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September 11, 2006

VIA E-MAIL AND U.S. MAIL

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol St NE #215
Salem, OR 97308-2148

Re: UM 1237 – Corrected Pages

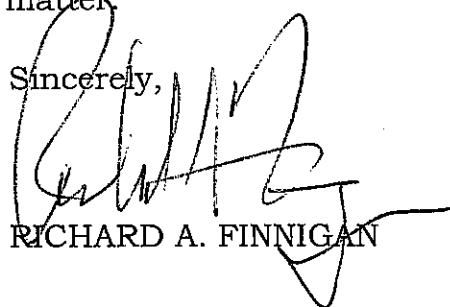
Dear Sir/Madam:

A review of the Two Year Plan for investment attached to the Substitute Application filed in this matter (Exhibit F) reveals some typographical errors and need for further information. Enclosed you will find corrected Pages 4, 5 and 9. In addition, there is a new analysis related to service to the Huntington exchange based on further engineering information (Page 8 of Exhibit F). This also results in a correction in the expenditure chart set out at Page 11 of Exhibit F.

In addition, additional maps are provided which show improved coverage from the additional investment. These maps are for the Baker, Halfway and Richland exchanges.

Thank you for your attention to this matter.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosure

cc: Mike Lattin (via e-mail)
Kay Marinos (via e-mail)

2) Recurring Charges (Monthly)

Item	Cost
Rent	\$1,200
Electrical	\$100
Insurance	\$100
Total Direct Costs	\$1,400
Overhead @ 15%	<u>\$345</u>
	\$1,745 x 12 = \$20,940

F. Install Minicell at Saunders Site. Use of a minicell will improve service quality and increase coverage in Eagle Telephone's service area (Richland wire center) by about ten percent. This project would move the minicell from the Randall site when that site is upgraded to a metrocell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater. Use of the minicell substantially improves the quality of service.

1) Equipment/Site Development

Item	Cost
Installation, labor, miscellaneous equipment, upgraded electrical	\$28,000
Overhead @ 15%	<u>\$4,200</u>
	\$32,200

2) Recurring Charges (Monthly)

Item	Cost
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

G. Install Minicell at Gover Site. Use of a minicell will improve quality and increase service penetration in the Halfway wire center by about ten percent. This project would move the minicell from the Richland Hill site when that site is upgraded to a metrocell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater. Use of the minicell substantially improves the quality of service.

1) Equipment/Site Development

Item	Cost
Installation, labor, miscellaneous equipment, upgraded electrical	\$28,000
Overhead @ 15%	<u>\$4,200</u>
	\$32,200

2) Recurring Charges (Monthly)

Item	Cost
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

H. Install New Technology Repeater at Brashler Site. Install repeater which will improve quality and increase service penetration in the Richland wire center and highway coverage. This site currently is a repeater that covers a small portion of the highway between Richland and Halfway. This project would move the repeater from the Saunder site when that site is upgraded to a minicell, thus avoiding the cost of purchasing new equipment. The site is currently underpowered and would need at least a new, larger repeater.

1) Equipment/Site Development

Item	Cost
Rent	\$150
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$300
Overhead @ 15%	<u>\$45</u>
	\$345 x 12 = \$4,140

E. Install Cell Site to Serve Huntington Exchange. A new site to provide service into the Huntington exchange served by CenturyTel would be constructed. It will make wireless service available to approximately 100 to 150 customers. Further analysis demonstrates that an additional facility is needed beyond the cell site. There will either need to be a second cell site constructed or a repeater site installed. If a repeater site is needed, it will add approximately \$50,000 to the project. If a determination is made to construct a second cell site, it will add approximately \$125,000 to the project. The project has the following expected components:

1) Equipment/Site Development

Item	Cost
Construct Tower	\$75,000
Antenna	\$15,000
Electrical	\$2,500
Misc. Parts	\$1,500
Back Up Power	\$5,000
Labor	\$10,000
Back Haul Facilities	\$1,000
Total Direct Costs	\$110,000
Overhead @ 15%	<u>\$16,500</u>
	\$126,500
Install Repeater Site	\$50,000

2) Recurring Charges (Monthly) (2 Sites)

Item	Cost
Rent	\$1,000
Electrical	\$100
Telecommunications (Back Haul)	\$2,000
Insurance	\$200
Total Direct Costs	\$3,300
Overhead @ 15%	<u>\$496</u>
	\$3,796 x 12 = \$45,552

F. Install Cell Site to Serve North Powder and Haines Exchanges. A new site to provide service into the North Powder wire center served by CenturyTel and the Haines exchange served by Cascade Utilities would be constructed. It will make wireless service available to approximately 400 customers. It will also substantially improve service to the traveling public. This project assumes the ability to collocate on an existing tower. The plan is to install a tri-sector minicell. The backhaul will be provided by radio, thus avoiding high recurring costs for landline T-1. It has the following expected components:

1) Equipment/Site Development

Item	Cost
Antenna	\$100,000
Electrical	\$2,500
Misc. Parts	\$1,500
Labor	\$20,000
Back up generator	\$10,000
Back Haul Facilities (radio)	\$10,000
Total Direct Costs	\$144,000
Overhead @ 15%	<u>\$21,600</u>
	\$165,600

2) Recurring Charges (Monthly)

Item	Cost
Rent	\$1,200
Electrical	\$50
Insurance	\$100
Total Direct Costs	\$1,350
Overhead @ 15%	<u>\$203</u>
	\$1,553 x 12 = \$18,636

G. Install Cell Site to Serve Medical Springs Exchange. A new site to provide service to the Medical Springs wire center served by Cascade Utilities would be constructed. It will make wireless service available to approximately 300 customers. It will also substantially improve service to the traveling public. This project assumes the ability to locate on an existing tower. The plan is to install a tri-sector minicell. The backhaul will be provided by radio, thus avoiding high recurring costs for a landline T-1. It has the following expected components:

1) Equipment/Site Development

Item	Cost
Antenna	\$100,000
Electrical	\$2,500
Misc. Parts	\$1,500
Labor	\$20,000
Back up generator	\$10,000
Back Haul Facilities (radio)	\$10,000
Total Direct Costs	\$144,000
Overhead @ 15%	<u>\$21,600</u>
	\$165,600

the-shelf' and other types of prepaid wireless services that a traveler could purchase at a low rate to use while vacationing in the Snake River area. There is a great deal of preparatory work that needs to be done to implement this concept.

The addition of a full-time bookkeeper/customer service person is necessary. Snake River views the responsibility associated with the receipt of USF funds very seriously. The bookkeeper will be responsible for ensuring that Snake River is in compliance with its responsibilities for use of those funds. This person will also need to fill customer service functions in being able to explain wireless Lifeline services and conducting outreach programs for wireless Lifeline customers. This customer service person will also need to be able to respond to questions about the basic universal service program and how that may compare to other plans offered by Snake River. Providing quality customer service and ensuring that financial accounting is meeting all requirements are important universal service related functions.

Snake River estimates that the hard costs (i.e., not including employee costs) associated with additional ETC advertising, including Lifeline outreach programs will be approximately \$2,000 per year.

Snake River believes that the importance of correct financial accounting, the preparation of the annual report for the Commission and other functions related to ETC issues will increase outside accounting costs approximately \$6,000 per year. These costs would be significantly higher without the addition of the full-time bookkeeper/customer service representative.

EXPENDITURE CHART

		<u>Year 1</u>	<u>Year 2</u>
Year 1	Capital	\$607,208	N/A
Projects	Operating	\$213,096	\$213,096
Year 2	Capital	N/A	\$646,575
Projects	Operating	N/A	\$80,064
Total		\$820,304	\$939,735

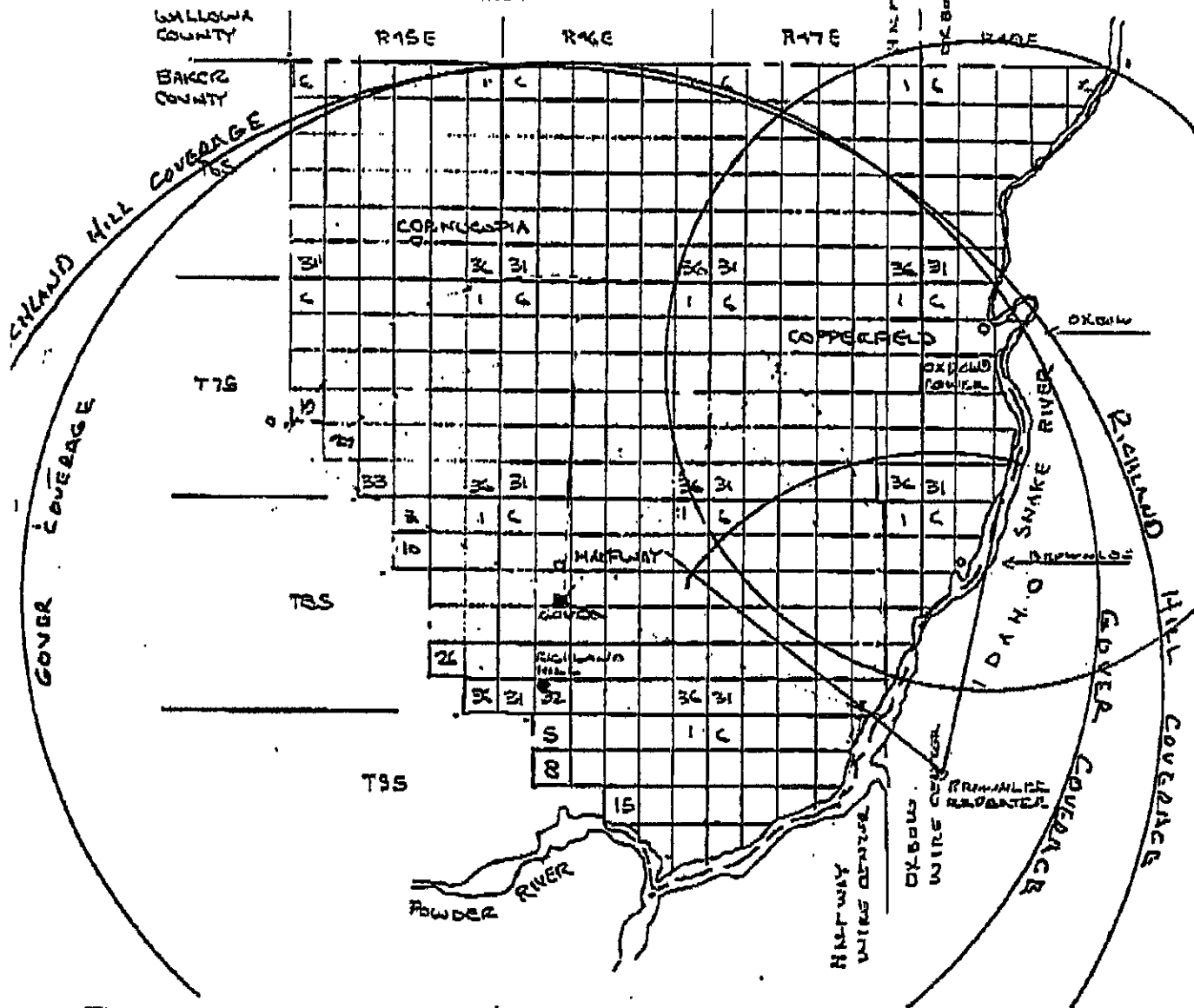
PUC Or. No. 2

First Revised Sheet No. 71

Pine Telephone System, Inc.

FOR RECP. STAMP

EXCHANGE AREA MAP
Halfway Exchange
AREA - A



ADVICE NO. 4 PURSUANT TO ORDER # 92-1563, DOCKET UA 46

ISSUED August 1, 1992 EFFECTIVE September 1, 1992

ISSUED BY L. Rodney Hill

TITLE President

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CERTIFICATE OF SERVICE

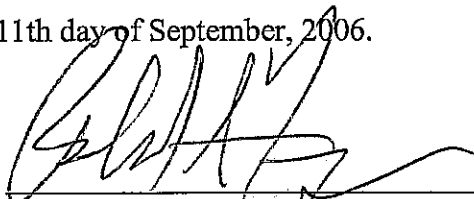
UM 1237

I certify that I have this day sent the attached corrected pages to the Substitute Application of Eagle Telephone System, Inc., d/b/a Snake River PCS For Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996 by e-mail and U.S. mail to the following:

Filing Center
Public Utility Commission of Oregon
550 Capitol St NE #215
Salem, OR 97308-2148
PUC.FilingCenter@state.or.us

There are no other parties on the service list at this time. Therefore, copies of the Application were not provided to any other parties or attorneys of parties.

Dated at Olympia, Washington, this 11th day of September, 2006.



Richard A. Finnigan, OSB #96535
Attorney for Eagle Telephone System, Inc., d/b/a Snake
River PCS