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June 16, 2000

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. TM-2000-725

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF MOTION TO DISMISS FOR LACK OF JURISDICTION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Robert V. Franson
Assistant General Counsel
(573) 751-6651
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RF/dkf
Enclosure
cc: Counsel of Record

FILED²

JUN 16 2000

Missouri Public
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²
JUN 16 2000

Missouri Public
Service Commission

In the Matter of the Joint Application of Zenex Long)
Distance Inc., Prestige Investments, Inc., and)
Lone Wolf Energy, Inc. for Approval of Merger and)
Acquisition of Prestige Investments, Inc.)

Case No. TM-2000-725

STAFF MOTION TO DISMISS FOR LACK OF JURISDICTION

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its recommendation states:

1. On May 3, 2000, Zenex Long Distance, Inc., (ZENEX), Prestige Investments, Inc., ("PRESTIGE") and Lone Wolf Energy, Inc. ("LONE WOLF") (collectively "Applicants") filed their Joint Application and Petition for approval of merger and acquisition of Prestige Investments, Inc. by LONE WOLF.

2. Applicants first state that ZENEX is a wholly owned subsidiary of PRESTIGE, is a corporation duly organized and existing under the law of Oklahoma and is qualified to transact business in the State of Missouri. ZENEX is a provider of intrastate interexchange telecommunications services in Missouri pursuant to its June 11, 1996 Certificate of Service Authority issued by the Missouri Public Service Commission (Commission).

3. Applicants state PRESTIGE is an Oklahoma corporation and was granted authority by the Commission to acquire all of the issued and outstanding stock of Zenex in 1999 resulting in Zenex becoming a wholly owned subsidiary of PRESTIGE.

4. Applicants state that LONE WOLF is a Colorado corporation.

5. Neither PRESTIGE nor LONE WOLF is a Missouri regulated telecommunications company.

6. According to the Application, ZENEX, PRESTIGE and LONE WOLF entered into a Letter of Intent on March 28, 2000, wherein PRESTIGE will merge into a to-be-formed wholly-owned subsidiary corporation of LONE WOLF, with PRESTIGE to be the surviving corporation thus becoming a wholly owned subsidiary corporation of LONE WOLF. This merger would result in a change in the ultimate parent company of ZENEX.

7. The Letter of Intent spells out in considerable detail all of the preconditions, which must be met, and sets out specific provisions about what will happen if the proposed merger is not consummated.

8. Since the Application in this case was brought under the theory that Section 392.300 RSMo. 1994 might apply; it would be appropriate to briefly review the language of this statute.

9. Staff would respectfully contend that Section 392.300.1 RSMo.1994 does not apply to this case because ZENEX, the regulated telecommunications company, is not selling, assigning, leasing, transferring, consolidating, transferring, merging, encumbering or otherwise disposing of any part of its "franchise, works or system, necessary or useful in the performance of its duties to the public" as is required by the statute before Commission jurisdiction attaches. No transfer or disposition as described in this statute is occurring.

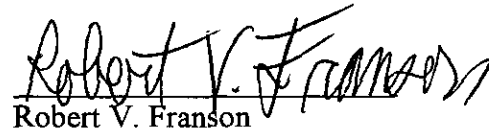
10. Section 392.300.2 RSMo deals with which corporations must get Commission approval to purchase, acquire, take or hold stock issued by a telecommunications company organized or existing under or by virtue of the laws of this State. Staff would respectfully submit that Section 392.300.2 RSMO does not apply because Zenex, the regulated telecommunications company is not incorporated under Missouri law. See Contingent Application of CFL, L.L.C.,

TM-99-336, Order Dismissing Case, issued 3-16-99. See also Public Service Commission v. Union Pacific R. Co., 197 S.W. 39, 41 (Mo. Banc 1917).

WHEREFORE, for all the above reasons, the Staff respectfully requests that the Commission enter an Order dismissing the Application in this case for lack of jurisdiction over the transaction.

Respectfully submitted,

DANA K. JOYCE
General Counsel

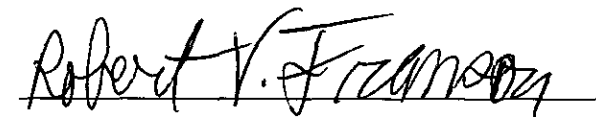


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 16th day of June, 2000.



Service List for
Case No. TM-2000-725
June 16, 2000

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