

# **Appendix A**

## **Adopted Rates**

## APPENDIX A

**KERMAN TELEPHONE COMPANY  
INTRASTATE RESULTS OF OPERATIONS  
ADOPTED RATES**

	ORA PROPOSED (A)	KERMAN PROPOSED (B)	ADJUSTMENTS TO KERMAN PROPOSED (C)	ADOPTED (D)	
<b>OPERATING REVENUES:</b>					
1	Local Network Services	\$ 2,118,030	\$ 1,850,745	\$ 186,177	\$ 2,036,922
2	Local Service - CHCF - A	1,938,638	6,044,785	(1,266,116)	4,778,669
3	Interstate USF	2,032,176	2,032,176	0	2,032,176
4	Network Access Services:				
5	Intrastate	252,956	252,299	0	252,299
6	Interstate	0	0	0	0
7	Miscellaneous	265,920	268,101	33,800	301,901
8	Less: Uncollectible Revenue	(5,171)	(5,319)	0	(5,319)
9	<b>Total Oper. Revenue</b>	<b>\$ 6,602,549</b>	<b>\$ 10,442,787</b>	<b>\$ (1,046,139)</b>	<b>\$ 9,396,648</b>
<b>OPERATING EXPENSES:</b>					
10	Plant Specific	\$ 1,363,294	\$ 2,285,407	\$ (572,436)	\$ 1,712,971
11	Plant Non-Specific (less depr.)	382,766	351,901	0	351,901
12	Depreciation & Amortization	1,761,597	2,002,440	(280,025)	1,722,415
13	Customer Operations	817,900	1,099,862	(290,302)	809,560
14	Corporate Operations	1,162,737	1,734,784	(193,753)	1,541,031
15	<b>Subtotal</b>	<b>\$ 5,488,294</b>	<b>\$ 7,474,394</b>	<b>\$ (1,336,516)</b>	<b>\$ 6,137,878</b>
16	Federal Income Taxes	\$ 166,013	\$ 765,238	\$ 72,958	\$ 838,196
17	State Income Taxes	47,349	218,255	20,809	239,064
18	Taxes Other Than Operating	196,293	205,028	0	205,028
19	<b>Total Oper. Expense</b>	<b>\$ 5,897,949</b>	<b>\$ 8,662,915</b>	<b>\$ (1,242,749)</b>	<b>\$ 7,420,166</b>
20	<b>Net Revenues</b>	<b>\$ 704,600</b>	<b>\$ 1,779,872</b>	<b>\$ 196,610</b>	<b>\$ 1,976,482</b>
<b>AVERAGE RATE BASE:</b>					
21	Telephone Plant-in-Service	\$ 31,426,520	\$ 32,585,754	\$ (804,990)	\$ 31,780,764
22	Tel. Plant Under Construction	1,025,652	546,738	0	546,738
23	Material & Supplies	198,257	194,333	0	194,333
24	Working Cash	301,100	439,800	0	439,800
25	Less: Deprec. Res.	(17,952,079)	(18,159,874)	473,043	(17,686,831)
26	Def. Taxes	(2,652,814)	(2,652,814)	0	(2,652,814)
27	Customer Deposit	0	0	0	0
28	<b>Total Rate Base</b>	<b>\$ 12,346,636</b>	<b>\$ 12,953,937</b>	<b>\$ (331,947)</b>	<b>\$ 12,621,990</b>
29	<b>Rate of Return</b>	<b>5.71%</b>	<b>13.74%</b>	<b>Return on Rate Base</b>	<b>\$ 1,262,199</b> <b>10.00%</b>

# **Appendix B**

## **Net-To-Gross Multiplier**

## APPENDIX B

**KERMAN TELEPHONE COMPANY  
NET-TO-GROSS MULTIPLIER**

1	Gross revenue		1.00000
2	State Income Tax (Line 1 X 8.84%)		0.0884
3	Federal Taxable Income (Line 1 less Line 2)		0.91160
4	Federal Income Tax (Line 3 times .34)		0.309944
5	Net Income (Ln.3 Less Ln. 4)		0.60166
6	<b>Net-To-Gross Multiplier</b> (Ln.1 Divided by Ln. 5)		<u>1.66208</u>
<b>Support Development</b>			
7	State Rate Base	\$	<u>12,621,990</u>
8	Rate of Return on Rate Base		10.00%
9	Return on Rate Base (Line 9 times Line 10)	\$	1,262,199
10	Net Operating Income (minus proposed CHCF-A)	\$	(1,724,929)
11	Net Adjustment (Line 9 minus Line 10)	\$	2,987,128
12	Net to Gross Multiplier		1.66208
13	Gross Revenue Change Required	\$	4,964,846
14	Impact of Proposed Rates	\$	186,177
15	<b>Total CHCF-A Adopted Support</b>	\$	<u><u>4,778,669</u></u>

# **Appendix C**

## **Trial Exhibits**

## Kerman Rate Case (A.11-12-011)

## Evidentiary Hearings

April 28-29, 2015

## List of Exhibits

Exhibit No.	Description
<b>KTC = 38 Exhibits</b>	
KTC-1	Direct Testimony of William S. Barcus, November 3, 2014
KTC-2	Rebuttal Testimony of William S. Barcus, April 16, 2015
KTC-3	Direct Testimony of Eric Kehler, November 3, 2014 [Public]
KTC-4	Direct Testimony of Eric Kehler, November 3, 2014 [Confidential]
KTC-5	Rebuttal Testimony of Eric Kehler, April 16, 2015
KTC-6	Rebuttal Testimony of Dale E. Lehman, April 16, 2015
KTC-7	Direct Testimony of David D. Clark, November 3, 2014 [Public]
KTC-8	Direct Testimony of David D. Clark, November 3, 2014 [Confidential]
KTC-9	Supplemental Testimony of David Clark, January 30, 2015 [Public]
KTC-10	Supplemental Testimony of David Clark, January 30, 2015 [Confidential]
KTC-11	Rebuttal Testimony of David Clark, April 16, 2015 [Public]
KTC-12	Rebuttal Testimony of David Clark, April 16, 2015 [Confidential]
KTC-13	Direct Testimony of Larry Thompson, December 28, 2011
KTC-14	Supplemental Testimony of Larry Thompson, November 3, 2014
KTC-15	Direct Testimony of Michael C. Burke, December 28, 2011
KTC-16	Supplemental Testimony of Michael C. Burke, November 3, 2014
KTC-17	Rebuttal Testimony of Michael C. Burke, April 16, 2015
KTC-18	KTC Compliance (Properties)
KTC-19	KTC Responses to DR ORA CC3003 dated April 15, 2015
KTC-20	Exel Files to ORA 8
KTC-21	Table 1A CPI For All Urban Consumers (CPI - U): US City Average, by expenditure category and commodity and service group
KTC-22	Lehman Rebuttal (struck/ redacted)
KTC-23	KTC's Supplemental Response to Question 1, ORA DR CC3003
KTC-24	kTC's Response to ORA Email Request Dated February 20, 2015
KTC-25	State Assessment Manual, March 2003, Reprinted January 2015 - California State Board of Equalization
KTC-26	KTC's Email Response to ORA DR CC3001
KTC-27	ORA DR CC3002, Dated January 15, 2015
KTC-28	Calcom Member List
KTC-29	FCC Report 43-02, ARMIS USOA REPORT, Foresthill Telephone Company
KTC-30	Email Reponse date March 27, 2015, ORA'S Responses and Objections to the March 13, 2015 2nd Set of DR from KTC dated March 27, 2015
KTC-31	ORA Responses nd Objections to the March 30, 2015 3rd Set of DR from KTC dated April 8, 2015
KTC-32	Capitalization Rate Study
KTC-33	Meet and Confer Letter & ORA Responses and Objections to the March 31, 2015 Meet and Confer Letter from KTC
KTC-34	First Set of DR from KTC to ORA
KTC-35	Audeamus ORG Chart
KTC-36	Kertel ORG Chartt
KTC-37	KTC's Floor Plans
KTC-38	Office Lease between Kerman Communications and KTC dated August 9, 1999
<b>ORA = 15 Exhibits</b>	
ORA-1	ORA's Report and Recommendations on the Application of Kerman Telephone Company to Review Intrastate Rates and Charges for Telephone Service within State of California (Test Year 2016), PUBLIC VERSION, March 27, 2015, With Attachments 3-1, 3-3, and 4-1 removed
ORA-2	ORA Attachment 3-1 [Confidential]
ORA-3	ORA Attachment 3-3 [Confidential]
ORA-4	ORA Attachment 4-1 [Confidential]
ORA-5	Employee List
ORA-6	KTC ORG CHART
ORA-7	Warehouse Lease
ORA-8	KTC DR Response (Board Members)
ORA-9	n/a
ORA-10	KTC DR Response CC3001 Q17
ORA-11	Sebastian Office Rental Advertisement
ORA-12	Lease Advertisement - 820 Lyman, Fresno, CA
ORA-13	Lease Advertisement - Building 21- North Pointe Business Park, Fresno, CA
ORA-14	Lease Advertiserment - Seiland, Fresno, CA
ORA-15	Kerman Balance sheet (excerpt)

(End of Appendix C)

# **Appendix D**

## **List of Appearances**

## \*\*\*\*\* SERVICE LIST \*\*\*\*\*

**Last Updated on 29-MAR-2016 by: DC3  
A112011 LIST**

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(End of Service List)

(End of Appendix D)