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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 993

In the Matter of the Petition for Extended Area Service )  
by the ECHO TELEPHONE EXCHANGE. )

ORDER

**DISPOSITION: APPLICATION FOR REHEARING  
OR RECONSIDERATION DENIED**

On September 24, 2001, petitioners for the Echo telephone exchange filed an application for rehearing or reconsideration of Order No. 01-688, pursuant to ORS 756.561.<sup>1</sup> In that order, the Commission (1) concluded that the Echo exchange had failed to establish the existence of a community of interest with either the Boardman or Umatilla telephone exchanges; and (2) dismissed the petition for extended area service (EAS) between the Echo exchange and the Boardman and Umatilla exchanges.

**Applicable Law**

Under OAR 860-014-0095(3), the Commission may grant an application for rehearing if an applicant shows that there is:

- (a) New evidence which is essential to the decision and which was unavailable and not reasonably discoverable prior to the issuance of the order;
- (b) A change in the law or agency policy since the date the order was issued, relating to a matter essential to the decision;
- (c) An error of law or fact in the order which is essential to the decision; or
- (d) Good cause for further examination of a matter essential to the decision.

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<sup>1</sup> Petitioners' original request contained only a letter asking that the Commission reconsider its decision. On November 5, 2001, petitioners filed supplemental information to support their request.

## Discussion and Disposition

Petitioners argue that we should grant a rehearing for two primary reasons. First, petitioners contend that, because they live in a small community, local residents must rely on neighboring communities to obtain basic amenities. For example, they note that many farmers rely on shipping and processing plants located in Umatilla and Boardman. They add that many local residents work in, or with, the ports and processing plants, and that toll free calling between these areas would benefit all parties. Second, petitioners claim that many local residents make calls to these communities using cellular telephones. They provided a call log showing that one local farm placed an average of 125 minutes per month of cellular calls to Boardman and 3.5 minutes per month to Umatilla.

We addressed both arguments in our prior order. In Order No. 01-688, we expressly recognized that the Echo exchange has a small population with limited services, and that some local residents use services located in Boardman and Umatilla. We also acknowledged that there are social ties of various sorts between people in the Echo exchange and those in the two target exchanges, and some people in the Echo exchange work in the Boardman exchange or the Umatilla exchange. After a thorough review of the evidence, however, we concluded that the connection between the exchanges was no more than what exists between almost any other communities that are close to each other. *See* Order No. 01-688 at 5.

We also noted that some Echo exchange customers used cellular phones to call neighboring communities, and that these calls were not included in the calling pattern data. We concluded, however, that despite the exclusion of these calls, the extremely low calling pattern figures suggested that the dealings between the exchanges are not extensive enough to establish a community of interest. *See* Order No. 01-688 at 5-6.

After our review of petitioners' application for rehearing, we are not persuaded that we should revisit our decision at this time. As we stated in Order No. 01-688, EAS is not a cost-free service. Large toll charges faced by a relatively small number of customers are replaced with smaller charges to many customers. We have reviewed the request by the Echo petitioners utilizing a process designed to balance the need to avoid rate increases on low-volume users with the benefits customers may desire from toll-free rates. We adhere to our prior conclusion that the demographic and other evidence presented in this matter did not make a sufficiently strong showing to establish a community of interest between the three exchanges to warrant EAS conversion.

**ORDER**

IT IS ORDERED that the application for rehearing or reconsideration of Order No. 01-688, filed by the Echo petitioners, is denied.

Made, entered, and effective \_\_\_\_\_.

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**Roy Hemmingway**  
Chairman

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**Lee Beyer**  
Commissioner

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**Joan H. Smith**  
Commissioner

A party may appeal this order to a court pursuant to ORS 756.580.