



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

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March 15, 2006

Via Electronic Filing and U.S. Mail

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: **Docket No. UM 1175 et al** - In the Matter of Costs and Proposed Rates in Phase II of Extended Area Service Investigations in Dockets UM 1175 and UM 1207. Comments Regarding Stipulations Between Staff and the Telecommunications Utilities Involved.

Enclosed for electronic filing in the above-captioned docket is the Stipulation between Pioneer Telephone Cooperative and Staff.

/s/ Kay Barnes

Kay Barnes
Regulatory Operations Division
Filing on Behalf of Public Utility Commission Staff
(503) 378-5763
Email: kay.barnes@state.or.us

cc: UM 1175 et al Service List - parties

**PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1175 et al

STIPULATION

**Entered into between
Pioneer Telephone Cooperative
and Staff**

**In the Matter of
Costs and Proposed Rates in Phase II of
Extended Area Service Investigations in Dockets
UM 1175 and UM 1207.
Comments Regarding Stipulations Between Staff
and the Telecommunications Utilities Involved**

March 15, 2006

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

2006 Extended Area Service Dockets
Phase II

RECEIVED
FEB 16 2006
P.U.C

In the Matter of Petitions for Extended) **STIPULATION BETWEEN**
Area Service by Chitwood (UM 1175) and) **PIONEER TELEPHONE**
Antelope (UM 1207).) **COOPERATIVE**
) **AND STAFF**

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Pioneer Telephone Cooperative and the Public Utility Commission of Oregon

14 staff, after having conducted extensive discovery and exchanges of information, stipulate
15 and agree to the following:

16 1. A cost recovery amount of \$29,098 as set forth at Line G.3 in Exhibit 1 to this
17 stipulation.

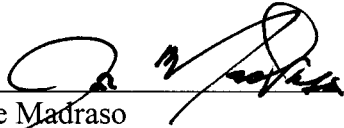
18 2. A \$3,588 increase in annual EAS revenues as set forth at Line I.2 in Exhibit 1
19 to this stipulation.

20 3. The rates, terms and conditions as set forth in Advice No. 55, filed
21 February 3, 2006.

22 Both parties reserve the right to re-examine Provisions 1 through 3 of this
23 stipulation if the Commission does not approve any of the routes in docket UM 1175. In
24 making this agreement, neither party to this stipulation takes a position on whether the
25 Commission should approve the EAS routes at issue in the dockets that comprise this
26 proceeding.


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DATED this 14th day of FEBRUARY, 2006.



Joe Madraso
Executive Vice President & General Manager
Pioneer Telephone Cooperative

DATED this 7th day of January, 2006.



Stephanie Andrus
Assistant Attorney General
Of Attorneys for PUC Staff

Pioneer Telephone Cooperative
EAS Conversion: UM 1175

Summary of Revenue Shifts
& Billed Revenue Changes

Staff and Company

| | |
|--|-----------|
| A. INTERSTATE TOLL/ACCESS REV REQ: | |
| 1. PRE EAS CONVERSION | 9,341,265 |
| 2. POST EAS CONVERSION | 9,341,265 |
| 3. CHANGE (2-1) | 0 |
| B. INTRASTATE TOLL/ACCESS REV REQ: | |
| 1. PRE EAS CONVERSION | 2,785,935 |
| 2. POST EAS CONVERSION | 2,756,837 |
| 3. CHANGE (2-1) | (29,098) |
| 4. STATE TOLL SPF-Current Pre-Conversion | 0.122295 |
| 5. STATE TOLL SPF-Post Conversion | 0.119568 |
| C. BILLED ACCESS REVENUE LOSS: | |
| (@ current rates) | |
| 1. ACCESS REVENUE LOSS | \$27,750 |
| 2. BILLING & COLLECTION REVENUE | \$29,254 |
| 3. ACCESS MINUTES | (480,558) |
| D. BILLED TOLL REVENUE LOSS: | |
| (@ current rates) | |
| 1. TOLL REVENUE LOSS (Estimated) | \$22,756 |
| 2. BILLED TOLL MINUTES | (266,464) |
| E. EAS REVENUE REQUIREMENT: | |
| 1. PRE EAS CONVERSION | 724,672 |
| 2. POST EAS CONVERSION | 728,412 |
| 3. CHANGE (2-1) | 3,740 |
| 4. STIMULATION FACTOR | 2.1 |
| F. LOCAL (OTHER) REVENUE REQUIREMENT | |
| 1. PRE EAS CONVERSION | 4,557,087 |
| 2. POST EAS CONVERSION | 4,582,445 |
| 3. CHANGE (2-1) | 25,358 |
| G. COST RECOVERY REQUIREMENT FOR EAS: | |
| 1. LOST INTERSTATE & STATE TOLL REV REQ. | 29,098 |
| 2. ADDITIONAL COST OF EAS PROVISIONING | 0 |
| 3. TOTAL | 29,098 |

**Pioneer Telephone Cooperative
EAS Conversion: UM 1175**

**Summary of Revenue Shifts
& Billed Revenue Changes**

Staff and Company

EAS CRITERION 10: NET REVENUE NEUTRAL

H. PROPOSED EAS REVENUE:

| | |
|-------------------------|---------|
| 1. CURRENT | 715,689 |
| 2. EAS REVENUE INCREASE | 3,588 |
| 3. POST EAS CONVERSION | 719,277 |

I. NET REVENUE NEUTRALITY - COST SHIFT METHOD

| | |
|------------------------------------|----------|
| 1. EAS COST RECOVERY REQ. | 29,098 |
| 2. PROPOSED EAS REVENUE INCREASE | 3,588 |
| 3. SURPLUS (DEFICIENCY) (L.2 -L.1) | (25,510) |

**EAS CRITERION 8: EAS RATES MUST EXCEED
TRAFFIC SENSITIVE (TS) COSTS**

J. ALLOCATED TS COST TO EAS

| | |
|------------------------|---------|
| 1. PRE EAS CONVERSION | 724,672 |
| 2. POST EAS CONVERSION | 728,412 |
| 3. CHANGE (2 - 1) | 3,740 |

K. EAS REVENUES

| | |
|------------------------|---------|
| 1. PRE EAS CONVERSION | 715,689 |
| 2. POST EAS CONVERSION | 719,277 |
| 3. CHANGE (2 -1) | 3,588 |

L. CONTRIBUTION (LINES K - J)

| | |
|------------------------|---------|
| 1. PRE EAS CONVERSION | (8,983) |
| 2. POST EAS CONVERSION | (9,135) |


NOTE: The company has notified staff that it will stay with the EAS rates proposed in its October 2004 filing and will absorb the \$25,510 revenue shortfall shown on line I. 3.

CERTIFICATE OF SERVICE

UM 1175 et al.

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to all parties or attorneys of parties.

Dated at Salem, Oregon, this 15th day of March, 2006.



Stephanie S. Andrus
Assistant Attorney General
Of Attorneys for Public Utility Commission's Staff
1162 Court Street NE
Salem, Oregon 97301-4096
Telephone: (503) 378-6322

**UM 1175 et al
Service List (Parties)**

| | |
|--|---|
| NANCY LEE BOHLMAN | 5613 NASHVILLE ROAD EDDYVILLE OR 97343 |
| DEPARTMENT OF JUSTICE STEPHANIE S ANDRUS ASSISTANT ATTORNEY GENERAL | REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@state.or.us |
| MICHAEL T WEIRICH ASSISTANT ATTORNEY GENERAL | REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us |
| PIONEER TELEPHONE COOPERATIVE RANDY MORGAN ADMINISTRATIVE MANAGER | PO BOX 631 PHILOMATH OR 97370-0631 randymorgan@pioneer.net |
| PUBLIC UTILITY COMMISSION LANCE BALL | PO BOX 2148 SALEM OR 97308-2148 lance.ball@state.or.us |
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| | |
|--|---|
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