

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UA 153

In the Matter of

OREGON TELEPHONE CORPORATION

and

MIDVALE TELEPHONE EXCHANGE,  
INCORPORATED

Joint Application for the Unallocation,  
Transfer, and Allocation of Certain Service  
Territory

ORDER

**DISPOSITION: APPLICATION APPROVED**

On October 12, 2009, Oregon Telephone Corporation (OTC) and Midvale Telephone Exchange Incorporated (Midvale) filed a joint application with the Public Utility Commission of Oregon (Commission) for the unallocation, transfer, and allocation of certain territory to be referred to as the “Harper and Juntura exchanges” (Harper and Juntura). This application was submitted under ORS 759.560 and OAR 860-025-0027.<sup>1</sup> The parties seek this transfer because Midvale has decided to sell its Oregon interests so that it may concentrate on its operations in Idaho and Arizona.

On December 7, 2009, Commission Staff (Staff) filed correspondence in response to the joint application. Staff concludes that the application is in the public interest and recommends that the Commission approve the transfer and allocation of the two exchanges.

**I. BACKGROUND**

The Harper and Juntura exchanges are located immediately south of the Hereford-Unity exchange currently served by OTC. Although Midvale has provided basic telecommunications service to Harper and Juntura for many years, OTC’s operations are closer to the two subject exchanges than Midvale’s. The allocation and

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<sup>1</sup> OAR 860-025-0027 applies to large telecommunications utilities, as defined in OAR 860-025-0001. Both parties to the application are small telecommunications companies; the appropriate rule in this case is OAR 860-034-0490. Despite the incorrect reference, the joint application meets the relevant requirements.

transfer will allow Midvale to concentrate its operational interests in the states of Arizona and Idaho, while allowing OTC to expand the efficiencies of its operations here in Oregon.

## **II. DISCUSSION**

The parties propose the most efficient means to provide basic and advanced services in the two exchanges is through OTC's operations. OTC is willing to provide service to Harper and Juntura without charging individual customers for the construction of the new facilities on a per-customer basis. Under the proposed transfer, OTC will continue to charge the same basic service rates to customers in the Harper and Juntura exchanges. Those monthly rates are \$14.35 for residential customers and \$19.00 for business customers. OTC has concluded the existing cost recovery mechanism under OTC's existing operations are adequate to support the Harper and Juntura exchanges, including all access charges, federal and state universal support, and local rates.

The customers of the Harper and Juntura exchanges will not only keep the current basic service rates, but OTC states it will also provide them with updated facilities which will include previously unavailable broadband service. The parties state that there will be no interruption of service to complete this transfer and allocation between the telecommunications companies.

There is no proposed change to the existing physical boundaries of the Harper and Juntura exchanges currently on file with the Commission. The exchanges will be added to OTC's tariff if the Commission approves this application.

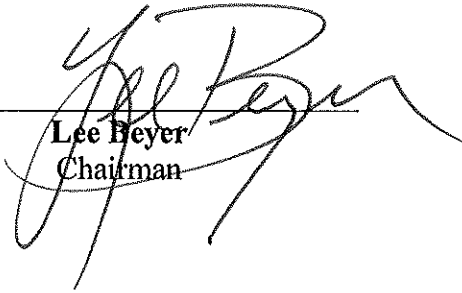
## **III. CONCLUSION**


We find that the proposed allocation and transfer is reasonable and not contrary to the public interest. The joint application meets the requirements of ORS 759.560, and should be granted in its entirety.

**IV. ORDER**

IT IS ORDERED that the joint application filed by Oregon Telephone Corporation and Midvale Telephone Exchange Incorporated for the unallocation, transfer and allocation of certain territory know as the Harper and Juntura exchanges is GRANTED.

Made, entered, and effective DEC 15 2009.

  
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**Lee Beyer**  
Chairman

  
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**John Savage**  
Commissioner

  
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**Ray Baum**  
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484