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August 16, 2007

**VIA E-MAIL AND U.S. MAIL**

Filing Center  
Oregon Public Utility Commission  
550 Capitol Street NE, Suite 215  
Salem, OR 97301-2529

Re: Application of Pine Telephone System, Inc. for an Order Allocating  
Territory

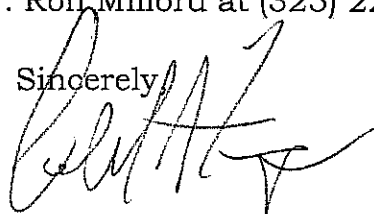
Dear Sir/Madam:

Enclosed you will find the original and three copies of the above-referenced Application. Pursuant to the Commission's rules, an electronic copy has been filed as well.

This Application and a contemporaneous application from Qwest Corporation should together be considered the joint filing as required by ORS 759.560 for the reallocation of allocated territory.

If you have any questions concerning this Application, please contact the undersigned. Should you have any questions concerning the operation of Pine Telephone System, Inc., please contact Mr. Ron Milford at (325) 223-9111.

Sincerely,



RICHARD A. FINNIGAN

RAF/km

Enclosures

cc: Alex Duarte (via e-mail and U.S. mail, w/encl.)  
Nancy Batz (via e-mail, w/encl.)  
Ron Milford (via e-mail, w/encl.)

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

**DOCKET UA \_\_**

In the Matter of the Application of Pine Telephone System, Inc. for an Order Allocating Territory

**APPLICATION OF PINE TELEPHONE SYSTEM, INC. FOR AN ORDER ALLOCATING TERRITORY**

Pursuant to ORS 759.560 and OAR 860-025-0027, Pine Telephone System, Inc. (“Pine”) hereby applies for an order allocating territory and transferring rights to a previously allocated territory held in the past by Qwest Corporation (“Qwest”), herein known as the “Three Rivers area,” that was in Qwest’s Culver Exchange. Pine also requests that the Commission recognize as Pine’s allocated territory the new Three Rivers exchange as described herein.

In support thereof, and pursuant to the requirements of OAR 860-025-0027,<sup>1</sup> Pine states and submits the following information:

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<sup>1</sup> It appears that some of the requirements of OAR 860-025-0027 are no longer applicable as a result of changes created by Laws of 2005, Chapter 232. An example is the metes and bounds legal descriptions referenced in OAR 860-025-0027(1)(e) and (f). Pine respectfully requests waiver of such requirements. Further, since this process contemplates the “unallocation” of the Three Rivers area as unserved area and the subsequent allocation of the territory to Pine Telephone, OAR 860-025-0027 is applied by analogy to be sure any lingering rights of Qwest are transferred to Pine Telephone.

### **Statement of Purposes for the Allocation**

The purpose of this Application is to permit Pine to provide telecommunications service to residents of an area locally known as the Three Rivers area who require telecommunications service.<sup>2</sup> The Three Rivers service area lays to the west of the Deschutes River around 50 miles north of Bend and is bordered on the north by the Metolius River and Lake Billy Chinook. The area gets its name from the confluence of three rivers in the northeast corner of the region; the Metolius River, the Deschutes River, and the Crooked River. The main roads in the area are paved, and all regularly traveled roads are kept in good shape to approximately 132 homes and businesses.

### **Supporting Reasons for the Allocation**

The reason<sup>3</sup> for the requested “unallocation” by Qwest and the allocation of territory to Pine Telephone (with the transfer of any rights in the territory from Qwest to Pine Telephone) is that Qwest currently has no facilities and no customers in the Three Rivers area. Qwest agrees that the Three Rivers area is not near enough to existing Qwest facilities to permit Qwest to serve Three Rivers residents economically, without charging large line extension charges.<sup>4</sup> As a result, Pine requests that the territory be allocated to it so that it can provide telephone service to the citizens of Three Rivers. Pine is willing to provide telephone service to the citizens of Three Rivers without charging them for construction of facilities. Thus, an order pursuant to the current request is the most efficient method for Pine to serve these residents.

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<sup>2</sup> See, OAR 860-025-0027(1)(a).

<sup>3</sup> See, OAR 860-025-0027(1)(a).

<sup>4</sup> See, Application of Qwest Corporation For an Order Unallocating Territory and Transferring Rights to Allocated Territory to Pine Telephone System, Inc. (“Qwest Application”) at p. 2. The Qwest Application is filed contemporaneously with this Application.

**Explanation Justifying why the Allocation will Not be Contrary to the Public Interest**

The allocation will not be contrary to the public interest.<sup>5</sup> In fact, Pine believes that this allocation and transfer is in the public interest because it will allow a single incumbent local exchange carrier to serve the area where Qwest does not have facilities and for which prospective customers would need to pay for construction or line extension charges in order to receive telephone service from Qwest. Further, because Qwest does not have any equipment or facilities in the area to be transferred, there are no current Qwest customers that will be impacted.

**Copies of all Written Evidence Comprising the Agreement Between Qwest and Pine**

Exhibit A includes correspondence constituting the agreement between Pine and Qwest concerning service to the Three Rivers area.<sup>6</sup>

**Maps required**

Exhibit B is a map showing the proposed boundaries of Pine's new Three Rivers exchange. This area will constitute a new exchange. Pine's existing service areas are not adjacent to the proposed Three Rivers exchange.

**Rates to be Charged**

Attached as Exhibit C are the tariff rates assessed by Pine. These rates will apply in the new exchange. Pine has concluded that the existing cost recovery mechanisms for Pine's existing exchanges including access charges, federal and state universal service support, and local rates are adequate to support the construction of facilities in Three Rivers.

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<sup>5</sup> See, OAR 860-025-0027(1)(a).

<sup>6</sup> See, OAR 860-025-0027(1)(b).

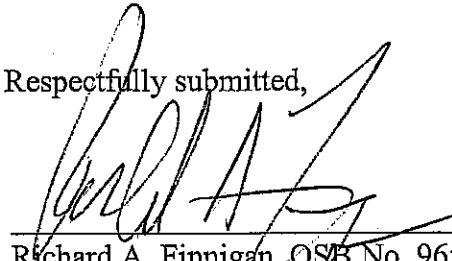
**Franchises, permits or public authority approvals**

Pine is unaware of the existence of any requirement of approval of any public agency, other than this Commission, for the authority to unallocate and abandon territory in the state of Oregon.<sup>7</sup> However, Qwest and Pine intend to jointly file, pursuant to 47 C.F.R. § 1.3 (section 1.3 of the Federal Communication Commission's ("FCC") rules), a request for a waiver of the definition of "study area" contained in the Appendix-Glossary of Part 36 of the FCC's rules after this Commission has approved their applications.

WHEREFORE, Pine requests the Commission to issue an order 1) allocating the Three Rivers area as described herein to Pine and transferring any rights Qwest may have in such territory from Qwest to Pine and (2) approving the Three Rivers Exchange map.

DATED: August 16, 2007

Respectfully submitted,



Richard A. Finnigan, OSB No. 96535  
2112 Black Lake Blvd SW  
Olympia, WA 98512  
(360) 956-7001  
(360) 753-6862 (facsimile)  
rickfinn@localaccess.com  
Attorney for Pine Telephone System, Inc.

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<sup>7</sup> See, OAR 860-025-0027(g).

PINE TELEPHONE SYSTEM, INC.

HEADQUARTERS

PO BOX 706  
104 CENTER STREET  
HALFWAY, OREGON 97834  
PH: (541) 742-2201  
FX: (541) 742-4321

CORPORATE OFFICE

PO BOX 3524 (76902)  
301 W. BEAUREGARD, SUITE 208  
SAN ANGELO, TX 76903  
PH: (325) 657-0016  
FX: (325) 657-0509

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May 29, 2007

Ms. Nancy Batz  
Senior Access Manager  
Wholesale Carrier Relations  
421 SW Oak, Room 8S16  
Portland, OR 97294

**SUBJECT:** Three Rivers Area – Western Portion  
Of Qwest Culver Exchange

Dear Nancy:

This letter is in reply to your note to Rick Miller in our Halfway office.

- Pine Telephone is moving forward to acquire the unserved area from Qwest.
  - Qwest will be reimbursed by Pine Telephone for reasonable costs associated with accommodating the change. The costs would include the FCC's filing fees, costs to reviser the Culver exchange boundary map, and attorney and regulatory personnel time.
  - We will submit to Qwest a written agreement that states Pine Telephone will assume the primary obligation for drafting any joint applications to the regulatory bodies that may be required.
- \* We will submit to Qwest a written agreement that states Pine Telephone will interconnect with Qwest at a mutually agreeable point of interconnection with minimal cost to Qwest.

The first regulatory step will be a joint petition by Qwest and Pine Telephone to the OPUC requesting approval of service area reallocation of the unserved western portion of the Culver exchange to Pine Telephone, followed immediately by a study area boundary waiver request to the FCC. Approval by the FCC of the waiver request is a requirement in order for Pine Telephone to afford the investment in plant for the unserved establishments there.

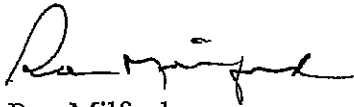
We must do a certain amount of field work in order to prepare an adequate estimate of required investment in plant to serve the area, plus identify a Point of Connection that has the least cost

impact on Qwest. We are certain we can do this without stirring the local population to making calls to Qwest about our presence there, but we want your approval prior to our making the field survey. Please let me know how we should proceed.

We appreciate the past working relationship between Qwest and Pine Telephone, and we are determined to continue that relationship as we go forward.

Thank you for your help with this project.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Milford".

Ron Milford  
President, Pine Telephone System, Inc.



August 10, 2007

Ron Milford  
President  
Pine Telephone System, Inc.  
P.O. Box 706  
Halfway, Oregon 97834

Dear Ron:

During our conference call on July 24, 2007 with Rick Miller of Pine Telephone, Nancy Batz of Qwest, and the Qwest engineers Luke French and Vickie Clay, the discussion centered on the establishment of a new meet point between the Three Rivers and Sisters exchanges.

We discussed that a good location for this new meet point would be the 1<sup>st</sup> manhole outside of the Sisters c.o. Pine Tel was in agreement with this location and Pine Tel agreed that it would trench and place conduit and fiber cable up to this location. A separate hand hole would be required (placed by Pine Tel) to separate each companies facilities for maintenance purposed in the future. Qwest will place a fiber cable between the Qwest manhole and the Pine Tel hand hole. All the trench work, fiber placement, establishment of a separate hand hole, and associated expense would be totally Pine Telephone System's responsibility. Pine Tel agreed to allow Qwest to place conduit in the trench, with no cost to Qwest, from that 1<sup>st</sup> manhole location out approximately 5.7 miles to about 9033 Wilt Road, Sisters, Oregon.

Pine Tel requested an OC48 optical system from Three Rivers to a Qwest c.o. of our choice. Qwest is in agreement with the OC48 optical system with future discussion on the required drops (OC3, DS3, VT1.5, etc). Each company would be responsible for their costs on the OC48 optical system and associated cards.

All this will be finalized once the OPUC approves each company's application. However, Qwest requests written documentation from Pine Tel providing its concurrence for all of the above terms. If I have overlooked any items from our discussion, just provide them to me for Qwest's review.

I look forward to this future project with Pine Telephone System, Inc.

Barbara Patrow  
Service Manager-Qwest  
20 E. Thomas Rd. flr 3  
Phoenix, AZ. 85012  
602-665-2828



# PINE TELEPHONE SYSTEM, INC.

PO BOX 706 104 CENTER STREET  
HALFWAY, OREGON 97834  
(541) 742-2201 FAX (541) 742-4321

August 13, 2007

Ms. Barbara Patrow  
Service Manager-Qwest  
20 E. Thomas Rd. flr 3  
Phoenix, AZ 85012

SUBJECT: Response to Qwest letter on  
Three Rivers Connectivity

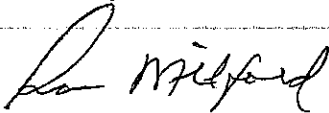
Dear Barbara:

Pine Telephone System, Inc. concurs with the connectivity details of your Qwest letter dated August 10, 2007. Pine also concurs that Qwest may place a vacant conduit at no cost to Qwest into Pine's trench from 5.7 miles out Wilt Road to Pine's handhole near Qwest's 1<sup>st</sup> MH near the Qwest Sisters CO.

The details of toll connectivity with Qwest will be worked out following approval by the OPUC of our respective applications.

We look forward to working with you on this project, and thank you and all of the Qwest team for your help.

Sincerely,



Ron Milford, President  
Pine Telephone System, Inc.

copy: Rick Miller

**EXHIBIT C**

**BASIC TARIFF RATES**

Pine Telephone System, Inc.

LOCAL SERVICES\*

LOCAL ACCESS LINE RATES

BUSINESS SERVICE

RATES

Trunks, semi-public, one-party and two-party apply within the base rate area and supplementary base rate areas. Multi-party and service stations apply in suburban areas, Trunks, semi-public, one-party and two-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines.

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>Semi-Public</u>	<u>One-Party</u>	<u>Two-Party</u>	<u>Multi-Party</u>
Halfway	N/A	N/A	\$15.00	N/A	N/A
Granite	N/A	N/A	\$15.00	N/A	N/A
Three Rivers	N/A	N/A	\$15.00	N/A	N/A

Extended Area Service .....N/A

Measured Service .....N/A

\* The above rates do not include the Service Assistance Program Surcharge.

Advice No. \_\_\_\_\_

Issued September 17, 2007 Effective January 1, 2008

Issued By *Ron L. Myford* Title President

Pine Telephone System, Inc.

LOCAL SERVICES\*

LOCAL ACCESS LINE RATES - Cont'd

RESIDENCE SERVICE

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	<u>Two-Party</u>	<u>Multi-Party</u>
Halfway	N / A	\$10.00	N / A	N / A
Granite	N / A	\$10.00	N / A	N / A
Three Rivers	N / A	\$10.00	N / A	N / A

Extended Area Service .....N / A

Measured Service .....N / A

\* Oregon Telephone Assistance Program (OTAP) Credit

The above rates do not include the Oregon Telephone Assistance Program (OTAP) credit. The customer qualifying for the OTAP credit will receive a ~~\$3.50~~ reduction from the above rates for the single line which serves the customer's principle residence.

\* The above rates do not include the Service Assistance Program Surcharge.

Advice No. \_\_\_\_\_

Issued September 17, 2007 Effective January 1, 2008

Issued By Ron L. Wilford Title President