

Tuesday, October 18, 2005

Ms Janice Fulker  
Administrator, Tariffs and Data Analysis  
Oregon Public Utility Commission  
550 Capitol Street NE  
Salem, Oregon 97130-1380

Re: Rate Balanced Order #91-1140

Dear Ms Fulker,

Moss Adams submitted our cost study and support for Antelope EAS petition (UM1207) under a separate cover.

We have reviewed this information and respectfully request a waiver of the rate-balanced standard developed in UM-261 by Order # 91-1140. It is our desire to place the entire rate increase in the EAS flat-rate category for Residential and Business and not allocate any portion of this to Local Service in either category. Our arguments are as follows:

- We feel it is our obligation to our customers to be as specific as possible regarding any rate increase, and that allocating any of an EAS increase to Local Service is misleading, will tend to be more confusing to our customers and will be more difficult for us to explain and/or justify to them.
- Allocating any of the EAS cost to Local Service isn't fair to those customers that do not call the areas being petitioned, and we feel the issue should be one of the cost-causer being the cost-payer.
- The Local Residential Service increase necessary to make this rate balanced is \$2.50 and while middle or upper income customers would most likely not perceive this as a burden, we feel that fixed and lower income customers struggle enough without subsidizing the addition of EAS areas by an increase in their Local Residential Service.
- The rate-balanced concept, among other things, was designed to prevent runaway EAS rates. Adding the entire Residential Rate increase/revenue requirement to the existing flat rate EAS rate results in a total of \$13.05. It is our position that this amount is not out of line and customers can opt for measured if it is a burden.
- The annual revenue impact (\$11,000) of UM-1207 doesn't warrant an extensive amount of deliberation.

It is our understanding that in 1999 Testimony, Waiver of Order #91-1140 was granted to three ILEC's (Canby Telephone, Molalla Communication and St. Paul Cooperative Telephone Association). It is our desire that this Waiver Request not become a burden to the OPUC and staff, and that it not unreasonably delay the EAS proceedings. We would appreciate a preliminary notification if this Waiver Request appears unreasonable. Please contact Steve Crosby at 503-630-8980.

Thank you for your consideration.

Brenda Crosby, President  
Trans-Cascades Telephone Co.