

PINE TELEPHONE SYSTEM, INC.

P.O. BOX 706
104 CENTER STREET
HALFWAY, OREGON 97834

OCTOBER 2, 2014

PHONE: (541) 742-2201
FAX: (541) 742-4321

September 26, 2014

Public Utility Commission of Oregon
Attn: Filing Center
P.O. Box 2148
Salem, Oregon 97301-2148

RE: Pine Telephone System, Inc.
PUC Oregon No. 2 Tariff

To the Commission:

We wish to advise the Commission that Pine Telephone System, Inc., ("Pine") has proposed to raise its local access line rates to the benchmark set by the Federal Communications Commission with an effective date of December 1 2014. Pine anticipates \$455.25 in additional monthly local service revenue with this increase.

Pine has notified all its existing customers via inserts in their phone bills which also advised them of their right to object to the Oregon Public Utility Commission and gave them the Commission address. A copy of the notice is attached. The notice will be mailed on October 1, 2014.

Further, Pine has notified the general public through publication of the rate increase in the local newspaper.

In compliance with Order 88-215 (UX12), Pine's tariff PUC Oregon. No. 2 will remain on file in its business office, readily accessible to the public and the Commission.

Thank you very much.

Sincerely,

/s/

John B. Hemphill
Vice President
Pine Telephone System, Inc.

JBH:jl
Enclosure

PINE TELEPHONE SYSTEM, INC.

P.O. BOX 706
104 CENTER STREET
HALFWAY, OREGON 97834

SEPTEMBER 26, 2014

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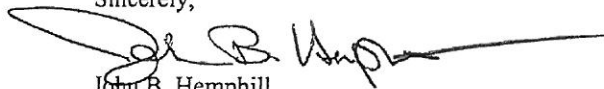
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John B. Hemphill
Vice President
Pine Telephone System, Inc.

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October 1, 2014

IMPORTANT NOTICE

After further review, and with assistance from the Oregon Public Utilities Commission ("Commission"), we have chosen to mitigate the proposed rate increase that we notified you of last month.

PINE TELEPHONE SYSTEM, INC. has now informed the Commission of an intention to increase the residential monthly service rate from \$14.00 to \$14.75 per month, a change of \$.75 per month or 5.36%. The increase will take effect December 1, 2014.

The Federal Communications Commission (FCC) issued an Order (FCC Order No. 11-161) that requires PINE TELEPHONE SYSTEM, INC. to increase its rates to the levels set forth in this Notice or face a corresponding reduction in its federal universal service support. Universal service support helps PINE TELEPHONE SYSTEM, INC. provide high quality service to you. PINE TELEPHONE SYSTEM, INC. has historically opposed raising its local rates, but after due consideration, PINE TELEPHONE SYSTEM, INC. believes it prudent to meet the FCC's requirement to maintain the quality of service you have come to expect from us.

If you have any questions about the proposed filing and how it will affect you, please call PINE TELEPHONE SYSTEM, INC. AT 541-742-2201.

Customers may petition the Oregon Public Utility Commission to investigate the rate increase. The Commission will investigate the rate increase if it receives petitions signed by customers (10 percent of customers or 500, whichever is the lesser), on or before November 21, 2014. If the Commission does not receive sufficient petitions by November 21, 2014, the proposed rates will become effective on December 1, 2014, without Commission review. Petitions should be sent to the Commission's Consumer Services Division. The PINE TELEPHONE SYSTEM, INC will provide a current copy of the local exchange directory and its service territory map within ten days of a request from any customer.

The Commission's toll free telephone number is 1-800-522-2404

The Commission's address is:
3930 Fairview Industrial Dr. SE
Post Office Box 1088
Salem, OR 97308-1088

Sincerely,

PINE TELEPHONE SYSTEM, INC.

Pine Telephone System, Inc.

LOCAL SERVICES*

LOCAL ACCESS LINE RATES

RATES

Trunks and one-party apply within the base rate area and supplementary base rate areas. Trunks and one-party can be provided in suburban areas for an additional charge (mileage). Following are the monthly rates for local access lines including certain CLASS features listed on sheet 302 and 302.1 and marked by an asterisk(*):

BUSINESS SERVICE

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	<u>Semi-Public</u>
Halfway/Oxbow	N/A	\$19.00	\$19.00
Granite	N/A	\$19.00	\$19.00
Three Rivers	N/A	\$19.00	\$19.00

RESIDENCE SERVICE

Touchtone

<u>Exchange Names</u>	<u>PBX Trunks</u>	<u>One-Party</u>	
Halfway/Oxbow	N/A	\$14.75	(I)
Granite	N/A	\$14.75	(I)
Three Rivers	N/A	\$14.75	(I)

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

* Subject to Oregon Telephone Assistance Program (OTAP) Credit

Description

a. Pursuant to Chapter 290, Oregon Laws 1987, and Oregon Administrative Rule (OAR) Chapter 860, Division 33, the Oregon Telephone Assistance Program (OTAP) is the state counterpart to the federal Lifeline program and is governed by Federal Communication Commission 47 Code of Federal Regulations Subpart E, 54. This state and federal government assistance program provides qualifying low-income consumers with reduced monthly charges for any local residential service plan that includes voice telephony service. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent, access to emergency services and toll limitation services.

b. Customers must meet the eligibility requirements for OTAP/Lifeline defined in OAR 860-033-0030.

Advice No. 1

Issued October 1, 2014 Effective December 1, 2014