

Law Office of
Richard A. Finnigan
2112 Black Lake Blvd. SW
Olympia, Washington 98512
Fax (360) 753-6862

Richard A. Finnigan
(360) 956-7001
rickfinn@localaccess.com

Kathy McCrary, Paralegal
(360) 753-7012
kathym@localaccess.com

May 27, 2008

VIA E-MAIL AND U.S. MAIL

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

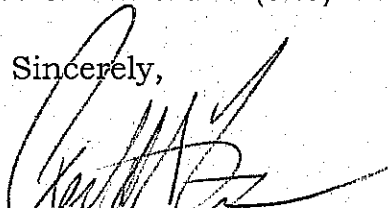
Re: Application of Pine Telephone System, Inc. for an Order Allocating
Territory

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.

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: Ron Milford (via e-mail, w/encl.)
Gray Mundell (via e-mail, w/encl.)
John Hemphill (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 759.535 and OAR 860-025-0020 and OAR 860-025-0025, Pine Telephone System, Inc. ("Pine") hereby applies for an order allocating territory to serve previously unallocated and unserved territory in two areas. One area is known as the Whitney Service Area, which is adjacent to the Granite Exchange served by Pine and would be added to and become part of the Granite Exchange. For the second area, it is proposed that it become a new exchange known as the Thorn Exchange. This area is in central Oregon and is bounded on the east by Pine's newly created Three Rivers Exchange, on the south by Qwest's Sisters Exchange and on the west by Qwest's Camp Sherman Exchange. There is a portion of the Thorn Exchange that is not physically connected to the main portion of the Thorn Exchange that is adjacent to the Qwest Sisters Exchange. Maps of both the Thorn Exchange and the Whitney Service Area to be added to the Granite Exchange are attached.

In support thereof, and pursuant to the requirements of OAR 860-025-0020 and OAR 860-025-0025,¹ Pine states and submits the following information:

Statement of Purpose for the Allocation

The purpose of this Application is to permit Pine to provide telecommunications services in two areas that are currently without telecommunications service. As noted above, the Whitney Service Area is adjacent to the existing Granite Exchange. The bulk of the area is immediately south of the Granite Exchange with a portion of the area extending to the southeast of the existing Granite Exchange. There are approximately sixteen homes and businesses in the area.

The second area, known as the Thorn Exchange, is comprised of two distinct areas in relatively close proximity to one another that are currently unallocated and unserved. It appears that there are no existing customers in these areas. However, this is an area of developing interest. Pine has been approached by persons seeking to build in the area to provide telecommunications service and Pine is willing to do so.

Required Maps²

Attached as Exhibit A is the map of the Whitney Service Area shown in relationship to the Granite Exchange. As demonstrated on the maps that are included in Exhibit A, the boundaries generally follow section lines. In the only portion of the Whitney Service Area where that is not the case, the northerly boundary would be described as follows: Beginning at the northeast corner of Section 28, Range 36 East, Township 10 South, and proceeding south along said section line to the midpoint of the

¹ It appears that some of the requirements of OAR 860-025-0020 and OAR 860-025-0025 are no longer applicable as a result of changes created by Laws of 2005, Chapter 232. An example is a metes and bounds legal description referenced in OAR 860-025-0020(3). Pine respectfully requests waiver of such requirements.

² See, OAR 860-025-0020(1) and (2) and OAR 860-025-0025(2).

eastern section line of Section 33, Range 36 East, Township 10 South, then proceeding east to the midpoint of Section 34 of Range 36 East, Township 10 South, then north to the midpoint of the northern section line of Section 27, Range 36 East, Township 10 South, then east along said section line.... To the extent not otherwise described, Pine requests a waiver of the requirements for a metes and bounds description and other descriptions set out in OAR 860-025-0020(3).

Attached as Exhibit B is the map of the proposed Thorn Exchange. For the most part, the exchange boundaries follow section lines. The only exception is in the southeast corner of the dominant portion of the Thorn Exchange. In that area, the metes and bounds descriptions would be written as follows: Beginning at the southeast corner of Section 35, Range 10 East, Township 13 South, and proceeding eastward along the southern section boundary of Section 36, Range 10 East, Township 13 South, to the midpoint of said Section 36 and then proceeding north to the northern section line of Section 25, Range 10 East, Township 13 South, and then proceeding east along said section line to the northeast corner of said Section 25 and then proceeding north.... Except to the extent information is set forth herein, Pine requests waiver of the requirements of OAR 860-025-0025(2) and (4)(a).

Matters Related to the Thorn Exchange

The Thorn Exchange has been thoroughly reviewed by Pine and it has been determined that Qwest is not serving any customers in the area. The territory has not been allocated to Qwest. As a result, the territory is both unallocated and unserved at the present time. There are currently no residences or businesses in the area. In satisfaction of the requirements of OAR 860-025-0020(4), Pine states that it is not currently serving

the Thorn Exchange and Qwest is not serving the area. However, it is logical for Pine to provide service as Pine develops the adjacent Three Rivers Exchange.

While final engineering costs are not known, it is anticipated that this will be a relatively simple extension of existing facilities and that the extension of facilities will be funded through the Department of Agriculture's Rural Utility Service program.

Pine believes that the foregoing also meets the requirements of OAR 860-025-0020(5).

Matters Related to the Whitney Service Area

Pursuant to the requirements of OAR 860-025-0025(3), service to the Whitney Service Area has been discussed with Qwest and Oregon Telephone Corporation, which are the only telecommunications utilities anywhere close to the area. Qwest has stated that it has no interest in providing service to the Whitney Service Area and is not currently serving any customers in that area. Thus, the Whitney Service Area is both unallocated and unserved at the present time. Qwest's address is on file with the Commission. Nor does it appear that there is any interest in serving the area by Oregon Telephone Corporation. Oregon Telephone Corporation's address is on file with the Commission.

Pursuant to the requirements of OAR 860-025-0025(4), it is not known what the relative costs of extending service to the Whitney Service Area from either Qwest's Sumpner Exchange or Oregon Telephone's Exchange would be in relation to Pine's costs. However, it is expected that this will be a relatively straightforward extension of Pine's service, which will be funded by a loan from the Department of Agriculture's Rural Utility Service.

To Pine's knowledge, no additional franchises or permits from public authorities are required to extend service into this area. There are approximately sixteen residences and businesses in the area and it is expected that there will be modest additional development in the area over time.

To the extent otherwise not delineated above, Pine requests waiver of the requirements of OAR 860-025-0025(4). Pine also believes that the matters contained in this Application meet the requirements of OAR 860-025-0025(5).

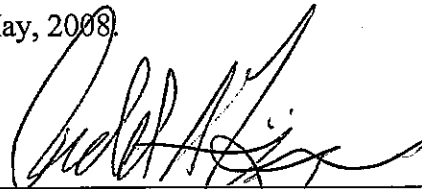
Rates to Be Charged

Pine will assess the same rates for services in the Whitney Service Area as it does in the Granite Exchange and will assess the same rates for services for the proposed Thorn Exchange as it does for its other exchanges. Copies of the proposed tariff rates are attached as Exhibit C.

Requested Relief

WHEREFORE, Pine requests the Commission to issue an order 1) allocating the Whitney Service Area as described herein to Pine; 2) approving the revised Granite Exchange map attached as Exhibit A; 3) allocating the Thorn Exchange as described herein to Pine; and 4) approving the Thorn Exchange map attached hereto as Exhibit B.

Respectfully submitted this 27th day of May, 2008.



Richard A. Finnigan, OSB No. 965357
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001
(360) 753-6862 (facsimile)
rickfinn@localaccess.com
Attorney for Pine Telephone System, Inc.

EXHIBIT C

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
Thorn	N/A	N/A	\$15.00	N/A	N/A

Extended Area Service.....Between Three Rivers and Thorn

Measured Service.....N/A

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

Advice No. _____

Issued May 27, 2008

Effective September 1, 2008

Issued By *Ron L. [Signature]*

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
Thorn	N/A	\$10.00	N/A	N/A

Extended Area Service.....Between Three Rivers and Thorn

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 May 27, 2008

Effective September 1, 2008

Issued By *R. L. Quinn*

Title President