulated and non-regulated allocations proposed by Staff.

16 Katie Figgs: Ms. Figgs sponsors testimony related to various income statement
17 adjustments including KUSF support, audit expense, property tax, advertising
18 expense, dues and donations, lobbying, and other miscellaneous expenditures.

19 Adam Gatewood: Mr. Gatewood sponsors testimony related to capital structure,
20 cost of long term debt, and return on equity.

21 Roxie McCullar: Ms. McCullar sponsors testimony related to the allocation of
22 Staff's adjusted revenue requirement between the interstate and intrastate
23 jurisdictions based on the Federal Communications Commission's (FCC)

1 separations process. Ms. McCullar also sponsors an adjustment to United's
2 Federal High Cost Loop (FHCL) support amount.

3 **Q. How is the rest of your testimony organized?**

4 A. The remainder of my testimony is organized as follows:

5 **(1) Overview** – I provide an overview, which presents a background of United's
6 operations and the components of its KUSF filing.

7 **(2) Analysis** – I discuss Staff's revenue requirement analysis. I also present a
8 table of Staff's adjustments to the pro forma rate base and income statement that
9 define the differences between Staff's and United's recommended revenue
10 requirement.

11 **(3) KUSF Cap** – I discuss the impact of Staff's recommended revenue
12 requirement with respect to the \$30 million KUSF cap for rural local exchange
13 carriers (RLECs).

14 **(4) Staff Schedules** – I describe Staff's accounting schedules detailing the
15 elements of Staff's proposed revenue requirement.

16 **(5) Rate Base** – I discuss and support my adjustments to United's pro forma rate
17 base.

18 **(6) Income Statement** – I discuss and support my adjustments to United's pro
19 forma income statement.

20 **Q. Are you sponsoring any exhibits?**

21 A. Yes, a listing of the exhibits I am sponsoring follows my testimony.

1 **III. OVERVIEW**

2 **Q. Please provide an overview of United’s operations.**

3 A. United Telephone Association, Inc. is a Kansas non-profit corporation that
4 provides local telephone service to ten rural exchanges in southwestern Kansas
5 and serves approximately 3,900 access lines. United is the parent company of
6 United Wireless Communications, Inc. (UWC), which offers fixed and mobile
7 wireless services across a 17-county territory in southwestern Kansas. United is
8 also affiliated with United Communications Association, Inc. (UCA), a
9 competitive local exchange telecommunications service provider that offers
10 additional non-regulated services, including CATV, long distance, and internet
11 services.

12 **Q. How do United’s local rates compare to other RLECs in the area?**

13 A. As depicted in the chart below, United’s local rates for both residential and
14 business customers are relatively comparable to other RLECs surrounding its
15 service area.¹

Company	Residential	Business
United Telephone Association, Inc.	\$19.00	\$19.00
Pioneer Telephone Association, Inc.	\$19.50	\$19.50
Golden Belt Telephone Association, Inc.	\$19.25	\$22.25
S&T Telephone Coop Association	\$18.65	\$20.75
Haviland Telephone Company	\$17.75	\$20.75
South Central Telephone Association, Inc.	\$18.65	\$20.75

16

¹ It should be noted that both Pioneer and United have uniform rates, which means their residential and single-line business rates are the same. Pursuant to K.S.A. 66-2005(e)(7), an RLEC with a unified rate must generate the same amount of revenue as that generated by the affordable rates.

1 **Q. Please provide an overview of the requested increased level of cost-based**
2 **KUSF support as filed by United.**

3 A. United is currently requesting to increase its level of KUSF support to \$2,572,283
4 from its current level of \$285,030 per year, an increase of \$2,287,253 per year.²
5 This increase is supported by pro forma intrastate revenues of \$4.2 million, pro
6 forma intrastate expenses of \$5.3 million, and a pro forma intrastate rate base of
7 \$11.8 million. United has requested a 10.25% return on equity and a 10.25%
8 overall rate of return. The table below summarizes how some of these elements
9 have changed since United's last KUSF filing in Docket No. 10-UTAT-525-AUD
10 (10-525 Docket).

United Pro Forma Intrastate Rate Base, Revenue, Expenses, Income		
Description	10-525 Docket	20-032 Docket
Net Telephone Plant	\$8,488,181	\$11,217,027
Net Rate Base	\$10,354,764	\$11,845,708
Total Operating Revenue	\$4,536,033	\$4,205,036
Total Operating Expense	\$4,566,081	\$5,278,103
Operating Income (Loss)	(\$30,048)	(\$1,073,067)
Rate of Return	11.25%	10.25%

11

12 **Q. What test year did United use in its Application before the Commission?**

13 A. United's revenue requirement schedules are based on a historical test year of the
14 12-months ending December 31, 2018.

15

IV. ANALYSIS

16 **Q. What are the results of Staff's revenue requirement analysis?**

² *Application for United Telephone Association, Inc.*, Section 3, Schedule 1 (Jul. 24, 2019).

1 A. The total effect of Staff’s recommended adjustments results in an intrastate
 2 revenue increase of \$1,144,146 and an equal increase to United’s current KUSF
 3 support. Therefore, Staff recommends the Commission increase United’s KUSF
 4 draw to \$1,429,176. The table presented below captures the major differences
 5 between United’s and Staff’s intrastate components of its revenue requirement
 6 analysis.

Description	United's Application	Staff's Filed Position
Change in KUSF Support	\$2,287,253	\$1,144,146
Net Rate Base	\$11,845,708	\$10,630,610
Operating Income (Loss)	(\$1,073,068)	\$824,935
Return on Equity	10.25%	9.60%
Rate of Return	10.25%	7.76%

7

8 **Q. Please provide a summary of the adjustments Staff is proposing in this**
 9 **docket.**

10 A. The table below presents a summarized list of Staff’s adjustments, the witness
 11 sponsoring each adjustment, and the effect of the adjustment on rate base or
 12 operating income. Although the particulars of each adjustment are different, Staff
 13 adjustments are usually made in order to correct an error present in United’s
 14 Application, to revise a pro forma adjustment to utilize more current known and
 15 measurable data, or to remove expenses that are not appropriate to recover
 16 through KUSF support.

Adj No.	Witness	Description	Effect on Rate Base or Operating Income	
RB-1	Andria Jackson	Plant in Service	990,819	639,728
RB-2	Andria Jackson	Accumulated Depreciation	(2,526,698)	(1,701,944)
RB-3	Andria Jackson	Materials and Supplies	(129,119)	(90,171)

RB-4	Andria Jackson	Cash Working Capital	(19,035)	(17,059)
IS-1	Roxie McCullar	FHCL Support	120,639	120,639
IS-2	Ann Diggs	Non-Reg Expense Allocation	284,036	168,587
IS3	Ann Diggs	Payroll Expense	124,270	73,331
IS-4	Ann Diggs	Employee Benefits and Payroll Tax	197,289	120,356
IS-5	Ann Diggs	Building and Vehicle Lease Expense	93,744	68,043
IS-6	Andria Jackson	Depreciation Expense	(59,073)	(39,616)
IS-7	Andria Jackson	Travel Expense	30,105	18,906
IS-8	Andria Jackson	Board of Directors Expense	18,033	11,012
IS-9	Katie Figgs	KUSF Support	26,623	26,623
IS-10	Katie Figgs	Intrastate Access Revenue	1,075	1,075
IS-11	Katie Figgs	Audit Expense	17,784	17,784
IS-12	Katie Figgs	Property Taxes	7,158	4,818
IS-13	Katie Figgs	Advertising Expense	6,228	3,034
IS-14	Katie Figgs	Dues and Donations	4,615	2,501
IS-15	Katie Figgs	Lobbying	3,090	1,674
IS-16	Katie Figgs	Miscellaneous Expenses	2,839	1,538
IS-17	Katie Figgs	Refreshment Expense	5,970	3,350
IS-18	Katie Figgs	Fitness Memberships	617	334
IS-19	Katie Figgs	Clothing Allowance	6,784	3,676

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2 **Q. How are the adjustments presented above stated in terms of United's total**
3 **company operations and its intrastate-jurisdictional operations?**

4 A. The adjustments shown above are presented in terms of United's total company
5 operations on the left and its intrastate-jurisdictional operations on the right. Each
6 Staff witness first calculates the adjustment based on United's total company
7 operations, and then applies separation factors to each adjustment in order to
8 produce an intrastate-jurisdictional adjustment. It should be noted that each
9 adjustment input into Staff's schedules is based on United's total regulated
10 company operations in order to maintain consistency with United's presentation
11 in the Application. These amounts are then allocated between the interstate and

1 intrastate jurisdictions by separation factors within the schedules to produce the
2 corresponding intrastate amount.

3 **V. KUSF CAP**

4 **Q. Please describe the annual KUSF cap.**

5 A. The annual KUSF cap of \$30 million and how that funding is to be distributed is
6 outlined in K.S.A. 66-2008(e)(3), which states:

7 Notwithstanding any other provision of law, the total KUSF distributions, not
8 to include KUSF support for Kansas lifeline service program purposes,
9 pursuant to K.S.A. 66-2006, and amendments thereto, made to all local
10 exchange carriers operating under traditional rate of return regulation pursuant
11 to K.S.A. 66-2005(b), and amendments thereto, shall not exceed an annual
12 \$30,000,000 cap. In any year that the total KUSF support for such carriers
13 would exceed the annual cap, each carrier's KUSF support shall be
14 proportionately based on the amount of support each such carrier would have
15 received absent the cap. A waiver of the cap shall be granted based on a
16 demonstration by a carrier that such carrier would experience significant
17 hardship due to force majeure or natural disaster as determined by the
18 commission.
19

20 **Q. What impact does Staff's recommended level of KUSF support have on the**
21 **annual KUSF cap?**

22 A. Staff's recommendation to increase the level of United's KUSF support will likely
23 increase the total KUSF distributions for Year 24 above the \$30 million cap. The
24 impact of exceeding the cap and how the support will be redistributed is discussed
25 in greater detail in Staff witness Sandy Reams' direct testimony filed in Docket
26 No. 20-GIMT-086-GIT (20-086 Docket).³

³ *Direct Testimony of Sandy Reams*, 20-086 Docket (Dec. 13, 2019).

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VI. STAFF SCHEDULES

Q. Are you sponsoring Staff’s accounting schedules?

A. Yes.

Q. Please summarize how Staff’s accounting schedules are organized.

A. Summary schedules are presented first, with the schedules showing the derivation of the recommended adjustments following. The elements comprising the proposed revenue requirements are summarized on Staff Schedule REV REQ. Staff’s proposed rate base is brought forward from Staff Schedule A-1, Staff Adjusted and Pro Forma Rate Base. Similarly, Staff’s adjusted net operating income recommendations are brought forward from Staff Schedule B-1, Staff Adjusted and Pro Forma Operating Income Statement. Staff’s cost of capital recommendation is set forth on Staff Schedule C-1, Capital Structure. The Schedules are organized as follows:

- REV REQ lists individual components of Staff’s pro forma revenue requirement calculation, delineated between total company, interstate, and intrastate.
- A-1 shows test year rate base, as adjusted by the Company and Staff, on a total company basis, interstate/intrastate separations factors, and amounts allocated to the intrastate jurisdiction.
- A-2 lists Staff’s individual adjustments to the Company’s pro forma test year rate base.
- A-3 calculates cash working capital (CWC), as adjusted by the Company and Staff.

1 to plant in service includes actual additions and retirements to plant while
2 United's pro forma adjustment only includes estimates. Updating plant allows
3 United a reasonable opportunity to earn a fair return on, and a return of, plant that
4 is in service and being utilized for the provision of regulated telecommunications
5 services. The end result is a cost of service which most closely resembles
6 United's ongoing cost of conducting business.

7 **B. Accumulated Depreciation**

8 **Q. Please continue by discussing Staff Adjustment No. 2 to rate base.**

9 A. Staff Adjustment No. 2 (RB-2) decreases rate base by \$2,526,698 on a total
10 company basis, or \$1,701,944 on an intrastate basis.⁵ Staff's adjustment updates
11 United's accumulated depreciation balances through September 30, 2019. Staff
12 recommends the Commission adopt its adjustment because it relies on actual,
13 known and measurable accumulated depreciation balances. This adjustment
14 corresponds with Staff's adjustment to update plant in service and is necessary for
15 the synchronization of plant in service balances with accumulated depreciation.
16 Updating accumulated depreciation ensures the proper amount of credit that has
17 been returned to United is recognized and, therefore, a return on is no longer
18 needed.

19 **C. Materials and Supplies**

20 **Q. Please continue by discussing Staff Adjustment No. 3 to rate base.**

⁵ See Exhibit ANJ-2.

1 A. Staff Adjustment No. 3 (RB-3) decreases rate base by \$129,119 on a total
2 company basis, or \$90,171 on an intrastate basis.⁶ Staff's adjustment normalizes
3 the materials and supplies balance included in the test year by using a five-year
4 average. Additionally, Staff's adjustment removes a portion of inventory
5 included in the test year materials and supplies balance that the Company no
6 longer considers to be used and useful.⁷

7 **Q. Why did Staff use a five-year normalization period in its adjustment?**

8 A. As depicted in Exhibit ANJ-3, United's annual materials and supplies balances
9 have historically fluctuated over the years. In recent years, these levels have
10 significantly increased with inventory levels increasing 59.06% between 2016 and
11 2017, followed by a 9.75% decrease in 2018. Therefore, using a three-year
12 average containing a significantly higher balance in 2017 would not accurately
13 capture an appropriate normalized balance. Assuming the inventory levels
14 continue to increase as historically shown, Staff concluded that a using a five-year
15 average to normalize the fluctuating balances would more accurately reflect the
16 materials and supplies balances going forward.

17 **D. Cash Working Capital**

18 **Q. Please continue by discussing Staff Adjustment No. 4 to rate base.**

19 A. Staff Adjustment No. 4 (RB-4) decreases rate base by \$19,035 on a total company
20 basis and directly assigns to intrastate operations a CWC level of \$100,696.⁸ This

⁶ See Exhibit ANJ-3.

⁷ See Response to Data Request No. KCC-85 included in Exhibit ANJ-7.

⁸ It should be noted that Staff's adjustment decreases United's CWC balance of \$188,994 by \$19,035, resulting in a total CWC balance of \$169,959. Of that amount, \$100,696 is then allocated to intrastate operations, which represents a decrease of \$17,059 compared to the directly assigned intrastate amount of \$117,755 included in United's Application.

1 adjustment computes a CWC allowance based on Staff's adjusted expense
2 amounts and the standard allowance method (SAM). The derivation of this
3 adjustment is shown in detail in Schedule A-3 of Staff's accounting schedules.

4 **Q. What is CWC?**

5 A. CWC relates to the recognition of the additional investment that must be made to
6 support day-to-day operations. The actual CWC requirement of a utility consists
7 of the net investment required to provide funds to allow for payment of goods and
8 services prior to the collection of revenues for services provided.

9 **Q. How is CWC calculated?**

10 A. While CWC is usually calculated using a lead-lag study, Staff's calculation is
11 based on the 15-day standard allowance method. This methodology is consistent
12 with the Commission Order in Docket No. 01-SNKT-544-AUD (01-544 Docket),
13 in which the Commission stated that, while it prefers an individualized company
14 lead-lag study, it recognizes that such a study could be cost prohibitive to some
15 companies. The Commission also concluded that consistency in KUSF audits is
16 important and beneficial to both Staff and the RLECs and that it would accept a
17 company's use of the SAM to calculate CWC if that is the method used by the
18 company in its filings with the FCC and National Exchange Carriers Association
19 (NECA). Specifically, in regards to the Commission's final decision on CWC,
20 the Order states:

21 It is reasonable for this Commission to rely upon determinations by the FCC
22 and NECA that the Standard Allowance Method is appropriate to use for
23 determining the CWC of rural LECs. The Commission will not routinely
24 adopt an adjustment to the Standard Allowance Method, proposed either by
25 the company or by Staff, unless it reflects a factual circumstance of that

1 company that has a material impact on its CWC need and that is not otherwise
2 captured in the methodology.⁹

3
4 Through discovery, Staff was able to verify that United utilizes the SAM to
5 calculate CWC in its filings with the FCC and NECA. Therefore, consistent with
6 the Commission's Order in the 01-544 Docket, Staff's adjustment also utilizes the
7 same methodology in its CWC calculation.

8 **Q. Will the CWC requirement need to be updated if any change is made to**
9 **Staff's adjusted income statement?**

10 A. Yes. Any Commission decision that results in changes to Staff's adjusted income
11 statement will also result in a change to United's CWC requirements.

12 **VIII. INCOME STATEMENT**

13 **A. Depreciation Expense**

14 **Q. Please continue by discussing Staff Adjustment No. 6 to the income**
15 **statement.**

16 A. Staff Adjustment No. 6 (IS-6) increases United's operating expenses by \$59,073
17 on a total company basis, or \$39,616 on an intrastate basis.¹⁰ Staff's adjustment
18 updates depreciation expense to reflect Staff's adjusted depreciable plant assets
19 and accumulated depreciation as of September 30, 2019, as reflected in
20 Adjustments RB-1 and RB-2. Then, Staff multiplied its adjusted net depreciable
21 plant balances by United's last Commission-approved depreciation rates to yield

⁹ *Order Setting Revenue Requirements*, 01-544 Docket, p. 25, ¶ 62 (Sept. 11, 2001).

¹⁰ See Exhibit ANJ-4.

1 an updated annualized depreciation expense for each plant account.¹¹ Staff's
2 annualized regulated depreciation expense was then compared against United's
3 pro forma annualized depreciation expense, with the difference being Staff's
4 adjustment. Updating United's depreciation expense is appropriate as it reflects
5 actual, know and measurable balances as of September 30, 2019. Therefore, the
6 updated test year data is more representative of United's ongoing, normal
7 operations.

8 **B. Travel Expense**

9 **Q. Please continue by discussing Staff Adjustment No. 7 to the income**
10 **statement.**

11 A. Staff Adjustment No. 7 (IS-7) decreases operating expenses by \$30,105 on a total
12 company basis, or \$18,906 on an intrastate basis.¹² This adjustment eliminates
13 certain travel and training expenses during the test year. More specifically, this
14 adjustment:

- 15 • Removes a portion of travel expenditures related to conferences covering
16 topics associated with United's non-regulated services;
- 17 • Removes per diem amounts paid to employees for meals and cab fees
18 funded by United on company credit cards or through employee
19 reimbursements;
- 20 • Eliminates additional travel expenses for conferences held outside of the
21 test year; and

¹¹ United's current depreciation rates were approved by the Commission in Docket No. 97-UTAT-273-DRS.

¹² See Exhibit ANJ-5.

- 1 • Disallows certain miscellaneous expenses that would be inappropriate to
2 recover through KUSF support, including the costs for hotel stays that
3 exceeded a day outside of conference dates, the associated per diem for
4 additional travel dates, airline seat changes, entertainment expenses,
5 lobbying, valet parking fees, and spousal expenses.

6 **Q. Please discuss Staff's removal of travel expenditures related to non-regulated**
7 **services.**

8 A. During Staff's discovery process, Staff reviewed the agendas associated with each
9 conference and training event attended during the test year. For each agenda
10 containing topics exclusively related to non-regulated services, Staff removed
11 100% of the travel expenses associated with the trip. Additionally, Staff removed
12 50% of travel expenditures for conferences that covered both regulated and non-
13 regulated service topics and for training seminars that benefit both regulated and
14 non-regulated operations.

15 **Q. Please discuss the portion of Staff's adjustment related to per diem.**

16 A. United has a daily per diem amount of \$51 to cover breakfast, lunch, dinner and
17 incidental costs during employee travel. During Staff's review of the conference
18 and seminar agendas, Staff found various meals provided by the event holder that
19 were paid for by United as part of its registration fees. Additionally, Staff
20 discovered multiple car service fees and tips paid for by United on employee
21 company credit cards or through employee travel receipt reimbursements.
22 Because the per diem amounts are to cover these types of travel expenditures,
23 Staff adjusted each per diem amount paid to employees accordingly. In doing so,

1 Staff's adjustment eliminates the effect of double counting these expenses in the
2 cost of service as these expenses should not be recovered twice through the KUSF
3 support.

4 **C. Board of Directors Expense**

5 **Q. Please continue by discussing Staff Adjustment No. 8 to the income**
6 **statement.**

7 A. Staff Adjustment No. 8 (IS-8) decreases United's operating expenses by \$18,033
8 on a total company basis, or \$11,012 on an intrastate basis.¹³ Staff's adjustment
9 reallocates all Board of Directors compensation and fees, including meeting fees,
10 benefits, travel and per diem, between regulated and non-regulated services and
11 also removes 100% of various Board Member expenditures related to spousal
12 travel, meals and entertainment.

13 **Q. Please explain United's allocation of the Board of Directors expenses during**
14 **the test year.**

15 A. There is an eight member Board of Directors that serves United's regulated and
16 non-regulated businesses. Each Board Member is compensated \$488, \$276 and
17 \$597 by United (UTA), UCA and UWC, respectively, per meeting attended. In
18 addition to the compensation for attending regular meetings and an annual
19 meeting, the Board of Directors is compensated mileage and secretary fees, which
20 are paid solely by UTA, and also meeting fees and per diem related to the
21 attendance of one industry conference per year, which are split evenly between
22 regulated and non-regulated operations. Furthermore, the Company provides the

¹³ See Exhibit ANJ-6.

1 Board of Directors with long term care (LTC) insurance, paid solely by UTA, and
2 other benefits including prepaid insurance and internet services, which are
3 allocated among the companies based on payroll hours split. Overall,
4 approximately 41% of these costs were allocated to regulated and 59% to the non-
5 regulated businesses during the test year.

6 **Q. What is United's methodology for allocating the Board of Directors expenses**
7 **between regulated and non-regulated operations?**

8 A. According to the Company, Board Member expenses relating to each specific
9 company are directly assigned to the appropriate company.¹⁴ The Board
10 compensations for each company are set by the General Managers and Board
11 Members. As for the expenses that are directly assigned solely to UTA, such as
12 secretary fees and mileage reimbursements, when the non-regulated companies
13 were established after the existence of UTA, they simply did not chose to
14 implement those types of expenses and, therefore, continued to assign all of those
15 costs exclusively to the regulated operations.¹⁵

16 **Q. Does Staff concur with the Company's allocation of Board Member expense**
17 **between regulated and non-regulated operations?**

18 A. No. According to the Company, UTA, UCA and UWA all have separate
19 meetings for which the Directors are issued separate monthly checks from each
20 company for those individual meetings. The meetings are held on the same date
21 at the same location and time.¹⁶ Staff's review of Board meeting minutes during

¹⁴ See Response to Data Request No. KCC-86 included in Exhibit ANJ-7.

¹⁵ See Response to Data Request No. KCC-113 included in Exhibit ANJ-7.

¹⁶ *Ibid.*

1 the test year indicated that a significant number of issues discussed by the Board
2 during the designated UTA meetings related to matters that affect or benefit the
3 operations of each company. Furthermore, as previously stated, there are various
4 costs for secretary fees, mileage reimbursements and LTC insurance directly
5 assigned only to UTA that should be equally shared among the companies.

6 **Q. What is Staff's recommended allocation of Board Member expenses to**
7 **regulated operations?**

8 A. Staff proposes a 33.15% regulated allocation of all Board of Directors expenses,
9 including the various forms of compensation, benefits and travel. This allocation
10 is based on payroll hours and is consistent with the allocation proposed by Staff
11 witness Ann Diggs. Based on its review of recent Board of Directors minutes, in
12 addition to the payroll split during the test year, Staff proposes a 33.15%
13 allocation of Board of Directors expenses to regulated operations is reasonable.

14 **VIII. CONCLUSION**

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

16 A. Yes.

17

18 **EXHIBITS**

19 Exhibit ANJ-1 Staff Adjustment to Plant in Service

20 Exhibit ANJ-1(a) Plant in Service Detail

21 Exhibit ANJ-2 Staff Adjustment to Accumulated Depreciation

22 Exhibit ANJ-2(a) Accumulated Depreciation Detail

- 1 Exhibit ANJ-3 Staff Adjustment to Materials and Supplies
- 2 Exhibit ANJ-4 Staff Adjustment to Depreciation Expense
- 3 Exhibit ANJ-4(a) Depreciation Expense Detail
- 4 Exhibit ANJ-5 Staff Adjustment to Travel Expense
- 5 Exhibit ANJ-5(a) Travel Expense Detail
- 6 Exhibit ANJ-6 Staff Adjustment to Board of Directors Expense
- 7 Exhibit ANJ-6(a) Board of Directors Expense Detail
- 8 Exhibit ANJ-7 United Responses to Staff Data Requests

United Telephone Association, Inc.
Staff Adjustment to Plant in Service
Rate Base Adjustment No. 1
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Adjustment to Motor Vehicles (Acct. 2112)	18,254	0.673128	12,287
2	Adjustment to Motor Vehicles - Non Plant (Acct. 2112.2)	(11,008)	0.673128	(7,410)
3	Adjustment to Garage Work Equipment (Acct. 2115)	1,550	0.673128	1,043
4	Adjustment to Other Work Equipment (Acct. 2116)	5,246	0.673128	3,531
5	Adjustment to Office Support Equipment (Acct. 2123.1)	(1,721)	0.673128	(1,158)
6	Adjustment to General Purpose Computers (Acct. 2124)	886	0.673128	596
7	Adjustment to Digital Electronic CO Office (Acct. 2212)	93,560	0.150501	14,081
8	Adjustment to Carrier & Circuit Equipment (Acct. 2232)	(289,404)	0.645516	(186,815)
9	Adjustment to Carrier & Circuit Equipment 2013 (Acct. 2232)	268,631	0.645516	173,406
10	Adjustment to Fiber Connection Equipment (Acct. 2232.2)	32,612	0.645516	21,052
11	Adjustment to Aerial Cable (Acct. 2421)	(1,616)	0.698355	(1,128)
12	Adjustment to Underground Cable (Acct. 2422)	(1,731)	0.698355	(1,209)
13	Adjustment to Buried Cable (Acct. 2423)	869,988	0.698355	607,561
14	Adjustment to Buried Cable - So Eng (Acct. 2423.1)	5,572	0.698355	3,891
15	Staff Adjustment to Plant in Service	990,820		639,728

Staff Adjustment by Account			
Account Number	Total Company	Regulated Percentage	Staff Adjustment
2112.0000	33,207	54.97%	18,254
2112.2000	(33,207)	33.15%	(11,008)
2115.0000	2,819	54.97%	1,550
2116.0000	9,544	54.97%	5,246
2123.1000	(5,191)	33.15%	(1,721)
2124.0000	2,672	33.15%	886
2212.0000	93,560	100.00%	93,560
2232.0000	(289,404)	100.00%	(289,404)
2232.0001	268,631	100.00%	268,631
2232.2000	32,612	100.00%	32,612
2421.0000	(1,616)	100.00%	(1,616)
2422.0000	(1,731)	100.00%	(1,731)
2423.0000	869,988	100.00%	869,988
2423.1000	5,572	100.00%	5,572
	987,457		990,820

Source: Exhibit ANJ-1(a)

United Telephone Association, Inc.
Plant in Service Detail
Rate Base Adjustment No. 1
For the Test Year Ended December 31, 2018

Line No.	Account Description	(a) Plant Book Balance Per Application	(b) Company Cost Study Adjustments	(c) Company Pro Forma Adjustments	(d) Company Pro Forma Balance	(e) Trial Balance as of 9/30/2019	(f) Total Staff Adjustment to Plant	(g) Staff Adjusted Plant
					(a) + (b) + (c)	(e) - [(a) + (c)]	(d) + (f)	
General Support Assets								
1	2111.0000 Land	292,763	-	-	292,763	292,763	-	292,763
2	2112.0000 Motor Vehicles	674,762	(429,205)	-	245,557	707,969	33,207	278,764
3	2112.2000 Motor Vehicles - Non Plant	76,215	(48,479)	-	27,736	43,008	(33,207)	(5,471)
4	2115.0000 Garage Work Equipment	23,580	(14,999)	-	8,581	26,399	2,819	11,400
5	2116.0000 Other Work Equipment	1,086,425	(691,058)	-	395,367	1,095,969	9,544	404,911
6	2121.0000 Buildings	2,816,528	-	-	2,816,528	2,816,528	-	2,816,528
7	2121.1000 Buildings - So Englewood	28,630	-	-	28,630	28,630	-	28,630
8	2122.0000 Furniture	424,797	(121,358)	-	303,439	424,797	-	303,439
9	2123.1000 Office Support Equipment	90,015	(25,716)	-	64,299	84,823	(5,191)	59,107
10	2123.2000 Company Communications Equipment	100,381	(28,677)	-	71,704	100,381	-	71,704
11	2124.0000 General Purpose Computers	3,305,242	(843,568)	(1,566)	2,460,108	3,306,348	2,672	2,462,780
12	Total General Support Facilities	8,919,338	(2,203,060)	(1,566)	6,714,712	8,927,616	9,844	6,724,556
Central Office Equipment								
13	2212.0000 COE Digital	890,801	239,076	400,235	1,530,112	1,384,597	93,560	1,623,673
14	2212.1000 COE Digital Equipment	7,254	-	-	7,254	7,254	-	7,254
15	2232.0000 Carrier & Circuit Equipment	13,966,086	(399,047)	(112,138)	13,454,901	13,564,544	(289,404)	13,165,497
16	2232.0001 Carrier & Circuit Equipment 2013	4,331,375	(281,807)	110,261	4,159,829	4,710,267	268,631	4,428,460
17	2232.1000 Carrier & Circuits Equipment - So Eng	115,642	-	-	115,642	115,642	-	115,642
18	2232.1001 Carrier & Circuits Equipment - OK 2013	42,248	(28,677)	-	42,248	42,248	-	42,248
19	2232.2000 Fiber Connection Equipment	226,024	-	25,700	251,724	284,336	32,612	284,336
20	Total Central Office Equipment	19,579,430	(441,778)	424,058	19,561,710	20,108,888	105,400	19,667,110
Information Orig/Term Equipment								
21	2351.0000 Public Telephone Equipment	-	-	-	-	-	-	-
22	Total Info Orig/Term Equipment	-	-	-	-	-	-	-
Cable and Wire Facilities								
23	2421.0000 Aerial Cable	26,131	(26,131)	-	0	24,516	(1,616)	(1,616)
24	2422.0000 Underground Cable	252,171	-	(25,512)	226,659	224,927	(1,731)	224,927
25	2423.0000 Buried Cable	43,057,640	(1,095,533)	176,605	42,138,712	44,104,233	869,988	43,008,700
26	2423.1000 Buried Cable - So Eng	856,370	-	190	856,560	862,132	5,572	862,132
27	2431.0000 Aerial Wire	39,042	(39,042)	-	(0)	39,042	-	(0)
28	2431.0002 C&W - Map Com	858,487	-	-	858,487	858,487	-	858,487
29	2441.0000 Conduit Systems	694,759	-	-	694,759	694,759	-	694,759
30	2441.1000 Conduit Systems - So Englewood	1,835	-	-	1,835	1,835	-	1,835
31	Total Cable and Wire Facilities	45,786,435	(1,160,706)	151,283	44,777,012	46,809,931	872,213	45,649,225
32	2681.0000 Capital Lease	-	-	-	-	-	-	-
33	2690.0000 Intangibles	1,905	-	-	1,905	1,905	-	1,905
34	Total Telephone Plant	74,287,109	(3,805,544)	573,775	71,055,340	75,848,341	987,457	72,042,797

Sources: United Application, Section 4
United Response to Data Request Nos. KCC-4 and KCC-79 (Supplemental)

United Telephone Association, Inc.
Staff Adjustment to Accumulated Depreciation
Rate Base Adjustment No. 2
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Staff Adjustment to Accumulated Depreciation (Acct. 3100)	(2,526,698)	0.673584	(1,701,944)
2	Staff Adjustment to Accumulated Depreciation	(2,526,698)		(1,701,944)

Staff Adjustment by Account			
Account Number	Total Company	Regulated Percentage	Staff Adjustment
3112.0000	(33,207)	54.97%	(18,254)
3112.2000	33,207	33.15%	11,008
3115.0000	(841)	54.97%	(462)
3116.0000	(9,544)	54.97%	(5,246)
3121.0000	(106,042)	63.54%	(67,379)
3121.1000	(1,078)	63.54%	(685)
3123.1000	5,191	33.15%	1,721
3124.0000	(2,672)	33.15%	(886)
3212.0000	(82,131)	100.00%	(82,131)
3232.0000	289,404	100.00%	289,404
3232.0001	(542,571)	100.00%	(542,571)
3232.1001	(5,515)	100.00%	(5,515)
3232.2000	(31,889)	100.00%	(31,889)
3421.0000	(21)	100.00%	(21)
3422.0000	1,731	100.00%	1,731
3423.0000	(1,940,935)	100.00%	(1,940,935)
3423.1000	(5,762)	100.00%	(5,762)
3431.0002	(128,773)	100.00%	(128,773)
3441.1000	(52)	100.00%	(52)
	(2,561,501)		(2,526,698)

Source: Exhibit ANJ-2(a)

United Telephone Association, Inc.
Accumulated Depreciation Detail
Rate Base Adjustment No. 2
For the Test Year Ended December 31, 2018

Line No.	Account Description	(a) Accum. Depr. Book Balance Per Application	(b) Company Cost Study Adjustments	(c) Company Pro Forma Adjustments	(d) Company Pro Forma Balance	(e) Trial Balance as of 9/30/2019	(f) Total Staff Adjustment to Accum. Depr.	(g) Staff Adjusted Accum. Depr.
					(a) + (b) + (c)	(e) - [(a) + (c)]	(d) + (f)	
General Support Facilities								
1	3112.0000 Motor Vehicles	(674,762)	429,205	-	(245,557)	(707,969)	(33,207)	(278,764)
2	3112.2000 Motor Vehicles - Non Plant	(76,215)	48,479	-	(27,736)	(43,008)	33,207	5,471
3	3115.0000 Garage Work Equipment	(23,580)	14,999	-	(8,581)	(24,421)	(841)	(9,422)
4	3116.0000 Other Work Equipment	(1,086,425)	691,058	-	(395,367)	(1,095,969)	(9,544)	(404,911)
5	3121.0000 Buildings	(2,358,334)	-	-	(2,358,334)	(2,464,377)	(106,042)	(2,464,377)
6	3121.1000 Buildings - So Englewood	(9,848)	-	-	(9,848)	(10,926)	(1,078)	(10,926)
7	3122.0000 Furniture	(424,797)	121,358	-	(303,439)	(424,797)	-	(303,439)
8	3123.1000 Office Support Equipment	(90,015)	25,716	-	(64,299)	(84,823)	5,191	(59,107)
9	3123.2000 Other Communications Equipment	(100,381)	28,677	-	(71,704)	(100,381)	-	(71,704)
10	3124.0000 General Purpose Computers	(3,305,242)	843,568	1,566	(2,460,108)	(3,306,348)	(2,672)	(2,462,780)
11	Total General Support Facilities	(8,149,600)	2,203,060	1,566	(5,944,974)	(8,263,020)	(114,986)	(6,059,960)
Central Office Switching								
12	3212.0000 COE Digital	(811,046)	-	-	(811,046)	(893,177)	(82,131)	(893,177)
13	3212.1000 COE Digital Equipment	(7,254)	-	-	(7,254)	(7,254)	-	(7,254)
14	Total Central Office Switching	(818,300)	-	-	(818,300)	(900,432)	(82,131)	(900,432)
Central Office Transmission								
15	3232.0000 Carrier & Circuit Equipment	(13,966,086)	399,047	112,138	(13,454,901)	(13,564,544)	289,404	(13,165,497)
16	3232.0001 Carrier & Circuit - Dep 2013	(1,329,977)	31,336	16,815	(1,281,826)	(1,855,734)	(542,571)	(1,824,398)
17	3232.1000 Carrier & Circuit - So Eng	(115,642)	-	-	(115,642)	(115,642)	-	(115,642)
18	3232.1001 Carrier & Circuits Equipment - OK 2013	(28,937)	-	-	(28,937)	(34,452)	(5,515)	(34,452)
19	3232.2000 Fiber Connection Equipment	(57,604)	-	4,075	(53,529)	(85,418)	(31,889)	(85,418)
20	Total Central Office Transmission	(15,498,246)	430,383	133,028	(14,934,835)	(15,655,790)	(290,572)	(15,225,407)
Information Orig/Term Equipment								
21	3351.0000 Public Telephone Equipment	-	-	-	-	-	-	-
22	Total Info Org/Term Equipment	-	-	-	-	-	-	-
Cable and Wire Facilities								
23	3421.0000 Aerial Cable	(24,494)	24,494	-	(0)	(24,516)	(21)	(22)
24	3422.0000 Underground Cable	(252,171)	-	25,512	(226,659)	(224,927)	1,731	(224,927)
25	3423.0000 Buried Cable	(32,620,419)	497,798	1,642,348	(30,480,273)	(32,919,006)	(1,940,935)	(32,421,208)
26	3423.1000 Buried Cable - So Eng	(856,370)	-	-	(856,370)	(862,132)	(5,762)	(862,132)
27	3431.0000 Aerial Wire	(39,042)	39,042	-	0	(39,042)	-	0
28	3431.0002 C&W - Map Com	(209,574)	-	-	(209,574)	(338,347)	(128,773)	(338,347)
29	3441.0000 Underground Conduit Systems	(694,759)	-	-	(694,759)	(694,759)	-	(694,759)
30	3441.1000 Underground Conduit Systems - So Eng	(1,784)	-	-	(1,784)	(1,835)	(52)	(1,835)
31	Total Cable and Wire Facilities	(34,698,613)	561,334	1,667,860	(32,469,419)	(35,104,564)	(2,073,811)	(34,543,230)
32	Total Accumulated Depreciation	(59,164,759)	3,194,777	1,802,454	(54,167,528)	(59,923,805)	(2,561,501)	(56,729,028)
33	Intangibles	-	-	-	-	-	-	-
34	Total Accum. Depr. and Amort.	(59,164,759)	3,194,777	1,802,454	(54,167,528)	(59,923,805)	(2,561,501)	(56,729,028)

Sources: United Application, Section 5
United Response to Data Request Nos. KCC-4 and KCC-79 (Supplemental)

United Telephone Association, Inc.
Staff Adjustment to Materials and Supplies
Rate Base Adjustment No. 3
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Adjustment to Materials and Supplies (Acct. 1220)	(129,119)	0.698355	(90,171)
2	Staff Adjustment to Materials and Supplies	<u>(129,119)</u>		<u>(90,171)</u>
<u>Breakdown of Adjustment</u>				
		Year	Amount	Change
3	Materials and Supplies Balance	2009	410,708	
4		2010	443,332	7.94%
5		2011	468,181	5.61%
6		2012	677,929	44.80%
7		2013	562,611	-17.01%
8		2014	495,729	-11.89%
9		2015	472,532	-4.68%
10		2016	508,276	7.56%
11		2017	808,455	59.06%
12		2018	729,651	-9.75%
				Note 1
13	5-Year Average		602,929	
14	Materials and Supplies included in Test Year		732,048	
15	Staff Adjustment to Materials and Supplies - Prior to Separation		<u>(129,119)</u>	

Note 1: The materials and supplies balance for 2018 reflects the removal of \$2,397 related to inventory included in the test year that is no longer used and useful.

Sources: United Application, Section 4
United Annual Filings for the years 2009-2018
United Response to Data Request Nos. KCC-25 and KCC-85

United Telephone Association, Inc.
Staff Adjustment to Depreciation Expense
Income Statement Adjustment No. 6
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Staff Adjustment to Depreciation and Amortization (Acct. 6560)	59,073	0.67063	39,616
2	Staff Adjustment to Depreciation Expense	<u>59,073</u>		<u>39,616</u>

Breakdown of Adjustment:

3	Staff Normalized Regulated Depreciation Expense		3,655,260	
4	United Pro Forma Depreciation Expense	3,598,040		
5	Staff Adjustment No. IS-2	<u>(1,853)</u>		
6	Staff Adjusted Pro Forma Test Year Depreciation Expense		<u>3,596,187</u>	
7	Staff Adjustment to Depreciation Expense - Prior to Separation		<u>59,073</u>	

Sources: United Application, Sections 9 and 10
Exhibit ANJ-4(a)

United Telephone Association, Inc.
Depreciation Expense Detail
Income Statement Adjustment No. 6
For the Test Year Ended December 31, 2018

Line No.	Account	Description	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
			Plant Book Balance Per Application	Company Cost Study Adjustments	Company Pro Forma Adjustments	Staff Adjustment ANJ-1	Staff Adjusted Gross Plant (a) + (b) + (c) + (d)	Accum. Depr. Book Balance Per Application	Company Cost Study Adjustment	Company Pro Forma Adjustments	Staff Adjustment ANJ-2	Staff Adjusted Accum. Depr. (f) + (g) + (h) + (i)	Staff Adjusted Net Plant (c) + (j)	Depreciation Rates	Depreciation Expense (c) x (l)	Staff Annualized Depreciation Note 1	Staff Regulated Percentage	Staff Regulated Depreciation Expense (n) x (o)
General Support Assets																		
1	2111.0000	Land	292,763	-	-	-	292,763	-	-	-	-	-	292,763	0.00%	-	-	63.54%	-
2	2112.0000	Motor Vehicles	674,762	(429,205)	-	33,207	278,764	(674,762)	429,205	-	(33,207)	(278,764)	-	26.27%	73,231	-	54.97%	-
3	2112.2000	Motor Vehicles - Non Plant	76,215	(48,479)	-	(33,207)	(5,471)	(76,215)	48,479	-	33,207	5,471	-	26.27%	(1,437)	-	33.15%	-
4	2115.0000	Garage Work Equipment	23,580	(14,999)	-	2,819	11,400	(23,580)	14,999	-	(841)	(9,422)	1,978	19.12%	2,180	1,978	54.97%	1,087
5	2116.0000	Other Work Equipment	1,086,425	(691,058)	-	9,544	404,911	(1,086,425)	691,058	-	(9,544)	(404,911)	-	23.98%	97,098	-	54.97%	-
6	2121.0000	Buildings	2,816,528	-	-	-	2,816,528	(2,358,334)	-	-	(106,042)	(2,464,377)	352,152	5.02%	141,390	141,390	63.54%	89,839
7	2121.1000	Buildings - So Englewood	28,630	-	-	-	28,630	(9,848)	-	-	(1,078)	(10,926)	17,704	5.02%	1,437	1,437	63.54%	913
8	2122.0000	Furniture	424,797	(121,358)	-	-	303,439	(424,797)	121,358	-	-	(303,439)	-	15.57%	47,246	-	33.15%	-
9	2123.1000	Office Support Equipment	90,015	(25,716)	-	(5,191)	59,107	(90,015)	25,716	-	5,191	(10,907)	-	18.10%	10,698	-	33.15%	-
10	2123.2000	Company Communications Equipment	100,381	(28,677)	-	-	71,704	(100,381)	28,677	-	-	(71,704)	-	18.10%	12,979	-	33.15%	-
11	2124.0000	General Purpose Computers	3,305,242	(843,568)	(1,566)	2,672	2,462,780	(3,305,242)	843,568	1,566	(2,672)	(2,462,780)	-	18.57%	457,338	-	33.15%	-
12		Total General Support Facilities	8,919,338	(2,203,060)	(1,566)	9,844	6,724,556	(8,149,600)	2,203,060	1,566	(114,986)	(6,059,960)	664,597		842,159	144,805		91,840
Central Office Equipment																		
13	2212.0000	COE Digital	890,801	239,076	400,235	93,560	1,623,673	(811,046)	-	-	(82,131)	(893,177)	730,495	11.58%	188,021	188,021	100.00%	188,021
14	2212.1000	COE Digital Equipment	7,254	-	-	-	7,254	(7,254)	-	-	-	(7,254)	-	11.58%	840	-	100.00%	-
15	2232.0000	Carrier & Circuit Equipment	13,966,086	(399,047)	(112,138)	(289,404)	13,165,497	(13,966,086)	399,047	112,138	289,404	(13,165,497)	-	16.00%	2,106,480	-	100.00%	-
16	2232.0001	Carrier & Circuit Equipment 2013	4,331,375	(281,807)	110,261	268,631	4,428,460	(1,329,977)	31,336	16,815	(542,571)	(1,824,398)	2,604,063	16.00%	708,554	708,554	100.00%	708,554
17	2232.1000	Carrier & Circuits Equipment - So Eng	115,642	-	-	-	115,642	(115,642)	-	-	-	(115,642)	-	16.00%	18,503	-	100.00%	-
18	2232.1001	Carrier & Circuits Equipment - OK 2013	42,248	-	-	-	42,248	(28,937)	-	-	(5,515)	(34,452)	7,796	16.00%	6,760	6,760	100.00%	6,760
19	2232.2000	Fiber Connection Equipment	226,024	-	25,700	32,612	284,336	(57,604)	-	4,075	(31,889)	(85,418)	198,918	16.00%	45,494	45,494	100.00%	45,494
20		Total Central Office Equipment	19,579,430	(441,778)	424,058	105,400	19,667,110	(16,316,546)	430,383	133,028	(372,704)	(16,125,838)	3,541,272		3,074,651	948,828		948,828
Information Orig/Term Equipment																		
21	2351.0000	Public Telephone Equipment	-	-	-	-	-	-	-	-	-	-	-	19.58%	-	-	100.00%	-
22		Total Info Orig/Term Equipment	-	-	-	-	-	-	-	-	-	-	-		-	-		-
Cable and Wire Facilities																		
23	2421.0000	Aerial Cable	26,131	(26,131)	-	(1,616)	(1,616)	(24,494)	24,494	-	(21)	(22)	(1,637)	17.58%	(284)	-	100.00%	-
24	2422.0000	Underground Cable	252,171	-	(25,512)	(1,731)	224,927	(252,171)	-	25,512	1,731	(224,927)	-	5.38%	12,101	-	100.00%	-
25	2423.0000	Buried Cable	43,057,640	(1,095,533)	176,605	869,988	43,008,700	(32,620,419)	497,798	1,642,348	(1,940,935)	(32,421,208)	10,587,493	5.68%	2,442,894	2,442,894	100.00%	2,442,894
26	2423.1000	Buried Cable - So Eng	856,370	-	190	5,572	862,132	(856,370)	-	-	(5,762)	(862,132)	-	5.68%	48,969	-	100.00%	-
27	2431.0000	Aerial Wire	39,042	(39,042)	-	-	(0)	(39,042)	39,042	-	-	0	-	20.00%	(0)	-	100.00%	-
28	2431.0002	C&W - Map Com	858,487	-	-	-	858,487	(209,574)	-	-	(128,773)	(338,347)	520,140	20.00%	171,697	171,697	100.00%	171,697
29	2441.0000	Conduit Systems	694,759	-	-	-	694,759	(694,759)	-	-	-	(694,759)	-	6.48%	45,020	-	100.00%	-
30	2441.1000	Conduit Systems - So Englewood	1,835	-	-	-	1,835	(1,784)	-	-	(52)	(1,835)	-	6.48%	119	-	100.00%	-
31		Total Cable and Wire Facilities	45,786,435	(1,160,706)	151,283	872,213	45,649,225	(34,698,613)	561,334	1,667,860	(2,073,811)	(34,543,230)	11,105,995		2,720,517	2,614,592		2,614,592
32	2681.0000	Capital Lease	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-	100.00%	-
33	2690.0000	Intangibles	1,905	-	-	-	1,905	-	-	-	-	-	1,905	0.00%	-	-	100.00%	-
34		Total Telephone Plant	74,287,109	(3,805,544)	573,775	987,457	72,042,797	(59,164,759)	3,194,777	1,802,454	(2,561,501)	(56,729,028)	15,313,769		6,637,327	3,708,225		3,655,260

Note 1: The value in column (n) is limited to the lesser of columns (k) or (m). If negative, the value is increased to zero.

Sources: United Application, Sections 4 and 5
Exhibits ANJ-1(n) and ANJ-2(a)
Allocations provided in Staff witness Ann Diggs' testimony

United Telephone Association, Inc.
Staff Adjustment to Travel Expense
Income Statement Adjustment No. 7
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separations	Intrastate Adjustment
1	Adjustment to Network Support Expense (Acct. 6110)	(707)	0.673128	(476)
2	Adjustment to Central Office Transmission Expense (Acct. 6230)	(12,592)	0.614686	(7,740)
3	Adjustment to Cable and Wire Facilities Expense (Acct. 6410)	(8,537)	0.698355	(5,962)
4	Adjustment to Marketing Expense (Acct. 6610)	(1,137)	0.458347	(521)
5	Adjustment to Service Expense (Acct. 6620)	(234)	0.458347	(107)
6	Adjustment to Executive and Planning Expense (Acct. 6710)	(5,265)	0.610639	(3,215)
7	Adjustment to General and Administrative Expense (Acct. 6720)	(1,633)	0.541849	(885)
8	Staff Adjustment to Travel Expense	<u>(30,105)</u>		<u>(18,906)</u>

Staff Adjustment by Account			
Account Number	Total Company	Regulated Percentage	Staff Adjustment
6112.2000	(707)	100.00%	(707)
6232.0000	(12,592)	100.00%	(12,592)
6423.0000	(8,537)	100.00%	(8,537)
6611.0000	(611)	100.00%	(611)
6612.0000	(526)	100.00%	(526)
6623.1000	(526)	44.49%	(234)
6711.0000	(15,883)	33.15%	(5,265)
6721.0000	(4,459)	33.15%	(1,478)
6723.0000	(468)	33.15%	(155)
	<u>(44,309)</u>		<u>(30,105)</u>

Source: Exhibit ANJ-5(a)

United Telephone Association, Inc.
Travel Expense Detail
Income Statement Adjustment No. 7
For the Test Year Ended December 31, 2018

Line No.	Meeting	Vendor	Description	Account	Amount	Excluded Percentage	Total Adjustment
1	Alexicon Conference	The Antlers	Hotel	6711.0000	571.14	100.00%	571.14
2	Alexicon Conference	Visa	Fuel	6112.2000	86.49	100.00%	86.49
3	Cisco Live	Justin Tuxhorn	Per Diem	6232.0000	334.00	100.00%	334.00
4	Cisco Live	American Airlines	Airfare	6232.0000	870.07	100.00%	870.07
5	Cisco Live	Marriott's Orlando World Center	Hotel	6232.0000	1,545.75	100.00%	1,545.75
6	Cisco Live	American Airlines	Baggage Fees	6232.0000	25.00	100.00%	25.00
7	Cisco Live	American Airlines	Baggage Fees	6232.0000	25.00	100.00%	25.00
8	Cisco Live	Avis	Car Rental	6232.0000	670.49	100.00%	670.49
9	Cisco Live	Avis eToll	Toll	6232.0000	24.00	100.00%	24.00
10	Cisco Live	Avis eToll	Toll	6232.0000	7.00	100.00%	7.00
11	Cisco Live	Avis eToll	Toll	6232.0000	2.50	100.00%	2.50
12	Cisco Live	Avis eToll	Toll	6232.0000	2.50	100.00%	2.50
13	Cisco Live	Visa	Fuel	6112.2000	16.46	100.00%	16.46
14	Cisco Conference	Justin Tuxhorn	Per Diem	6232.0000	170.00	100.00%	170.00
15	Cisco Conference	Aloft Richardson	Hotel	6232.0000	576.66	100.00%	576.66
16	Cisco Conference	Lori Herkelman	Per Diem	6232.0000	170.00	100.00%	170.00
17	Cisco Conference	Aloft Richardson	Hotel	6232.0000	576.66	100.00%	576.66
18	Cisco Conference	Visa	Fuel	6112.2000	127.50	100.00%	127.50
19	Mapcom Users Conference	Mapcom Systems, LLC	Registration	6423.0000	2,370.00	100.00%	2,370.00
20	Mapcom Users Conference	Candi Neeley	Per Diem	6423.0000	260.00	100.00%	260.00
21	Mapcom Users Conference	American Airlines	Airfare	6423.0000	675.00	100.00%	675.00
22	Mapcom Users Conference	Uber	Ride to Airport	6423.0000	15.22	100.00%	15.22
23	Mapcom Users Conference	American Airlines	Baggage Fees	6423.0000	25.00	100.00%	25.00
24	Mapcom Users Conference	American Airlines	Baggage Fees	6423.0000	25.00	100.00%	25.00
25	Mapcom Users Conference	SQ Souhaib Saber	Cab Ride	6423.0000	28.00	100.00%	28.00
26	Mapcom Users Conference	Hilton Richmond Downtown	Hotel	6423.0000	946.01	100.00%	946.01
27	Mapcom Users Conference	Mapcom Systems, LLC	Registration	6232.0000	1,835.00	100.00%	1,835.00
28	Mapcom Users Conference	Randy Mettling	Per Diem	6232.0000	272.00	100.00%	272.00
29	Mapcom Users Conference	Boutique Air	Airfare	6232.0000	178.00	100.00%	178.00
30	Mapcom Users Conference	United Airlines	Airfare	6232.0000	473.40	100.00%	473.40
31	Mapcom Users Conference	Hilton Richmond Downtown	Hotel	6232.0000	946.01	100.00%	946.01
32	Mapcom Users Conference	United Airlines	Baggage Fees	6232.0000	30.00	100.00%	30.00
33	Mapcom Users Conference	United Airlines	Baggage Fees	6232.0000	30.00	100.00%	30.00
34	Mapcom Users Conference	Comfort Suites	Hotel	6232.0000	172.47	100.00%	172.47
35	Mapcom Users Conference	Uber	Ride from Airport	6232.0000	16.70	100.00%	16.70
36	Mapcom Users Conference	Uber	Ride to Dinner	6232.0000	7.65	100.00%	7.65
37	Mapcom Users Conference	Mapcom Systems, LLC	Registration	6423.0000	2,305.00	100.00%	2,305.00
38	Mapcom Users Conference	Hilton Richmond Downtown	Hotel	6423.0000	946.01	100.00%	946.01
39	Mapcom Users Conference	Larry Neuschafer	Per Diem	6423.0000	260.00	100.00%	260.00
40	Mapcom Users Conference	Larry Neuschafer	Baggage Fees - Reim	6423.0000	25.00	100.00%	25.00
41	Mapcom Users Conference	American Airlines	Baggage Fees	6423.0000	25.00	100.00%	25.00
42	Mapcom Users Conference	American Airlines	Airfare	6423.0000	436.60	100.00%	436.60
43	Mapcom Users Conference	American Airlines	Airline Seat Change	6423.0000	47.79	100.00%	47.79
44	Mapcom Users Conference	Airport Taxi 138	Taxi Ride	6423.0000	30.30	100.00%	30.30
45	Mapcom Users Conference	Larry Neuschafer	Airline Seat Change - Reim	6423.0000	47.07	100.00%	47.07
46	Mapcom Users Conference	American Airlines	Baggage Fees	6423.0000	25.00	100.00%	25.00
47	Mapcom Users Conference	KCI Airport	Airport Parking	6423.0000	45.00	100.00%	45.00
48	Mapcom Users Conference	Visa	Fuel	6112.2000	16.46	100.00%	16.46
49	MATSS Conference	MATSS	Registration	6232.0000	160.00	50.00%	80.00
50	MATSS Conference	MATSS	Registration	6232.0000	160.00	50.00%	80.00
51	MATSS Conference	Kevin Conant	Per Diem	6232.0000	142.00	66.20%	94.00
52	MATSS Conference	Sheraton Kansas City	Hotel	6232.0000	423.28	50.00%	211.64
53	MATSS Conference	KC Payments	Parking	6232.0000	16.00	50.00%	8.00
54	MATSS Conference	Nate Slattery	Per Diem	6232.0000	142.00	66.20%	94.00
55	MATSS Conference	Sheraton Kansas City	Hotel	6232.0000	423.18	50.00%	211.59
56	MATSS Conference	Visa	Fuel	6112.2000	93.47	50.00%	46.74
57	Metaswitch 2019 Training	Boutique Air	Airfare	6232.0000	138.00	100.00%	138.00
58	Metaswitch 2019 Training	Expedia	Airfare and Hotel	6232.0000	798.89	100.00%	798.89
59	Moss Adams Telecom Seminar	Kate Lock	Per Diem	6721.0000	295.00	60.34%	178.00
60	Moss Adams Telecom Seminar	Moss Adams	Registration	6721.0000	2,115.00	50.00%	1,057.50
61	Moss Adams Telecom Seminar	Southwest Airlines	Airfare	6721.0000	443.96	50.00%	221.98
62	Moss Adams Telecom Seminar	Luxor Las Vegas	Hotel	6721.0000	603.18	62.72%	378.32
63	Moss Adams Telecom Seminar	Uber	Ride to Hotel	6721.0000	18.89	50.00%	9.45
64	Moss Adams Telecom Seminar	Uber	Ride to Airport	6721.0000	20.79	50.00%	10.40
65	Moss Adams Telecom Seminar	ABM Parking Services	Airport Parking	6112.2000	102.00	50.00%	51.00
66	Moss Adams Telecom Seminar	Visa	Fuel	6112.2000	42.97	50.00%	21.49
67	NTCA 2018 Fall Conference	Todd Houseman	Per Diem	6711.0000	193.00	73.32%	141.50
68	NTCA 2018 Fall Conference	NTCA	Registration	6711.0000	1,049.00	50.00%	524.50
69	NTCA 2018 Fall Conference	Ayman Town Car Service	Taxi Ride	6711.0000	60.00	50.00%	30.00
70	NTCA 2018 Fall Conference	Sheraton Seattle Hotel	Hotel	6711.0000	893.82	50.00%	446.91

United Telephone Association, Inc.
Travel Expense Detail
Income Statement Adjustment No. 7
For the Test Year Ended December 31, 2018

Line No.	Meeting	Vendor	Description	Account	Amount	Excluded Percentage	Total Adjustment
71	NTCA 2018 Fall Conference	American Airlines	Airfare	6711.0000	379.40	50.00%	189.70
72	NTCA 2018 Fall Conference	American Airlines	Airline Seat Change	6711.0000	76.46	100.00%	76.46
73	NTCA 2018 Fall Conference	Visa	Fuel	6112.2000	16.46	50.00%	8.23
74	NTCA HR Forum	Elizabeth Neuschafer	Per Diem	6723.0000	79.00	57.59%	45.50
75	NTCA HR Forum	Jennifer Pachner	Per Diem	6721.0000	79.00	57.59%	45.50
76	NTCA HR Forum	Hampton Inn & Suites	Hotel	6721.0000	71.50	50.00%	35.75
77	NTCA HR Forum	Hampton Inn & Suites	Hotel	6723.0000	71.49	50.00%	35.75
78	NTCA HR Forum	Visa	Fuel	6112.2000	42.97	50.00%	21.49
79	NTCA 2018 Legislative & Policy	Todd Houseman	Per Diem	6711.0000	130.00	100.00%	130.00
80	NTCA 2018 Legislative & Policy	NTCA	Registration	6711.0000	554.00	100.00%	554.00
81	NTCA 2018 Legislative & Policy	Grand Cab LLC	Cab Service	6711.0000	10.91	100.00%	10.91
82	NTCA 2018 Legislative & Policy	Embassy Suites	Hotel	6711.0000	423.61	100.00%	423.61
83	NTCA 2018 Legislative & Policy	Hyatt Regency Washington	Hotel	6711.0000	1,157.19	100.00%	1,157.19
84	NTCA 2018 Legislative & Policy	UVC	Cab Service	6711.0000	25.73	100.00%	25.73
85	NTCA 2018 Legislative & Policy	Todd Houseman	Uber - Reim	6711.0000	15.97	100.00%	15.97
86	NTCA 2018 Legislative & Policy	Todd Houseman	Uber - Reim	6711.0000	5.00	100.00%	5.00
87	NTCA 2018 Legislative & Policy	American Airlines	Airfare	6711.0000	547.40	100.00%	547.40
88	NTCA 2018 Legislative & Policy	American Airlines	Airline Seat Change	6711.0000	46.07	100.00%	46.07
89	NTCA 2018 Legislative & Policy	Visa	Fuel	6112.2000	16.46	100.00%	16.46
90	NTCA 2018 Telecom Exec Forum	Todd Houseman	Per Diem	6711.0000	142.00	61.97%	88.00
91	NTCA 2018 Telecom Exec Forum	NTCA	Registration	6711.0000	869.00	50.00%	434.50
92	NTCA 2018 Telecom Exec Forum	Domenico's	Dinner	6711.0000	175.72	100.00%	175.72
93	NTCA 2018 Telecom Exec Forum	Monterey Marriott Hotel	Hotel	6711.0000	528.31	50.00%	264.16
94	NTCA 2018 Telecom Exec Forum	American Airlines	Airfare	6711.0000	1,088.01	50.00%	544.01
95	NTCA 2018 Telecom Exec Forum	American Airlines	Airline Seat Change	6711.0000	79.57	100.00%	79.57
96	NTCA 2018 Telecom Exec Forum	Visa	Fuel	6112.2000	16.46	50.00%	8.23
97	NTCA 2019 RTIME	NTCA	Registration	6711.0000	1,039.00	100.00%	1,039.00
98	NTCA 2018 RTIME	NTCA	Registration	6611.0000	339.67	57.36%	194.83
99	NTCA 2018 RTIME	NTCA	Registration	6612.0000	339.67	57.36%	194.83
100	NTCA 2018 RTIME	NTCA	Registration	6623.1000	339.66	57.36%	194.83
101	NTCA 2018 RTIME	Jeff Renner	Per Diem	6611.0000	69.67	77.03%	53.67
102	NTCA 2018 RTIME	Jeff Renner	Per Diem	6612.0000	69.67	77.03%	53.67
103	NTCA 2018 RTIME	Jeff Renner	Per Diem	6623.1000	69.66	77.04%	53.66
104	NTCA 2018 RTIME	Uber	Ride to Dinner	6611.0000	2.93	50.00%	1.46
105	NTCA 2018 RTIME	Uber	Ride to Dinner	6612.0000	2.93	50.00%	1.46
106	NTCA 2018 RTIME	Uber	Ride to Dinner	6623.1000	2.93	50.00%	1.46
107	NTCA 2018 RTIME	Uber	Ride to Airport	6611.0000	7.44	50.00%	3.72
108	NTCA 2018 RTIME	Uber	Ride to Airport	6612.0000	7.44	50.00%	3.72
109	NTCA 2018 RTIME	Uber	Ride to Airport	6623.1000	7.44	50.00%	3.72
110	NTCA 2018 RTIME	American Airlines	Baggage Fees	6611.0000	8.33	50.00%	4.17
111	NTCA 2018 RTIME	American Airlines	Baggage Fees	6612.0000	8.33	50.00%	4.17
112	NTCA 2018 RTIME	American Airlines	Baggage Fees	6623.1000	8.33	50.00%	4.17
113	NTCA 2018 RTIME	Courtyard Marriott	Hotel	6611.0000	368.39	50.00%	184.19
114	NTCA 2018 RTIME	Courtyard Marriott	Hotel	6612.0000	368.39	50.00%	184.19
115	NTCA 2018 RTIME	Courtyard Marriott	Hotel	6623.1000	368.39	50.00%	184.19
116	NTCA 2018 RTIME	American Airlines	Baggage Fees	6611.0000	8.33	50.00%	4.17
117	NTCA 2018 RTIME	American Airlines	Baggage Fees	6612.0000	8.33	50.00%	4.17
118	NTCA 2018 RTIME	American Airlines	Baggage Fees	6623.1000	8.33	50.00%	4.17
119	NTCA 2018 RTIME	American Airlines	Airfare	6611.0000	150.86	50.00%	75.43
120	NTCA 2018 RTIME	American Airlines	Airfare	6612.0000	150.86	50.00%	75.43
121	NTCA 2018 RTIME	American Airlines	Airfare	6623.1000	150.87	50.00%	75.44
122	NTCA 2018 RTIME	American Airlines	Airline Seat Change	6611.0000	4.62	100.00%	4.62
123	NTCA 2018 RTIME	American Airlines	Airline Seat Change	6612.0000	4.62	100.00%	4.62
124	NTCA 2018 RTIME	American Airlines	Airline Seat Change	6623.1000	4.62	100.00%	4.62
125	NTCA 2018 RTIME	NTCA	Registration	6232.0000	1,319.00	67.06%	884.50
126	NTCA 2018 RTIME	Mike Laskowsky	Per Diem	6232.0000	209.00	74.64%	156.00
127	NTCA 2018 RTIME	Residence Inn Marriott	Hotel	6232.0000	1,109.80	50.00%	554.90
128	NTCA 2018 RTIME	American Airlines	Baggage Fees	6232.0000	25.00	50.00%	12.50
129	NTCA 2018 RTIME	American Airlines	Baggage Fees	6232.0000	25.00	50.00%	12.50
130	NTCA 2018 RTIME	American Airlines	Airfare	6232.0000	588.64	50.00%	294.32
131	NTCA 2018 RTIME	Visa	Fuel	6112.2000	16.46	50.00%	8.23
132	NTCA 2018 RTIME	NTCA	Registration	6711.0000	509.50	14.72%	75.00
133	NTCA 2018 RTIME	Todd Houseman	Per Diem	6711.0000	244.00	80.33%	196.00
134	NTCA 2018 RTIME	American Airlines	Airfare	6711.0000	226.20	50.00%	113.10
135	NTCA 2018 RTIME	American Airlines	Airline Seat Change	6711.0000	18.86	100.00%	18.86
136	NTCA 2018 RTIME	American Airlines	Airline Date Change	6711.0000	85.11	100.00%	85.11
137	NTCA 2018 RTIME	Residence Inn Marriott	Hotel	6711.0000	1,109.80	50.00%	554.90
138	NTCA 2018 RTIME	Seifu	Cab Service	6711.0000	34.68	50.00%	17.34
139	NTCA 2018 RTIME	Austin Cab	Cab Service	6711.0000	36.84	50.00%	18.42
140	NTCA 2018 RTIME	Eddie Vs Prime Seafood	Dinner	6711.0000	108.77	0.00%	-

Note 1

United Telephone Association, Inc.
Travel Expense Detail
Income Statement Adjustment No. 7
For the Test Year Ended December 31, 2018

Line No.	Meeting	Vendor	Description	Account	Amount	Excluded Percentage	Total Adjustment	
141	NTCA 2018 RTIME	Eddie Vs Prime Seafood	Dinner	6711.1000	1,087.67	0.00%	-	Note 1
142	NTCA 2018 RTIME	American Airlines	Airline Seat Change	6711.0000	19.27	100.00%	19.27	
143	NTCA 2018 RTIME	American Airlines	Airline Date Change	6711.0000	75.00	100.00%	75.00	
144	NTCA 2018 RTIME	Visa	Fuel	6112.2000	16.46	50.00%	8.23	
145	PRIMO Spring Workshop	Corporate East Hotel	Hotel	6611.0000	84.38	100.00%	84.38	
146	PRIMO Spring Workshop	Visa	Fuel	6112.2000	22.04	100.00%	22.04	
147	SITA Summer Meeting	Bridges Bay Resort	Hotel	6711.0000	249.70	100.00%	249.70	
148	SITA Winter Meeting	Todd Houseman	Per Diem	6711.0000	142.00	78.17%	111.00	
149	SITA Winter Meeting	Capitol Plaza Hotel	Hotel	6711.0000	225.00	50.00%	112.50	
150	SITA Winter Meeting	Visa	Fuel	6112.2000	75.89	50.00%	37.95	
151	Task Conference	Eventzilla	Registration	6721.0000	500.00	50.00%	250.00	
152	Task Conference	Jan Rabe	Per Diem	6721.0000	107.00	66.36%	71.00	
153	Task Conference	Courtyard Marriott	Hotel	6721.0000	323.18	50.00%	161.59	
154	Task Conference	Karyn Woodward	Per Diem	6721.0000	107.00	66.36%	71.00	
155	Task Conference	Courtyard Marriott	Hotel	6721.0000	323.18	50.00%	161.59	
156	Task Conference	Visa	Fuel	6112.2000	42.97	50.00%	21.49	
157	TCA 2018 Financial Conference	TCA	Registration	6721.0000	1,620.00	50.00%	810.00	
158	TCA 2018 Financial Conference	Terri Woods	Per Diem	6721.0000	142.00	70.42%	100.00	
159	TCA 2018 Financial Conference	Drury Hotels	Hotel	6721.0000	310.30	50.00%	155.15	
160	TCA 2018 Financial Conference	Cori Tagtmeyer	Per Diem	6721.0000	142.00	70.42%	100.00	
161	TCA 2018 Financial Conference	Drury Hotels	Hotel	6721.0000	310.30	50.00%	155.15	
162	TCA 2018 Financial Conference	Jennifer Pachner	Per Diem	6721.0000	142.00	70.42%	100.00	
163	TCA 2018 Financial Conference	Visa	Fuel	6112.2000	86.49	50.00%	43.25	
164	TCA HR Seminar	TCA	Registration	6723.0000	449.00	50.00%	224.50	
165	TCA HR Seminar	TCA	Registration	6721.0000	449.00	50.00%	224.50	
166	TCA HR Seminar	Jennifer Pachner	Per Diem	6721.0000	142.00	50.00%	71.00	
167	TCA HR Seminar	Elizabeth Neuschaefer	Per Diem	6723.0000	142.00	50.00%	71.00	
168	TCA HR Seminar	Homewood Suites	Hotel	6721.0000	182.59	50.00%	91.30	
169	TCA HR Seminar	Homewood Suites	Hotel	6723.0000	182.59	50.00%	91.30	
170	TCA HR Seminar	Visa	Fuel	6112.2000	86.49	50.00%	43.25	
171	TCA Management Conference	Todd Houseman	Per Diem	6711.0000	204.00	71.08%	145.00	
172	TCA Management Conference	TCA	Registration	6711.0000	890.00	60.96%	542.50	
173	TCA Management Conference	Westin Hotels & Resorts	Hotel	6711.0000	654.17	66.67%	436.11	
174	TCA Management Conference	Westin Hotels & Resorts	Valet Parking	6711.0000	67.69	100.00%	67.69	
175	TCA Management Conference	Visa	Fuel	6112.2000	137.83	50.00%	68.92	
176	WTA 2018 Fall Meeting	Todd Houseman	Per Diem	6711.0000	204.00	100.00%	204.00	
177	WTA 2018 Fall Meeting	WTA	Telco Golf Registration	6711.0000	949.00	100.00%	949.00	
178	WTA 2018 Fall Meeting	Hyatt Regency	Hotel	6711.0000	769.47	100.00%	769.47	
179	WTA 2018 Fall Meeting	Self Employed	Taxi Ride	6711.0000	69.32	100.00%	69.32	
180	WTA 2018 Fall Meeting	DDH Transportation LLC	Car Service to Airport	6711.0000	288.00	100.00%	288.00	
181	WTA 2018 Fall Meeting	Ontario Airport	Wifi Charge	6711.0000	12.79	100.00%	12.79	
182	WTA 2018 Fall Meeting	Indian Wells Golf Resort	WTA Fall Golf	6711.0000	75.00	100.00%	75.00	
183	WTA 2018 Fall Meeting	American Airlines	Airfare	6711.0000	467.40	100.00%	467.40	
184	WTA 2018 Fall Meeting	American Airlines	Airline Seat Change	6711.0000	25.15	100.00%	25.15	
185	WTA 2018 Fall Meeting	Visa	Fuel	6112.2000	16.46	100.00%	16.46	
186	WTA 2018 Spring Meeting	Todd Houseman	Per Diem	6711.0000	193.00	100.00%	193.00	
187	WTA 2018 Spring Meeting	WTA	Registration	6711.0000	899.00	100.00%	899.00	
188	WTA 2018 Spring Meeting	WTA	Golf Tournament	6711.0000	140.00	0.00%	-	Note 1
189	WTA 2018 Spring Meeting	Sandestin Golf and Beach Resort	Hotel	6711.0000	596.07	100.00%	596.07	
190	WTA 2018 Spring Meeting	All Beach Taxi	Airport Taxi to Hotel	6711.0000	74.75	100.00%	74.75	
191	WTA 2018 Spring Meeting	American Airlines	Airfare	6711.0000	352.59	100.00%	352.59	
192	WTA 2018 Spring Meeting	American Airlines	Airline Seat Change	6711.0000	26.63	100.00%	26.63	
193	WTA 2018 Spring Meeting	American Airlines	Airline Date Change	6711.0000	215.00	100.00%	215.00	
194	WTA 2018 Spring Meeting	Todd Houseman	Uber - Reim	6711.0000	48.59	100.00%	48.59	
195	WTA 2018 Spring Meeting	Visa	Fuel	6112.2000	16.46	100.00%	16.46	
196	WTA 2019 Spring Meeting	PGA National Resort Spa	Hotel Reservation	6711.0000	258.77	100.00%	258.77	
					58,323.02		44,308.92	
197 Staff Adjustment to Travel Expense - Prior to Separations							<u>(44,308.92)</u>	

Note 1: These expenses have already been excluded from United's pro forma operating expenses in the Company's Cost Study Adjustment to Executive and Planning Expense (Acct. 6710).

United Telephone Association, Inc.
Staff Adjustment to Board of Directors Expense
Income Statement Adjustment No. 8
For the Test Year Ended December 31, 2018

Line No.	Description	Total Company	Intrastate Separation	Intrastate Adjustment
1	Adjustment to Executive and Planning Expense (Acct. 6710)	<u>(18,033)</u>	0.610639	<u>(11,012)</u>
2	Staff Adjustment to Board of Directors Expense	<u><u>(18,033)</u></u>		<u><u>(11,012)</u></u>

Source: Exhibit ANJ-6(a)

United Telephone Association, Inc.
Board of Directors Expense Detail
Income Statement Adjustment No. 8
For the Test Year Ended December 31, 2018

Line No.	Description	UTA Expenses	UCA Expenses	UWC Expenses	Total	Allocation	Staff Adjusted Expenses	Staff Adjustment
<u>Compensation</u>								
1	Regular Meetings	46,848.00	26,496.00	57,312.00	130,656.00	33.15%	43,312.46	(3,535.54)
2	Mileage - Regular Meetings	3,645.36	-	-	3,645.36	33.15%	1,208.44	(2,436.92)
3	Secretary Fee - Regular Meetings	300.00	-	-	300.00	33.15%	99.45	(200.55)
4	Annual Meeting	3,904.00	2,208.00	-	6,112.00	33.15%	2,026.13	(1,877.87)
5	Mileage - Annual Meeting	303.78	-	-	303.78	33.15%	100.70	(203.08)
6	Secretary Fee - Annual Meeting	25.00	-	-	25.00	33.15%	8.29	(16.71)
7	Meeting Fees	4,125.00	-	4,125.00	8,250.00	33.15%	2,734.88	(1,390.13)
8	Per Diem	954.00	-	954.00	1,908.00	33.15%	632.50	(321.50)
9	Life Secure - LTC	572.76	-	-	572.76	33.15%	189.87	(382.89)
10	Long Term - LTC	3,294.82	-	-	3,294.82	33.15%	1,092.23	(2,202.59)
11	Prepaid Insurance	4,542.78	1,722.24	7,049.93	13,314.95	33.15%	4,413.91	(128.87)
12	United Internet	2,152.07	949.75	3,224.88	6,326.70	33.15%	2,097.30	(54.77)
		<u>70,667.57</u>	<u>31,375.99</u>	<u>72,665.81</u>	<u>174,709.37</u>		<u>57,916.16</u>	<u>(12,751.41)</u>
<u>Travel/Spousal Expenses</u>								
13	BOD Flights - NTCA RTIME	544.21	-	544.21	1,088.42	33.15%	360.81	(183.40)
14	BOD Spouse Flights - NTCA RTIME	545.48	-	545.47	1,090.95	0.00%	-	(545.48)
15	Motels - NTCA RTIME	3,535.18	-	3,535.13	7,070.31	33.15%	2,343.81	(1,191.37)
16	Meals - NTCA RTIME	553.50	-	553.49	1,106.99	0.00%	-	(553.50)
17	BOD Registration Fees - NTCA RTIME	2,597.50	-	2,597.50	5,195.00	33.15%	1,722.14	(875.36)
18	BOD Spouse Registration Fees - NTCA RTIME	1,187.50	-	1,187.50	2,375.00	0.00%	-	(1,187.50)
		<u>8,963.37</u>	<u>-</u>	<u>8,963.30</u>	<u>17,926.67</u>		<u>4,426.76</u>	<u>(4,536.61)</u>
<u>Miscellaneous Expenses</u>								
19	Nominating Committee	562.50	562.50	-	1,125.00	33.15%	372.94	(189.56)
20	UWC - IC Central Station Christmas Meal	439.48	248.56	537.64	1,225.68	0.00%	-	(439.48)
21	NTCA Years of Service Plaque	115.71	-	-	115.71	0.00%	-	(115.71)
22	Fire TV Sticks - Streaming TV	-	358.86	-	358.86	0.00%	-	-
		<u>1,117.69</u>	<u>1,169.92</u>	<u>537.64</u>	<u>2,825.25</u>		<u>372.94</u>	<u>(744.75)</u>
23	Total Board of Directors Expense	80,748.63	32,545.91	82,166.75	195,461.29		62,715.86	(18,032.77)
24	Staff Adjustment to Board of Directors Expense - Prior to Separation							<u>(18,032.77)</u>

Sources: United Response to Data Request Nos. KCC-38, KCC-86, KCC-87, KCC-88 and KCC-89
Regulated allocation provided in Staff witness Ann Diggs' testimony

United Telephone Association, Inc.'s
Responses to Staff Data Requests

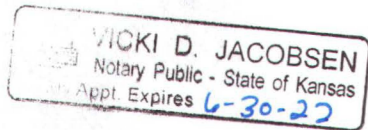
VERIFICATION

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 *Direct Testimony* and attests that the statements therein are true and correct to the best of her knowledge, information and belief.

Andria Jackson
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.



Vicki D. Jacobsen
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 Direct Testimony was served via electronic service this 13th day of December, 2019, to the following:

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/s/ Vicki Jacobsen
Vicki Jacobsen