



Missouri Public Service Commission

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June 23, 2000

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Secretary/Chief Regulatory Law Judge
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FILED 3

JUN 23 2000

Missouri Public Service Commission

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

RE: Case No. TF-2000-428

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of STAFF'S FILING OF ADDITIONAL INFORMATION.

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,

Dennis L. Frey
Dennis L. Frey
Associate General Counsel
(573) 751-8700
(573) 751-9285 (Fax)

DLF:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

JUN 23 2000 *mh*

Missouri Public
Service Commission

In the Matter of the Application of Le-Ru)
Telephone for Authority to Borrow an)
Amount Not to Exceed \$9,164,700 from)
the Rural Utilities Service, the Rural)
Telephone Bank and the Federal)
Financing Bank and in Connection)
Therewith to Execute an Amending)
Telephone Loan Contract Amendment,)
Promissory Notes, and a Restated)
Mortgage, Security Agreement and)
Financing Statement.)

Case No. TF-2000-428

STAFF'S FILING OF ADDITIONAL INFORMATION

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and respectfully states as follows:

1. On January 18, 2000, Le-Ru Telephone Company ("Le-Ru" or "Company"), filed with the Commission, pursuant to Section 392.310 RSMo 1994 and 4 CSR 240-2.060, an Application requesting authority to borrow certain sums, not to exceed \$9,164,700 from the Rural Utilities Service, the Rural Telephone Bank and the Federal Financing Bank. According to its Application, Le-Ru plans to use the funds to provide facilities for system improvements.

2. In subsequent discussions with Staff and Le-Ru, the Company expressed agreement with a number of changes to its proposal, including a reduction (to \$7,800,606) in the amount Le-Ru is interested in borrowing. The Staff incorporated these changes in its May 16, 2000 recommendation. In particular, Staff recommended approval of the Company's Application, subject to the following conditions:

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- A. That the total amount of borrowing be limited to \$7,800,606;
- B. That dividends be limited to the amount needed to pay taxes until such time as Le-Ru's equity ratio reaches 40 percent;
- C. That cash and cash equivalent working capital be used to pay down long-term debt no later than the year 2007; and
- D. That the Company file semi-annual surveillance reports beginning January 1, 2003 and ending December 31, 2007, or when the Company's equity ratio reaches at least 40 percent.

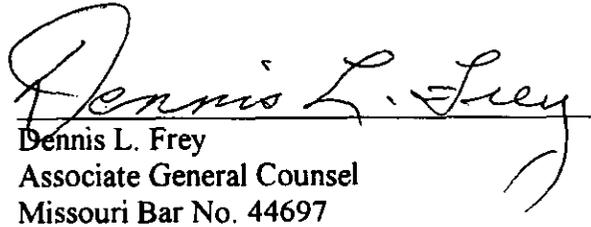
3. On June 7, 2000, the Commission issued an Order directing, *inter alia*, that a hearing be held on this matter on July 7, 2000, and that Staff file, by June 23, 2000, copies of Le-Ru's annual reports for the years 1995 through 1999, along with the following information for each of the last five years, inclusive of calendar year 1999:

- a) Le-Ru's capital structure;
- b) the amount of dividends paid by the Company; and
- c) the income taxes generated by the operations of the Company, and the total income tax liability to be paid at the shareholder level

4. In accordance with the Commission's June 7th Order, the Staff hereby submits Le-Ru's 1995 through 1999 annual reports, attached hereto and labeled as Exhibits 1 through 5 respectively, as well as the additional information noted above, attached and labeled as Exhibit 6.

Respectfully submitted,

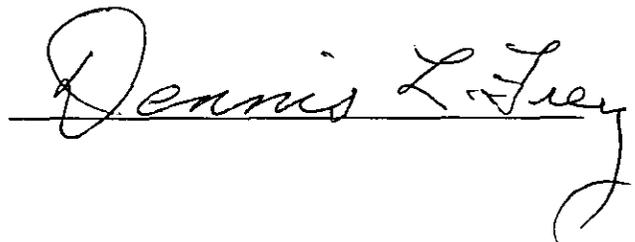
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Certificate of Service

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 23rd day of June 2000.



**Service List for
Case No. TF-2000-428
June 23, 2000**

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