

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

An Investigation of the Fiscal and Operational )  
Reliability of Cass County Telephone Company )  
and New Florence Telephone Company, and )  
Related Matters of Illegal Activity. )

Case No. TO-2005-0237

**STAFF’S MAY 2005 STATUS REPORT**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”) and for its May 2005 Status Report states:

1. By order effective January 28, 2005 the Commission established this case for the purpose of investigating the “financial and operational status of any certificated company in which Mr. Kenneth Matzdorff has any ownership interest or any operational control or influence resulting from his role as an officer or employee of such company.”

2. In its order the Commission directed Staff to “file a status report on February 1, 2005, and every 30 days thereafter to inform the Commission of the status of its work . . . .”

3. Due to the press of other matters in this case, including but not limited to onsite reviews at Peculiar and New Florence, Missouri, negotiations and filings pertaining to the LEC, LLC, CassTel and New Florence subpoenas, and the workload from other cases pending before the Commission, including but not limited to Aquila's regulatory plan, the Missouri Universal Service Fund and other administrative matters, the Staff was unable to file this status report at the normal 30-day interval established by the Commission.

4. Attached hereto as Appendix A is a summary of the steps that the Staff has taken and significant events that have unfolded since the filing of the Staff’s last status report.

5. Significant events that have transpired since the Staff's last report are that the Staff has access to documents from LEC, LLC that were requested by *subpoenas*, Cass County Telephone Company and New Florence Telephone Company still have not provided their external auditors workpapers, the Staff has conducted fieldwork at both Cass County Telephone Company and New Florence Telephone Company and the Staff, at the requests of the companies, has recently met with representatives of both Cass County Telephone Company and New Florence Telephone Company.

**WHEREFORE**, the Staff files the Staff's May 2005 Status Report.

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 all counsel of record this 19<sup>th</sup> day of May 2005.

**/s/ Nathan Williams**

Nathan Williams