

# PINE TELEPHONE SYSTEM, INC.

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

SEPTEMBER 19, 2014

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

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September 19, 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 November 1, 2014. Pine anticipates \$1214.00 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 was mailed on September 2, 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,



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

JBH:jl  
Enclosure



September 2, 2014

### IMPORTANT NOTICE

PINE TELEPHONE SYSTEM, INC. is filing with the Oregon Public Utility Commission ("Commission") to increase its residential monthly service rate from \$14.00 to \$16.00 per month, a change of \$2.00 per month or 14.28%. The increase will take effect November 1, 2014.

The Federal Communications Commission (FCC) has 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, the PINE TELEPHONE SYSTEM, INC believes it has no choice but to follow the FCC's requirement.

This is not something that PINE TELEPHONE SYSTEM, INC is taking lightly. However, in considering the options available to it, PINE TELEPHONE SYSTEM, INC believes it has no choice but to follow the FCC's requirement in order to continue to receive federal universal service support at approximately the same levels it has in the past.

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 Public Utility Commission of Oregon 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 October 21, 2014. If the Commission does not receive sufficient petitions by October 21, 2014, the proposed rates will become effective on November 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	\$16.00	(I)
Granite	N/A	\$16.00	(I)
Three Rivers	N/A	\$16.00	(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 September 2, 2014 Effective November 1, 2014