

KANSAS CORPORATION COMMISSION

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF

SCHEDULE

NUMBER	DESCRIPTION

REV REQ	STAFF REVENUE REQUIREMENT
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SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF REVENUE REQUIREMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE REV REQ

Line No.	Description	A Staff Adjusted Total Company	B Staff Adjusted Interstate	C Staff Adjusted Intrastate
****	*****	*****	*****	*****
1	PROFORMA RATE BASE	\$11,858,026	\$4,346,424	\$7,511,602
2	STAFF RATE OF RETURN	7.8220%	7.8220%	7.8220%
3	OPERATING INCOME REQUIRED	927,535	339,977	587,558
4	PROFORMA OPERATING INCOME	(1,563,370)	(272,367)	(1,291,002)
5	NET PROFORMA REVENUE INCREASE / (DECREASE)	\$2,490,904	\$612,345	\$1,878,560
6	NET TO GROSS MULTIPLIER	N/A	N/A	N/A
7	GROSS PROFORMA REVENUE INCREASE / (DECREASE)	\$2,490,904	\$612,345	\$1,878,560

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF ADJUSTED AND PRO FORMA RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

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 /---- Separations ----/ Interstate	I Intrastate	J Staff Interstate	K Staff Adjusted Intrastate Rate Base
1	2111.001	Land	\$72,498	(\$24,142)	\$48,356	\$0	\$48,356	\$0	\$48,356	0.372413	0.627587	\$18,008	\$30,348
2	2112.001	Vehicles	691,217	(230,178)	461,039	44,419	505,458	1,232	506,690	0.372413	0.627587	188,698	317,992
3	2116.001	Other Work Equipment Const. - KS	748,916	(119,614)	629,302	88,288	717,590	0	717,590	0.372413	0.627587	267,240	450,350
4	2116.002	Other Work Tool - KS	506,110	(80,834)	425,276	53,308	478,584	0	478,584	0.372413	0.627587	178,231	300,353
5	2121.001	Buildings HDQRs	731,232	(243,503)	487,729	177,630	665,359	0	665,359	0.372413	0.627587	247,788	417,571
6	2121.002	Buildings Cent Office	1,066,798	(170,385)	896,413	0	896,413	0	896,413	0.372413	0.627587	333,836	562,577
7	2122.001	Furniture	37,234	(12,399)	24,835	0	24,835	0	24,835	0.372413	0.627587	9,249	15,586
8	2123.001	Office Equipment	9,120	(3,037)	6,083	197	6,280	9,537	15,817	0.372413	0.627587	5,890	9,926
9	2124.001	General Purpose Computers	51,609	(17,186)	34,423	654	35,077	0	35,077	0.372413	0.627587	13,063	22,014
10	2124.002	Computer Software	197,221	(65,675)	131,546	216,424	347,970	0	347,970	0.372413	0.627587	129,589	218,381
11		Total General Support Facilities	4,111,955	(966,953)	3,145,002	580,920	3,725,922	10,769	3,736,691			1,391,592	2,345,099
12	2212.001	Host Digital Switching - KS	274,977	63,144	338,121	0	338,121	0	338,121	0.746390	0.253610	252,370	85,751
13	2212.003	Host Digital Switching - KS Non-Reg	4,916	(4,916)	0		0	0	0	0.746390	0.253610	0	0
14	2232.023	Cir Equip Other - KS	3,507,324	(342,095)	3,165,229	19,439	3,184,668	13,023	3,197,691	0.415020	0.584980	1,327,107	1,870,584
15	2232.025	Cir Equip Other - XGS KS	0	0	0	508,788	508,788	0	508,788	0.415020	0.584980	211,157	297,631
16	2232.231	Cir Equip Analog	2,417	0	2,417	0	2,417	0	2,417	0.415020	0.584980	1,003	1,414
17	2232.241	Cir Equip Digital	137,382	0	137,382	0	137,382	0	137,382	0.415020	0.584980	57,016	80,366
18	2232.251	Cir Equip - ITV	71,211	(71,211)	0	0	0	0	0	0.415020	0.584980	0	0
19		Total Central Office Equipment	3,998,227	(355,078)	3,643,149	528,227	4,171,376	13,023	4,184,399			1,848,653	2,335,745
20	2311.005	Internet Equip	4,965	(4,965)	0	0	0	0	0	0.000000	0.000000	0	0
21		Total Info Orig/Term Equipment	4,965	(4,965)	0	0	0	0	0			0	0
22	2423.001	Buried Cable - KS	2,345,915	0	2,345,915	0	2,345,915	0	2,345,915	0.360548	0.639452	845,814	1,500,101
23	2423.002	Buried Cable Fiber - KS	20,623,650	(444,377)	20,179,273	73,710	20,252,983	(2,584,097)	17,668,886	0.360548	0.639452	6,370,477	11,298,409
24	2423.251	Kansas Fiber Ring	0	0	0	4,562,401	4,562,401	3,238,269	7,800,670	0.360548	0.639452	2,812,514	4,988,156
25	2423.251	Buried Fiber - ITV	9,285	(9,285)	0	0	0	0	0	0.360548	0.639452	0	0
26		Total Cable and Wire Facilities	22,978,850	(453,662)	22,525,188	4,636,111	27,161,299	654,171	27,815,470			10,028,805	17,786,665
27	2681	Capitalized Lease	0	0	0	0	0	0	0	0.372413	0.627587	0	0
28	2690.001	Intangibles - Organization	4,745	0	4,745	0	4,745	0	4,745	0.372413	0.627587	1,767	2,978
29		Gross Telephone Plant	31,098,742	(1,780,658)	29,318,084	5,745,258	35,063,342	677,963	35,741,305			13,270,818	22,470,487
30	3100	Accumulated Depreciation	(25,384,386)	1,853,283	(23,531,103)	0	(23,531,103)	(1,626,146)	(25,157,249)	0.373378	0.626622	(9,393,155)	(15,764,094)
31	3400	Accumulated Amortization	(1,779,541)	1,779,541	0	0	0	0	0			0	0
32		Net Telephone Plant	3,934,815	1,852,166	5,786,981	5,745,258	11,532,239	(948,183)	10,584,056			3,877,663	6,706,393
33	1220	Materials and Supplies	2,265,756	(405,512)	1,860,244		1,860,244	(732,851)	1,127,393	0.360548	0.639452	406,479	720,914
34	1402	RTB Stock	0	0	0		0	0	0	0.372413	0.627587	0	0
35	1403	Goodwill	2,177,756	(2,177,756)	0		0	0	0	0.000000	1.000000	0	0
36	1410	Other Noncurrent Asset	0	0	0		0	0	0	1.000000	0.000000	0	0
37	2003	TPUC - Short Term	557,780	(99,508)	458,272		458,272	(458,272)	0	0.372413	0.627587	0	0
38	2005	Telecommunications Plt Adj	364,000	(364,000)	0		0	0	0	0.372413	0.627587	0	0
39	4040	Customer Deposits	(20,150)	0	(20,150)		(20,150)	0	(20,150)	0.372413	0.627587	(7,504)	(12,646)
40	MISC	Other Credit Accounts	0	0	0		0	0	0	0.372413	0.627587	0	0
41		Net Investment	9,279,957	(1,194,610)	8,085,347	5,745,258	13,830,605	(2,139,306)	11,691,299			4,276,638	7,414,661
42		Cash Working Capital	157,002	0	157,002	0	157,002	9,725	166,726			69,786	96,940
43		Total Rate Base	\$9,436,959	(\$1,194,610)	\$8,242,349	\$5,745,258	\$13,987,607	(\$2,129,581)	\$11,858,026			\$4,346,424	\$7,511,602

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

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 Staff Adjustment No. 5	G Total Staff Adjustments	H Staff Adjusted Rate Base
1	2111.001	Land	\$48,356						\$0	\$48,356
2	2112.001	Vehicles	505,458	1,232					1,232	506,690
3	2116.001	Other Work Equipment Const. - KS	717,590						0	717,590
4	2116.002	Other Work Tool - KS	478,584						0	478,584
5	2121.001	Buildings HDQRs	665,359						0	665,359
6	2121.002	Buildings Cent Office	896,413						0	896,413
7	2122.001	Furniture	24,835						0	24,835
8	2123.001	Office Equipment	6,280	9,537					9,537	15,817
9	2124.001	General Purpose Computers	35,077						0	35,077
10	2124.002	Computer Software	347,970						0	347,970
11		Total General Support Facilities	3,725,922	10,769	0	0	0	0	10,769	3,736,691
12	2212.001	Host Digital Switching - KS	338,121						0	338,121
13	2212.003	Host Digital Switching - KS Non-Reg	0						0	0
14	2232.023	Cir Equip Other - KS	3,184,668	13,023					13,023	3,197,691
15	2232.025	Cir Equip Other - XGS KS	508,788						0	508,788
16	2232.231	Cir Equip Analog	2,417						0	2,417
17	2232.241	Cir Equip Digital	137,382						0	137,382
18	2232.251	Cir Equip - ITV	0						0	0
19		Total Central Office Equipment	4,171,376	13,023	0	0	0	0	13,023	4,184,399
20	2311.005	Internet Equip	0						0	0
21		Total Info Orig/Term Equipment	0	0	0	0	0	0	0	0
22	2423.001	Buried Cable - KS	2,345,915						0	2,345,915
23	2423	Buried Cable Fiber - KS	20,252,983	(2,584,097)					(2,584,097)	17,668,886
24	2423	Kansas Fiber Ring	4,562,401	3,238,269					3,238,269	7,800,670
25	2423	Buried Fiber - ITV	0						0	0
26		Total Cable and Wire Facilities	27,161,299	654,171	0	0	0	0	654,171	27,815,470
27	2681	Capitalized Lease	0						0	0
28	2690.001	Intangibles - Organization	4,745						0	4,745
29		Gross Telephone Plant	35,063,342	677,963	0	0	0	0	677,963	35,741,305
30	3100	Accumulated Depreciation	(23,531,103)			(1,626,146)			(1,626,146)	(25,157,249)
31	3400	Accumulated Amortization	0						0	0
32		Net Telephone Plant	11,532,239	677,963	0	(1,626,146)	0	0	(948,183)	10,584,056
33	1220	Materials and Supplies	1,860,244				(732,851)		(732,851)	1,127,393
34	1402	RTB Stock	0						0	0
35	1403	Goodwill	0						0	0
36	1403	Accumulated Amort-Goodwill	0						0	0
37	2003	TPUC - Short Term	458,272		(458,272)				(458,272)	0
38	2005	Telecommunications Plt Adj	0						0	0
39	4040	Customer Deposits	(20,150)						0	(20,150)
40	MISC	Other Credit Accounts	0						0	0
41		Net Investment	13,830,605	677,963	(458,272)	(1,626,146)	(732,851)	0	(2,139,306)	11,691,299
42		Cash Working Capital	157,002					9,725	9,725	166,726
43		Total Rate Base	\$13,987,607	\$677,963	(\$458,272)	(\$1,626,146)	(\$732,851)	\$9,725	(\$2,129,581)	\$11,858,026

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE A-3

Line No.	Description	Increase / (Decrease) To Rate Base
*****	*****	*****
	<u>Staff Adjustment No. 1</u>	(Campbell)
1	Vehicles	1,232
2	Office Equipment	9,537
3	Cir Equip Other - KS	13,023
4	Buried Cable Fiber - KS	(2,584,097)
5	Kansas Fiber Ring	3,238,269
6	To reflect update to Plant In Service.	
	<u>Staff Adjustment No. 2</u>	(Campbell)
7	Telephone Plant Under Construction	(458,272)
8	To remove Telephone Plant Under Construction.	
	<u>Staff Adjustment No. 3</u>	(Campbell)
9	Accumulated Depreciation	(1,626,146)
10	To reflect update to Accumulated Depreciation.	
	<u>Staff Adjustment No. 4</u>	(Campbell)
11	Materials and Supplies	(732,851)
12	To reflect update to Materials and Supplies.	
	<u>Staff Adjustment No. 5</u>	(Campbell)
13	Cash Working Capital	9,725
14	To adjust cash working capital, consistent with Staff adjustments to operating expenses.	

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF CASH WORKING CAPITAL AS ADJUSTED
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE A-4

Line No.	Description	A Applicant Proforma Balance	B Staff Adjustments	C Staff Adjusted Balance	D Staff Adjusted Interstate	E Staff Adjusted Intrastate
***	*****	*****	*****	*****	*****	*****
1	Total Operating Expenses	6,311,631	(434,623)	\$5,877,008	\$2,393,190	\$3,483,818
2	Less: Depreciation and Amortization Expenses	2,603,230	(552,666)	2,050,564	779,407	1,271,157
3	Net Cash Expense before taxes	3,708,401	118,043	3,826,444	1,613,783	2,212,661
4	Federal Income Taxes	0	0	0	0	0
5	State Income Taxes	0	0	0	0	0
6	Interest Expense (from Schedule B-4-1)	15,883	214,669	230,552	84,335	146,217
7	Total Cash Expenses	3,724,284	332,712	4,056,996	1,698,118	2,358,878
8	Staff Adjusted Cash Working Capital for O&M Operations (15 days) (total cash expense * .041096) (15 days / 365 days)	153,053	13,673	\$166,726	\$69,786	\$96,940
9	Applicant Section 4, Schedule 1, Column E	157,002				
10	Difference in Applicant rate base amounts	(3,948)	(3,948)			
11	Staff Adjustment including correction for Applicant rate base difference		\$9,725			

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

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 Interstate	I Intrastate	J Staff Interstate	N Intrastate Balance	L Staff Pro Forma Adjustments	M Staff Pro Forma Adjusted Intrastate

<u>Operating Revenues</u>															
1	5001	Local Network Services Revenues	\$300,515	\$0	\$300,515	\$0	\$300,515	\$1,648	\$302,163			\$0	\$302,163	\$0	\$302,163
2		Federal High Cost Loop Support	1,367,078	0	1,367,078	(46,169)	1,320,909	(189,441)	1,131,468			0	1,131,468	0	1,131,468
3		Kansas Universal Service Support	209,957	0	209,957	(3,062)	206,895	(4,893)	202,002			0	202,002	1,878,560	2,080,562
4	5080	Network Access Revenue	2,147,325	0	2,147,325	0	2,147,325	173	2,147,498			2,120,823	26,675	0	26,675
5	5100	Long Distance Network Service Revenue	0	0	0	0	0	0	0			0	0	0	0
6	5270	Billing and Collection	285,309	0	285,309	0	285,309	0	285,309				285,309	0	285,309
7	5270	Misc Revenue	257,730	0	257,730	0	257,730	0	257,730			0	257,730	0	257,730
8	5280	Non-regulated Revenue	1,904	(1,904)	0	0	0	0	0			0	0	0	0
9	5300	Uncollectible Revenue	(12,531)	0	(12,531)	0	(12,531)	0	(12,531)			0	(12,531)	0	(12,531)
10		Total Revenues	4,557,286	(1,904)	4,555,382	(49,231)	4,506,151	(192,513)	4,313,638			2,120,823	2,192,815	1,878,560	4,071,375
<u>Plant Specific Operations Expenses</u>															
11	6110	Network Support Expense	7,512	(1,549)	5,963	0	5,963	661	6,624	0.372413	0.627587	2,467	4,157	0	4,157
12	6120	General Support Expense	196,297	(40,931)	155,366	0	155,366	6,417	161,782	0.372413	0.627587	60,250	101,532	0	101,532
13	6210	Central Office Switching Expense	50,925	(624)	50,301	0	50,301	(6,069)	44,232	0.445775	0.554225	19,718	24,515	0	24,515
14	6230	Central Office Transmission Expense	177,929	(40)	177,889	0	177,889	102,774	280,663	0.445775	0.554225	125,113	155,551	0	155,551
15	6310	Information Orig/Term Expense	0	0	0	0	0	0	0	0.000000	0.000000	0	0	0	0
16	6410	Cable and Wire Facilities Exp	365,361	(6,997)	358,364	0	358,364	(43,284)	315,080	0.360548	0.639452	113,601	201,479	0	201,479
17		Total Plant Specific Operations Exp.	798,025	(50,142)	747,883	0	747,883	60,499	808,382			321,148	487,234	0	487,234
<u>Plant Non-Specific Operations Expense</u>															
18	6510	Other Plant Expense	52,359	0	52,359	0	52,359	54,496	106,855	0.372413	0.627587	39,794	67,061	0	67,061
19	6530	Network Operations Expense	981,624	(1,670)	979,954	0	979,954	65,344	1,045,298	0.372413	0.627587	389,283	656,016	0	656,016
20	6540	Access Expense	39,793	(8,013)	31,780	0	31,780	0	31,780	1.000000	0.000000	31,780	0	0	0
21	6560	Depreciation & Amortization	1,606,012	(134,251)	1,471,761	1,022,581	2,494,342	(443,778)	2,050,564	0.380094	0.619906	779,407	1,271,157	0	1,271,157
22	6565	Amort of Intangible	108,888	0	108,888	0	108,888	(108,888)	0	0.372413	0.627587	0	0	0	0
23		Total Plant Non-Specific Operations Exp.	2,788,676	(143,934)	2,644,742	1,022,581	3,667,323	(432,826)	3,234,497			1,240,264	1,994,233	0	1,994,233
<u>Customer Operations Expense</u>															
24	6610	Marketing Expense	32,908	(135)	32,773	0	32,773	(12,412)	20,361	0.462272	0.537728	9,412	10,948	0	10,948
25	6620	Directory Expense	0	0	0	0	0	(18,805)	(18,805)	0.163912	0.836088	(3,082)	(15,723)	0	(15,723)
26	6620	Services Expense	750,145	(279,104)	471,041	0	471,041	0	471,041	0.463739	0.536261	218,440	252,601	0	252,601
27		Total Customer Operations Expense	783,053	(279,239)	503,814	0	503,814	(31,218)	472,596			224,770	247,826	0	247,826
<u>Corporate Operations Expense</u>															
28	6710	Executive and Planning Exp	302,242	0	302,242	0	302,242	(22,149)	280,093	0.400646	0.599354	112,218	167,875	0	167,875
29	6720	General and Administrative Exp	1,002,601	(18,949)	983,652	0	983,652	24,963	1,008,615	0.467671	0.532329	471,700	536,915	0	536,915
30	6720	General & Admin - Rate Case Exp	0	0	0	30,000	30,000	(19,655)	10,345	0.000000	1.000000	0	10,345	0	10,345
31		Total Corporate Operations Expense	1,304,842	(18,949)	1,285,894	30,000	1,315,894	(16,840)	1,299,053			583,918	715,135	0	715,135
<u>Operating Taxes & Other Operating Expenses</u>															
32	7210	Amortization of ITC	0	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	0
34	7230	Operating State Income Taxes	0	0	0	0	0	0	0			0	0	0	0
35	7240	Other Operating Taxes	69,859	(17,182)	52,677	0	52,677	6,484	59,161	0.372413	0.627587	22,032	37,129	0	37,129
36	7250	Deferred Operating Income Taxes	0	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	1.000000	0.000000	0	0	0	0
38	7370	Contributions and Fees	25,096	(250)	24,846	0	24,846	(20,721)	4,125	0.451917	0.548083	1,864	2,261	0	2,261
39	7360	Other Income	(806)	0	(806)	0	(806)	0	(806)	1.000000	0.000000	(806)	0	0	0
40	7500	Interest on Customer Deposits	0	0	0	0	0	0	0	1.000000	0.000000	0	0	0	0
41		Total Oper. Taxes & Other Oper. Exp.	94,149	(17,432)	76,717	0	76,717	(14,237)	62,480			23,090	39,389	0	39,389
42		Total Operating Expenses	5,768,745	(509,695)	5,259,050	1,052,581	6,311,631	(434,623)	5,877,008			2,393,190	3,483,818	0	3,483,818
43		Net Operating Income	(\$1,211,459)	\$507,792	(\$703,667)	(\$1,101,812)	(\$1,805,480)	\$242,110	(\$1,563,370)			(\$272,367)	(\$1,291,002)	\$1,878,560	\$587,558

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE B-2

Line	Acct.		A	B	C	D	E	F	G	H	I
No.	No.	Description	Applicant Proforma Inc. Statement	Staff Adjustment No. 1	Staff Adjustment No. 2	Staff Adjustment No. 3	Staff Adjustment No. 4	Staff Adjustment No. 5	Staff Adjustment No. 6	Staff Adjustment No. 7	Staff Adjustment No. 8
***	****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
		<u>Operating Revenues</u>									
1	5001	Local Network Services Revenues	\$300,515			1,648					
2		Federal High Cost Loop Support	1,320,909								(189,441)
3		Kansas Universal Service Support	206,895			(4,893)					
4	5080	Network Access Revenue	2,147,325			173					
5	5100	Long Distance Network Service Revenue	0								
6	5270	Billing and Collection	285,309								
7	5270	Misc Revenue	257,730								
8	5280	Non-regulated Revenue	0								
9	5300	Uncollectible Revenue	(12,531)								
10		Total Revenues	4,506,151	0	0	(3,072)	0	0	0	0	(189,441)
		<u>Plant Specific Operations Expenses</u>									
11	6110	Network Support Expense	5,963						439	222	
12	6120	General Support Expense	155,366						4,524	1,893	
13	6210	Central Office Switching Expense	50,301						(4,498)	(1,570)	
14	6230	Central Office Transmission Expense	177,889						74,958	27,816	
15	6310	Information Orig/Term Expense	0								
16	6410	Cable and Wire Facilities Exp	358,364						(34,164)	(9,120)	
17		Total Plant Specific Operations Exp.	747,883	0	0	0	0	0	41,259	19,241	0
		<u>Plant Non-Specific Operations Expense</u>									
18	6510	Other Plant Expense	52,359						39,761	14,734	
19	6530	Network Operations Expense	979,954					(39)	38,476	26,907	
20	6540	Access Expense	31,780								
21	6560	Depreciation & Amortization	2,494,342	(447,622)							
22	6565	Amort of Intangible	108,888								
23		Total Plant Non-Specific Operations Exp.	3,667,323	(447,622)	0	0	0	(39)	78,237	41,641	0
		<u>Customer Operations Expense</u>									
24	6610	Marketing Expense	32,773					(205)	(10,213)	(1,995)	
25	6620	Directory Expense	0						(21,977)	3,172	
26	6620	Services Expense	471,041								
27		Total Customer Operations Expense	503,814	0	0	0	0	(205)	(32,190)	1,177	0
		<u>Corporate Operations Expense</u>									
28	6710	Executive and Planning Exp	302,242					(1,506)	(16,796)	(3,847)	
29	6720	General and Administrative Exp	983,652					(9,420)	19,925	14,459	
30	6720	General & Admin - Rate Case Exp	30,000				(19,655)				
31		Total Corporate Operations Expense	1,315,894	0	0	0	(19,655)	(10,926)	3,129	10,612	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	52,677		6,484						
36	7250	Deferred Operating Income Taxes	0								
37	7340	Allow. for Funds Used During Const.	0								
38	7370	Contributions and Fees	24,846					(20,721)			
39	7360	Other Income	(806)								
40	7500	Interest on Customer Deposits	0								
41		Total Oper. Taxes & Other Oper. Exp.	76,717	0	6,484	0	0	(20,721)	0	0	0
42		Total Operating Expenses	6,311,631	(447,622)	6,484	0	(19,655)	(31,892)	90,435	72,671	0
43		Net Operating Income	(\$1,805,480)	\$447,622	(\$6,484)	(\$3,072)	\$19,655	\$31,892	(\$90,435)	(\$72,671)	(\$189,441)

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE B-2

Line No.	Acct. No.	Description	J Staff Adjustment No. 9	K Staff Adjustment No. 10	L Staff Adjustment No. 11	M Total Staff Adjustments	N Staff Adj. Income Statement
***	****	*****	*****	*****	*****	*****	*****
		<u>Operating Revenues</u>					
1	5001	Local Network Services Revenues				\$1,648	\$302,163
2		Federal High Cost Loop Support				(189,441)	1,131,468
3		Kansas Universal Service Support				(4,893)	202,002
4	5080	Network Access Revenue				173	2,147,498
5	5100	Long Distance Network Service Revenue				0	0
6	5270	Billing and Collection				0	285,309
7	5270	Misc Revenue				0	257,730
8	5280	Non-regulated Revenue				0	0
9	5300	Uncollectible Revenue				0	(12,531)
10		Total Revenues	0	0	0	(192,513)	4,313,638
		<u>Plant Specific Operations Expenses</u>					
11	6110	Network Support Expense				661	6,624
12	6120	General Support Expense				6,417	161,782
13	6210	Central Office Switching Expense				(6,069)	44,232
14	6230	Central Office Transmission Expense				102,774	280,663
15	6310	Information Orig/Term Expense				0	0
16	6410	Cable and Wire Facilities Exp				(43,284)	315,080
17		Total Plant Specific Operations Exp.	0	0	0	60,499	808,382
		<u>Plant Non-Specific Operations Expense</u>					
18	6510	Other Plant Expense				54,496	106,855
19	6530	Network Operations Expense				65,344	1,045,298
20	6540	Access Expense				0	31,780
21	6560	Depreciation & Amortization	79,573	(75,729)		(443,778)	2,050,564
22	6565	Amort of Intangible			(108,888)	(108,888)	0
23		Total Plant Non-Specific Operations Exp.	79,573	(75,729)	(108,888)	(432,826)	3,234,497
		<u>Customer Operations Expense</u>					
24	6610	Marketing Expense				(12,412)	20,361
25	6620	Directory Expense				(18,805)	(18,805)
26	6620	Services Expense				0	471,041
27		Total Customer Operations Expense	0	0	0	(31,218)	472,596
		<u>Corporate Operations Expense</u>					
28	6710	Executive and Planning Exp				(22,149)	280,093
29	6720	General and Administrative Exp				24,963	1,008,615
30	6720	General & Admin - Rate Case Exp				(19,655)	10,345
31		Total Corporate Operations Expense	0	0	0	(16,840)	1,299,053
		<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				6,484	59,161
36	7250	Deferred Operating Income Taxes				0	0
37	7340	Allow. for Funds Used During Const.				0	0
38	7370	Contributions and Fees				(20,721)	4,125
39	7360	Other Income				0	(806)
40	7500	Interest on Customer Deposits				0	0
41		Total Oper. Taxes & Other Oper. Exp.	0	0	0	(14,237)	62,480
42		Total Operating Expenses	79,573	(75,729)	(108,888)	(434,623)	5,877,009
43		Net Operating Income	(\$79,573)	\$75,729	\$108,888	\$242,110	(\$1,563,370)

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE B-3

Line No.	Description	Increase / (Decrease) To Operating Income
*****	*****	*****
	<u>STAFF ADJUSTMENT NO. 1</u> (Campbell)	
1	Depreciation and Amortization	447,622
2	To reflect update to Depreciation Expense.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Campbell)	
3	Other Operating Taxes	(6,484)
4	To reflect Staff's adjustment to Property Taxes.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Luke Fry)	
5	Local Network Services Revenues	1,648
6	Kansas Universal Service Support	(4,893)
7	Network Access Revenue	173
8	To reflect Staff's adjustment updating KUSF support amounts.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Luke Fry)	
9	General & Admin - Rate Case Exp	19,655
10	To reflect Staff's actual audit expense	
	<u>STAFF ADJUSTMENT NO. 5</u> (Luke Fry)	
11	Network Operations Expense	39
12	Marketing Expense	205
13	Executive and Planning Exp	1,506
14	General and Administrative Exp	9,420
15	Contributions and Fees	20,721
16	To reflect Staff's removal of various expenses.	
	<u>STAFF ADJUSTMENT NO. 6</u> (Luke Fry)	
17	Network Support Expense	(439)
18	General Support Expense	(4,524)
19	Central Office Switching Expense	4,498
20	Central Office Transmission Expense	(74,958)
21	Cable and Wire Facilities Exp	34,164
22	Other Plant Expense	(39,761)
23	Network Operations Expense	(38,476)
24	Marketing Expense	10,213
25	Directory Expense	21,977
26	Executive and Planning Exp	16,796
27	General and Administrative Exp	(19,925)
28	To reflect Staff's adjustment to payroll expense.	

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE B-3

Line No.	Description	Increase / (Decrease) To Operating Income
****	*****	*****
	<u>STAFF ADJUSTMENT NO. 7</u> (Luke Fry)	
29	Network Support Expense	(222)
30	General Support Expense	(1,893)
31	Central Office Switching Expense	1,570
32	Central Office Transmission Expense	(27,816)
33	Cable and Wire Facilities Exp	9,120
34	Other Plant Expense	(14,734)
35	Network Operations Expense	(26,907)
36	Marketing Expense	1,995
37	Directory Expense	(3,172)
38	Executive and Planning Exp	3,847
39	General and Administrative Exp	(14,459)
40	To reflect Staff's adjustment to employee benefits and payroll related taxes.	
	<u>STAFF ADJUSTMENT NO. 8</u> (McCullar)	
41	Federal High Cost Loop Support	(189,441)
42	To reflect Staff's adjustment to Federal HCL support.	
	<u>STAFF ADJUSTMENT NO. 9</u> (McCullar)	
43	Depreciation Expense	(79,573)
44	To reverse the Company's allocation of depreciation and other expenses related to Oklahoma study area.	
	<u>STAFF ADJUSTMENT NO. 10</u> (McCullar)	
45	Depreciation Expense	75,729
46	To reflect Staff's adjustment to allocate depreciation expense related to Oklahoma study area.	
	<u>STAFF ADJUSTMENT NO. 11</u> (Luke Fry)	
47	Amort of Intangible	108,888
48	To remove the Amortization of Intangible Plant.	

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
INTEREST EXPENSE CALCULATION
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE B-4-1

LINE NO.	DESCRIPTION	A STAFF ADJUSTED	B TOTAL STAFF ADJUSTED INTERSTATE	C TOTAL STAFF ADJUSTED INTRASTATE
*****	*****	*****	*****	*****
1	RATE BASE BEFORE CASH WORKING CAPITAL	\$11,691,299	\$4,276,638	\$7,414,661
2	WEIGHTED COST OF DEBT (Schedule C-1)	1.9720%	1.9720%	1.9720%
3	INTEREST EXPENSE	\$230,552	\$84,335	\$146,217

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

SCHEDULE C-1

Line No.	Description	A Applicant Per Book Balance	B Staff Adjustments	C Staff Adjusted Book Balance	D Hypothetical Capital Structure Ratio's	E Cost of Capital	F Weighted Cost of Capital
****	*****	*****	*****	*****	*****	*****	*****
1	Total Long Term Debt	\$1,937,707	\$10,039,474	\$11,977,181	40.000%	4.930%	1.972%
2	Total Common Equity	28,005,245	(10,039,474)	17,965,771	60.000%	9.750%	5.850%
3	Customer Deposits	0	0	\$0	0.000%		0.000%
4	Total Capitalization	\$29,942,952	\$0	\$29,942,952	100.000%		7.822%

	<u>Total Weighted Cost of Debt:</u>	
5	Long Term Debt	1.9720%
6	Customer Deposits	0.0000%
7	Total Cost of Debt	<u>1.9720%</u>

SOUTH CENTRAL TELEPHONE ASSOCIATION, INC.
DOCKET NO. 24-SCNT-131-KSF
STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

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	\$1,937,707	\$10,039,474	\$10,039,474	\$11,977,181
2	Common Equity	28,005,245	(10,039,474)	(10,039,474)	17,965,771
3	Customer Deposits	0		0	0
4	Total Capitalization	\$29,942,952	\$0	\$0	\$29,942,952

EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2022

Line No.	Description	Increase / (Decrease) To Capital Structure
***	*****	*****
	<u>STAFF ADJUSTMENT NO. 1</u> (Gatewood)	
1	Long Term Debt	10,039,474
2	Common Equity	(10,039,474)
3	To reflect Staff's hypothetical Capital Structure amount.	

CERTIFICATE OF SERVICE

24-SCNT-131-KSF

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff Schedules were served via electronic service this 12th day of December, 2023, to the following:

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/s/ Ann Murphy

Ann Murphy