

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

Staff's Motion for Authority to File a Complaint)
Against New Florence Telephone Company.) Case No. TO-2006-_____

**STAFF'S MOTION FOR AUTHORITY TO FILE A
COMPLAINT AGAINST NEW FLORENCE TELEPHONE COMPANY**

COMES NOW the Staff of the Public Service Commission and, for its motion for authority to file a complaint against New Florence Telephone Company states:

1. In its Order Dismissing Case issued and made effective July 15, 2005 in Case No. TO-2005-0237, the Commission stated that it “expects that Staff will promptly investigate any concerns it may have related to Cass County Telephone Company and New Florence Telephone Company” and, further, “Whenever such an investigation produces information that would support a complaint, then the Commission’s General Counsel may apply to the Commission for authority to file that complaint.”

2. Section 386.390.1 RSMo 2000¹ empowers the Commission to initiate a complaint against a utility on its own. Section 386.240 empowers the Commission to “authorize any person employed by it to do or perform any act, matter or thing with the commission is authorized by this chapter [386] to do or perform Commission Rule 4 CSR 240-2.070 authorizes “the commission staff through the general counsel” to file a complaint.

3. Staff believes that the requisite authority exists for it to file a complaint through the Commission's General Counsel. However, because of the Commission’s statement in its Order Dismissing Case issued in Case No. TO-2005-0237 that the Commission’s General

¹ All statutory citations are to RSMo 2000, unless otherwise noted.

Counsel “may apply to the Commission for authority to file (a) complaint” when a Staff investigation produces information that would support a complaint, the Commission’s General Counsel is now, on behalf of the Staff seeking specific authorization in this case.

4. The Staff’s investigation has produced information that supports complaints against New Florence Telephone Company for violations of Commission Rule 4 CSR 240-30.040 which requires that New Florence Telephone Company keep its accounts in accordance with the uniform system of accounts prescribed by the Federal Communications Commission effective January 1, 1988. That system of accounts includes a requirement that all services from affiliates are to be provided at cost, unless a market value for the services can be determined and that cost is to be “determined in a manner that complies with the standards and procedures for the apportionment of joint and common costs between the regulated and nonregulated operations of the carrier entity.”

5. The Staff’s investigation has also produced information that supports complaints against New Florence Telephone Company for willfully making false entries in the accounts and books of account of New Florence Telephone Company in violation of Section 386.560.

6. The information supporting a complaint includes additions to Local Exchange Company, LLC’s actual costs that were then allocated and charged to entities to which it provided services, including its affiliate New Florence Telephone Company. It includes “management support services” charges to New Florence Telephone Company by its affiliates Local Exchange Company, LLC; South Holt Communications, Inc.; and Matzco, LLC. It includes charges for a switch invoiced to New Florence Telephone Company by affiliates controlled by Robert Williams and Kenneth Matzdorff. And it includes reductions of the

amounts owed by Kenneth Matzdorff and Robert Williams on promissory notes to New Florence Telephone Company held by New Florence Telephone Company.

WHEREFORE, the Commission's General Counsel, on behalf of the Staff, requests authorization from the Commission to file a complaint against New Florence Telephone Company that seeks authorization for the Commission's General Counsel to seek penalties against New Florence Telephone Company for violations of both statute and Commission Rule.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Nathan Williams
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to the parties listed below this 30th day of September 2005.

/s/ Nathan Williams
Nathan Williams

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