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January 14, 2008

VIA E-MAIL AND U.S. MAIL

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

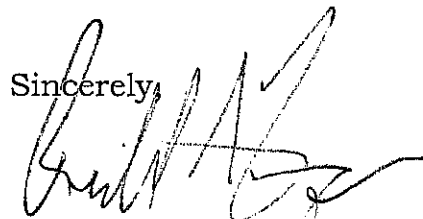
Re: Docket UA 114 – Supplement for Application of Eagle Telephone
System, Inc. and Midvale Telephone Exchange, Incorporated

Dear Sir/Madam:

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

If you have any questions concerning this Supplement, please contact
the undersigned.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Lane Williams (via e-mail, w/encl.)
Mike Lattin (via e-mail, w/encl.)

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DOCKET UA 114

In the Matter of the Joint Application of Eagle Telephone System, Inc. and Midvale Telephone Exchange, Incorporated for the Unallocation, Transfer and Allocation of Certain Territory

SUPPLEMENT FOR APPLICATION OF EAGLE TELEPHONE SYSTEM, INC. AND MIDVALE TELEPHONE EXCHANGE, INCORPORATED

COME NOW, Eagle Telephone System, Inc. (“Eagle”) and Midvale Telephone Exchange, Incorporated (“Midvale”) and hereby submit this Supplement to the prior Application filed in this docket applying for an order concerning the transfer of territory known as the Conner Creek exchange (the “Territory”). On November 5, 2007, the Application was filed in this Docket. The Application was filed under ORS 759.560. Commission Staff has now informed Eagle and Midvale that they believe that ORS 759.560 does not apply to this transaction since the territory was never formally allocated to Midvale. As a result, Commission Staff believes that this transaction falls under OAR 860-032-0020, the Commission’s Abandonment of Service rule.

In reviewing the requirements under OAR 860-032-0020, Eagle and Midvale believe that they have complied with the spirit and most of the technical requirements of the rule, as explained below.

CUSTOMER NOTICE

Chief among the requirements under OAR 860-032-0020 is a requirement to provide customers with notice of the “abandonment.” In this case, the transaction actually contemplates the transfer of the customers from one operating incumbent local exchange carrier (Midvale) to another operating incumbent local exchange carrier (Eagle). There will not be an interruption of service to customers.

In reviewing the requirements contained in OAR 860-032-0020(5), which sets forth the contents that the notice to the customers must include, Eagle and Midvale believe that the requirements have been met with one exception. A copy of the notice that was provided to the customers is attached as Exhibit 1. An explanation of how the notice to customers complies with OAR 860-032-0020(5) follows:

1. The notice contains the name of the exiting provider as required by OAR 860-032-0020(5)(a).
2. The notice contains the address and telephone numbers of the exiting carrier, which is the location that the public, customers, commission staff and affected telecommunications providers (of which there should be none) may contact the exiting provider for information regarding the abandonment as required by OAR 860-032-0020(5)(b).
3. Since this transfer involves local service, the notice to the customers effectively lets them know the telecommunications services that are “abandoned” pursuant to the requirements of OAR 860-032-0020(5)(c).
4. By sending the notice to each of the customers in the Conner Creek area and describing the transaction as affecting Conner Creek, the notice to the customers

effectively identifies the geographic area where the services will be abandoned as required by OAR 860-032-0020(5)(d).

5. The notice to the customers informs them that their service will be converted to services offered by Eagle and, since the customers need not take any steps to effectuate that transfer, effectively covers the requirement that customers must be informed of what they must do to be converted to the service from Eagle (which is take no action). This meets the requirements of OAR 860-032-0020(5)(f) or (g), whichever is viewed as applicable.

6. Since there are no deposits or refund of payments for services made in advance for this local service, there is no requirement for an explanation of how a refund of such payments or deposits may be received as covered by OAR 860-032-0020(5)(j).

There are two technical aspects of OAR 860-032-0020(5) that have not been met. The first is that the date that service will be abandoned was not stated in the notice as required by OAR 860-032-0020(5)(e) since the date that the service will be transferred to Eagle is not known. The reason it is not known is that Eagle must build facilities into the Conner Creek area in order to provide service to that area as part of the existing Richland exchange (which is what is proposed to happen). To cause a smooth transition, Eagle has agreed to provide Midvale with at least thirty (30) days notice of the cut over date. In addition, Eagle commits to provide each customer with notice of the cut over date at the same time it provides that notice to Midvale, which will be at least thirty (30) days in advance of the cut over. Eagle and Midvale respectfully request that this proposal be accepted in lieu of compliance with the literal terms of OAR 860-032-0020(5)(e) and, to the extent a waiver is needed, that such waiver be granted.

The other aspect in which the notice to customers did not meet the complete requirements of OAR 860-032-0020 is in Subsection (k), which requires an electronic document containing the notice in a format suitable for posting on the Commission web site. This was not done since at the time of filing the Application, the parties did not realize the Application would be viewed as falling under OAR 860-032-0020. A copy of the notice in electronic format was submitted to the Commission on January 11, 2008. Eagle and Midvale respectfully request waiver of OAR 860-032-0020(5)(k).

OTHER NOTICES

Under the terms of OAR 860-032-0020(6), certain other notifications are required. The first requires notification by the exiting provider to the Oregon Emergency Management and the appropriate enhanced 911 database provider with copies to the incumbent local exchange carriers, the Commission and to Oregon Emergency Management authorizing the enhanced 911 database provider to allow access by other telecommunications providers to any remaining enhanced 911 database records belonging to the exiting provider after the exiting provider has abandoned service. Eagle and Midvale respectfully request waiver of the requirements of OAR 860-032-0020(6)(a) based on the description which follows.

Under this transaction, customers will be provided with new numbers associated with the Richland exchange. When that happens, Eagle will update the MSAG with the new numbers. This means that there will be no loss of 911 service. Under these circumstances, notification by Midvale as the exiting provider would only cause confusion and possible misrouting of 911 calls. The approach taken by Eagle and

Midvale will ensure that 911 services are fully available on a continuous basis to the customers in the Conner Creek exchange.

Under OAR 860-032-0020(6)(b), there is to be notice to the North American Numbering Plan Administrator and the National Administrator of the Local Exchange Routing Guide concerning the fact that the central office code in place will no longer be used. Midvale intends to fully comply with this requirement at the appropriate time, which will be when the customers are cut over to a new number. Within six (6) months of cut over, Midvale will provide notice that the 541-675 NPA-NXX is no longer in use and will return that code to the Numbering Administrator.

In addition to the foregoing, in order to try to minimize any inconvenience to the customers in the Territory, Midvale will establish voice mailboxes for approximately six (6) months after the cut over of service which will contain a recording that identifies that the number has been changed to a 541-893 number, giving the complete, new number (541-893-XXXX). The recording will ask the caller to hang up and call the new number. If there is little or no traffic to the voice mailboxes prior to the expiration of the six (6) months, Midvale will be allowed to discontinue the voice mailboxes earlier. During the time that the voice mailboxes are kept in service, Eagle will provide Midvale with notice of customer adds and drops for those customers in the Territory.

OTHER REQUIREMENTS

OAR 860-032-0020(7) lists out several technical requirements. Under OAR 860-032-0020(7)(a), the company that intends to abandon a regulated service must petition the Commission for authority to abandon service filed at least ninety (90) days before the telecommunications utility intends to abandon the service. Eagle and Midvale

respectfully request that the Application filed in this matter be deemed a petition pursuant to OAR 860-032-0020(7)(a) and that the ninety (90) days be deemed to have begun running from November 5, 2007.

Under OAR 860-032-0020(7)(b), notification must be mailed to each affected customer and each telecommunications provider affected by the proposed abandonment at the time the petition is filed with the Commission. As discussed above, the customers received notice well in advance of the filing of the petition. Eagle and Midvale are not aware of any other telecommunications provider that is affected by the Application. Therefore, Eagle and Midvale respectfully request that the mailing of the notice to the customers prior to the filing of the Application be deemed effective compliance with OAR 860-032-0020(7)(b).

Pursuant to OAR 860-032-0020(7)(c), there is a requirement to file with the Commission a copy of the notification at the same time it is mailed to the customers and the petition is filed. For the reasons explained above, Eagle and Midvale respectfully request that the Commission grant a waiver of this particular requirement.

Under OAR 860-032-0020(7)(d), there must be a demonstration that the abandonment will not deprive the public of necessary telecommunications services. That demonstration was made in the Application filed on November 5, 2007. There will be no interruption of service to the customers. In fact, the availability of enhanced Internet access will be made available through the facilities provided by Eagle.

Pursuant to OAR 860-032-0020(7)(e), Commission approval is required before transferring customers to another telecommunications provider. Midvale respectfully

requests that the Commission grant approval of the transfer of customers automatically when service is available from Eagle after approval by the Commission.

CONCLUSION

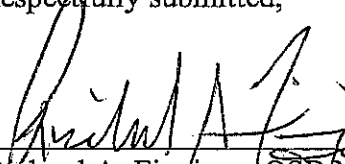
Eagle and Midvale respectfully request that the Commission take the following actions:

1. Accept this Supplement as modifying the Application previously filed to be deemed to be a petition for abandonment of service pursuant to OAR 860-032-0020.
2. Approve the notice attached as Exhibit 1 that was mailed to the customers as complying with the requirements for customer notice set forth in OAR 860-032-0020(5) and granting waivers concerning the inclusion of the date service will be abandoned and the requirement to file a copy of the notice at the time it is provided to the customers for the reasons set forth above, which include, but are not limited to, the fact that the date of cut over cannot be stated since it depends upon the construction of facilities by Eagle and that an additional notice will be provided to customers at least thirty (30) days in advance of such cut over and that at the time of providing customer notice, the companies were unaware that OAR 860-032-0020 would apply to this transaction.
3. Deem the Application filed on November 5, 2007, as a petition for abandonment and have the ninety (90) days required by OAR 860-032-0020(7)(a) run from the date of filing of the Application.
4. Grant waivers as to the timing of the filing of the notice to the customers and the Commission pursuant to OAR 860-032-0020(7)(b) and (c).

5. Grant approval for the transfer of customers upon approval or deemed approval of the petition to abandon service pursuant to OAR 860-032-0020(7)(e) and allocate the territory as part of Eagle's Richland exchange and transfer any rights and interests in the territory, facilities and customers in the Territory as identified in the Application from Midvale to Eagle.

DATED: January 14, 2008

Respectfully submitted,



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Attorney for Eagle Telephone System,
Inc. and Midvale Telephone Exchange,
Incorporated

EXHIBIT 1



MIDVALE TELEPHONE EXCHANGE, INC.

Serving Rural Customers in Idaho, Arizona, Oregon & Washington
2205 KEITHLEY CREEK ROAD • P.O. BOX 7 • MIDVALE, IDAHO 83645
(208) 355-2211 1-800-462-4523 FAX (208) 355-2222

August 1, 2007

Dear Connor Creek Customers:

Yes, it is true. Midvale Telephone has entered into an agreement to sell your exchange to Eagle Telephone in Richland, Oregon. That initial agreement was signed last week.

We have served the area since 1983, but the two plus hours between Midvale and Connor Creek results in long service calls and therefore a slightly slow response. In addition the cable serving you passes over areas without roads and areas which are not cleared of snow in the winter. All of this increases costs and affects service repair times. We appreciate your patience in the past years.

By selling the exchange to Eagle, we are recognizing the potential of better service and the ability of providing advanced telecommunications services from Eagle because of the shorter distances and lower costs for construction. Eagle has assured us that they will bring faster Internet and, at some point, DSL services to your area.

The time of the actual transfer of service is still unknown at this point. Several details need to be resolved, papers signed, governments notified, technology rearranged, etc. We also are unsure of the numbering process; you may end up with a new phone number. We will keep you informed as soon as information becomes available.

Again thank you for the opportunity to serve you. I was around when we plowed the cable over the mountain and across the river to get to your area and so feel an attachment to the area and the people.

Sincerely,

Lane Williams, President
Midvale Telephone Exchange, Inc.

www.midvaltelephone.com
Family Owned Since 1943

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CERTIFICATE OF SERVICE

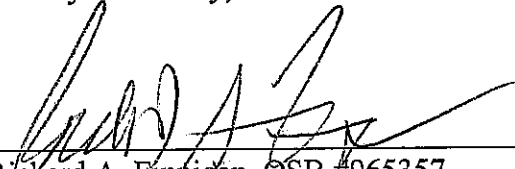
UA 114

I certify that I have this day sent the attached Supplement for Application of Eagle Telephone System, Inc. and Midvale Telephone Exchange, Incorporated by e-mail and U.S. mail to the following:

Filing Center
Public Utility Commission of Oregon
550 Capitol St NE #215
Salem, OR 97308-2148
PUC.FilingCenter@state.or.us

There are no other parties on the service list at this time. Therefore, copies of the Supplement were not provided to any other parties or attorneys of parties.

Dated at Olympia, Washington, this 14th day of January, 2008.


Richard A. Finnigan, OSB #965357
Attorney for Eagle Telephone System, Inc. and Midvale Telephone Exchange, Incorporated