

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

In the Matter of the Application of )  
Missouri RSA No. 5 Partnership for )  
Designation as a Telecommunications )  
Company Carrier Eligible for Federal )  
Universal Service Support Pursuant to )  
Section 254 of the Telecommunications )  
Act of 1996 )

Case No. TO-2006-0172

**STAFF RESPONSE TO COMPLIANCE FILING**

COMES NOW the Staff of the Missouri Public Service Commission and for its response states:

1. Pursuant to the Commission's Report and Order, Missouri RSA No. 5 Partnership filed a revised budget and buildout plan.
2. In the attached Memorandum the Staff discusses its review of that filing. Although the Staff observed what appear to be discrepancies in some of the numbers, the Staff opines that the filing is in compliance with the Commission's Order. In order to address the apparent discrepancies, Staff will monitor the company's October 2007 ETC certification filing closely to ensure the dispersed monies are spent appropriately.

Respectfully submitted,

/s/ William K. Haas

William K. Haas  
Deputy General Counsel  
Missouri Bar No. 28701

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7510 (Telephone)  
(573) 751-9285 (Fax)  
[william.haas@psc.mo.gov](mailto:william.haas@psc.mo.gov)

**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 27th day of September 2006.

**/s/ William K. Haas**

# MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Company Name: Missouri RSA No. 5 Partnership  
Case No. TO-2006-0172

From: Adam McKinnie  
Telecommunications Department

/s/ Natelle Dietrich 09/27/06  
Utility Operations Division/Date

/s/ William K. Haas 09/27/06  
General Counsel's Office/Date

Subject: Recommendation regarding the Compliance Filing of Missouri RSA No. 5 Partnership

Date: 9-27-06

On September 21, 2006, the Missouri Public Service Commission (Commission) issued a Report and Order in Case No. TO-2006-0172, *In the Matter of the Application of Missouri RSA No. 5 Partnership for Designation as a Telecommunications Company Carrier Eligible for Federal Universal Service Support Pursuant to § 254 of the Telecommunications Act of 1996*, granting Missouri RSA No. 5 Partnership (MO 5) ETC status for the requested wire centers (with the exception of the Winigan wire center). This grant is "conditioned on compliance with the items set out in ordered paragraphs 2-6 below" in the Report and Order.

Paragraphs 2 and 3 of the "It is Ordered That:" section of the Report and Order states,

2. Missouri RSA No. 5 Partnership shall file no later than September 26, 2006, a revised budget and build-out plan as specified in the body of this order which includes only items for which USF support is intended as set out in 4 CSR 240-3.570(2)(A)2.A and which would not have been made without USF support.

3. Missouri RSA No. 5 Partnership shall not use Universal Service Funds for income tax or depreciation expense.

On September 26, 2006, MO 5 filed a "Compliance Filing" containing a cover letter and a revised two year build out plan. As the two year build out plan is marked as Highly Confidential, much of the discussion of this plan will also be Highly Confidential.

Staff has reviewed the filing and makes the following observations.

- During the proceeding, MO 5 estimated an annual USF draw of \$ 1,534,230 (as remarked in Report and Order, page 10). In the instant build out plan, MO 5 estimates the annual USF draw of \*\* \_\_\_\_\_ \*\*
- In the instant build out plan, MO 5 estimates spending \$ annually.

- As required by the MO ETC Rule, the instant build out plan set forth in the compliance filing is for two years.
- The previous budget shows MO 5 intended to build out \*\* \_ \*\* cell towers in the first two years of the five year budget. (Revised Appendix M attached to MO 5 witness Simon's Surrebuttal Testimony) The build out plan contained in the compliance filing shows MO 5 intends to build \*\* \_ \*\* cell sites over two years.
- MO 5 has reordered the priority for deployment of cell towers. Cell towers that were previously intended to be built in the fourth and fifth years of the original budget are now intended to be built in the first year of the instant build out plan. Additionally, there are some towers that were originally intended to be built in the first year of the original budget that are not contained within the instant two year build out plan.
- The items "Estimated Depreciation" and "Estimated Taxes", which appeared in the original budget, are not contained within the instant two year build out plan as directed by the Commission. \*\* \_\_\_\_\_ \*\*
- It appears there are discrepancies in some of the numbers within the instant two year build out plan when compared to the original plan.
  - In the original budget, the amount set aside annually for the ongoing operation of a newly built cell tower was \*\* \_\_\_\_\_ \*\* In the instant two year build out plan, the amount set aside annually for ongoing operation is \*\* \_\_\_\_\_ \*\*
  - In the original budget, if a new cell tower was built during a year, the amount of ongoing expenses was prorated.
    - If a tower was built six months into a year, the calculation would be (\*\* \_\_\_\_\_ \*\*) (.5) = \*\* \_\_\_\_\_ \*\*
  - In the instant two year build out plan, the amount of ongoing operation expense is not prorated.
    - Regardless of whether a tower is constructed at the beginning of the year or is built in the 9<sup>th</sup> month of the year, the build out plan allots the same \*\* \_\_\_\_\_ \*\*

In Staff's opinion, the September 26, 2006 budget filing is in compliance with the Commission's order granting ETC designation. In order to address the apparent discrepancies discussed above, Staff will monitor MO 5's October 2007 ETC certification filing closely to ensure the dispersed monies were spent appropriately.

- The Company is not currently subject to filing an annual report or paying the PSC assessment.
- The Company is delinquent. Staff recommends the Commission grant the requested relief/action on the condition the applicant corrects the delinquency. The applicant should be instructed to make the appropriate filing in this case after it has corrected the delinquency.
- ( No annual report  Unpaid PSC assessment. Amount owed: )

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

*In the Matter of the Application of* )  
*Missouri RSA No. 5 Partnership for* )  
*Designation as a Telecommunications* )  
*Company Carrier Eligible for Federal* )  
*Universal Service Support Pursuant to §* )  
*254 of the Telecommunications Act of 1996* )

Case No. **TO-2006-0172**

**AFFIDAVIT OF Adam McKinnie**

STATE OF MISSOURI            )  
  ) ss:  
COUNTY OF COLE            )

Adam McKinnie, employee of the Staff of the Missouri Public Service Commission, being of lawful age and after being duly sworn, states that he has participated in the preparation of the accompanying memorandum and that the facts therein are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Adam McKinnie

Subscribed and affirmed before me this 27<sup>th</sup> day of September, 2006.  
I am commissioned as a notary public within the County of Cole, State of Missouri  
and my commission expires on \_\_\_\_\_



DAWN L. HAKE  
My Commission Expires  
March 16, 2009  
Cole County  
Commission #05407643

  
\_\_\_\_\_  
NOTARY PUBLIC