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March 18, 2009

**VIA ELECTRONIC MAIL AND U.S. MAIL**

Filing Center  
Oregon Public Utility Commission  
550 Capitol Street NE Ste 215  
Salem, OR 97301-2551

Re: UM 1017 – Motion to Extend Effective Date on Memorandum of Understanding

Dear Sir/Madam:

Enclosed are the Motion to Extend Effective Date on Memorandum of Understanding and Certificate of Service. The parties that were involved in the last triennial review have been notified of the intent to extend the effective date of the Memorandum of Understanding. Nonetheless, the Commission may want to schedule a hearing conference to see if there are any parties that wish to intervene or have any objections to this Motion.

Sincerely,



RICHARD A. FINNIGAN

RAF/km  
Enclosures

cc: Mike Weirich (via e-mail and U.S. mail)  
Service List (via e-mail and U.S. mail)  
Brant Wolf (via e-mail)  
Craig Phillips (via e-mail)  
Member Companies (via e-mail)

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7 **BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

8 UM 1017

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10 In the Matter of the Investigation into  
11 Expansion of the Oregon Universal Service  
Fund to Include the Service Areas of Rural  
Telecommunications Carriers.

MOTION TO EXTEND EFFECTIVE DATE  
ON MEMORANDUM OF  
UNDERSTANDING

12  
13 This Motion to Extend Effective Date on Memorandum of Understanding (“Motion”) is  
14 brought jointly by the Public Utility Commission of Oregon Staff (“Staff”), the Oregon Exchange  
15 Carrier Association (“OECA”) on behalf of its members and the Oregon Telecommunications  
16 Association (“OTA”) on behalf of its members. Appendix A lists the members of OECA and OTA.

17 BACKGROUND

18 In Order No. 03-082 entered in this Docket, the Commission established the initial Oregon  
19 Universal Service Fund (“OUSF”) support for rural telephone companies. The Commission further  
20 directed that a triennial review of the costs of the companies drawing from the rural company  
21 portion of the OUSF be undertaken.

22 In 2006, the first triennial review was undertaken. This review indicated that a substantial  
23 increase in the draw from the OUSF was a probable outcome of the review. Because of the effect  
24 that a substantial increase in the draw would have on the surcharge rate for the OUSF, various

25  
26 MOTION TO EXTEND EFFECTIVE DATE ON  
MEMORANDUM OF UNDERSTANDING - 1

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1 alternatives were explored. As a result of that exploration of alternatives, a compromise proposal  
2 was developed by OTA and presented to the interested parties. That compromised proposal resulted  
3 in the adoption of a Memorandum of Understanding. A copy of the Memorandum of  
4 Understanding is attached as Exhibit 1. The Memorandum of Understanding was approved by  
5 Order No. 06-297.

6 As stated in the Memorandum of Understanding at Page 5, the terms of the Memorandum of  
7 Understanding were to remain in effect until the completion of the next triennial review.

8 It is now the time for the next triennial review to occur. Based upon a preliminary estimate,  
9 it is believed that the same type of result that was anticipated in 2006 would occur in 2009. In other  
10 words, there would be a substantial increase in the draw of the rural companies from the OUSF and  
11 a corresponding potentially large increase in the size of the OUSF surcharge. Because of  
12 continuing uncertainty at the federal level, the transactional costs for a major docket and other  
13 factors, OECA and OTA propose to Staff that the Memorandum of Understanding be extended until  
14 the next triennial review. Staff was willing to consider that extension after receiving the comments  
15 of the other parties in UM 1017.

16 By letter dated February 20, 2009, the proposed extension of the Memorandum of  
17 Understanding was delivered to counsel for the parties in UM 1017 that had participated to any  
18 extent in the first triennial review. A copy of that letter is attached as Exhibit 2. No party  
19 responded to the February 20, 2009, letter with an objection to the extension of the Memorandum of  
20 Understanding.

#### 21 MOTION

22 Based upon the foregoing, Staff, OECA and OTA hereby move for an order extending the  
23 Memorandum of Understanding on the terms as set out in the Memorandum of Understanding until  
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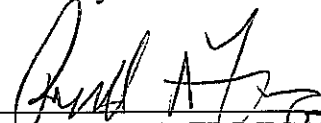
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26 MOTION TO EXTEND EFFECTIVE DATE ON  
MEMORANDUM OF UNDERSTANDING - 2

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1 the completion of the next triennial review or upon the happening of other conditions as specified in  
2 the Memorandum of Understanding.

3 Respectfully submitted this 15<sup>th</sup> day of March, 2009.

4  
5 By: \_\_\_\_\_  
6 MICHAEL T. WEIRICH, OSB No. 82425  
7 Attorney for Commission Staff

8 By:  \_\_\_\_\_  
9 RICHARD A. FINNIGAN, OSB No. 965357  
10 Attorney for the Oregon Telecommunications  
11 Association and the Oregon Exchange Carrier  
12 Association  
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1 the completion of the next triennial review or upon the happening of other conditions as specified in  
2 the Memorandum of Understanding.

3 Respectfully submitted this \_\_\_\_ day of March, 2009.

4  
5 By: Michael T. Weirich  
6 MICHAEL T. WEIRICH, OSB No. 82425  
7 Attorney for Commission Staff

8 By: \_\_\_\_\_  
9 RICHARD A. FINNIGAN, OSB No. 965357  
10 Attorney for the Oregon Telecommunications  
11 Association and the Oregon Exchange Carrier  
12 Association

## APPENDIX A

### Oregon Exchange Carrier Association

Asotin Telephone Company d/b/a TDS Telecom  
Beaver Creek Cooperative Telephone Company  
Canby Telephone Association d/b/a Canby Telcom  
Cascade Utilities, Inc. d/b/a Reliance Connects  
CenturyTel of Oregon, Inc.  
CenturyTel of Eastern Oregon, Inc.  
Citizens Telecommunications Company of Oregon d/b/a Frontier Communications of Oregon  
Clear Creek Mutual Telephone Company  
Colton Telephone Company d/b/a Coltontel  
Eagle Telephone System, Inc.  
Gervais Telephone Company  
Helix Telephone Company  
Home Telephone Company d/b/a TDS Telecom  
Midvale Telephone Exchange  
Molalla Communications Company  
Monitor Cooperative Telephone Company  
Monroe Telephone Company  
Mt. Angel Telephone Company  
Nehalem Telecommunications, Inc.  
North-State Telephone Co.  
Oregon-Idaho Utilities, Inc.  
Oregon Telephone Corporation  
People's Telephone Co.  
Pine Telephone System, Inc.  
Pioneer Telephone Cooperative  
Roome Telecommunications Inc.  
St. Paul Cooperative Telephone Association  
Scio Mutual Telephone Association  
Stayton Cooperative Telephone Company  
Trans-Cascades Telephone Company

Oregon Telecommunications Association

Asotin Telephone Company d/b/a TDS Telecom  
Beaver Creek Cooperative Telephone Company  
Canby Telephone Association d/b/a Canby Telcom  
Cascade Utilities, Inc. d/b/a Reliance Connects  
CenturyTel of Oregon, Inc.  
CenturyTel of Eastern Oregon, Inc.  
Clear Creek Mutual Telephone Company  
Colton Telephone Company d/b/a Coltontel  
Eagle Telephone System, Inc.  
Embarq  
Gervais Telephone Company  
Helix Telephone Company  
Home Telephone Company d/b/a TDS Telecom  
Midvale Telephone Exchange  
Molalla Communications Company  
Monitor Cooperative Telephone Company  
Monroe Telephone Company  
Mt. Angel Telephone Company  
Nehalem Telecommunications, Inc.  
North-State Telephone Co.  
Oregon-Idaho Utilities, Inc.  
Oregon Telephone Corporation  
People's Telephone Co.  
Pine Telephone System, Inc.  
Pioneer Telephone Cooperative  
Roome Telecommunications Inc.  
St. Paul Cooperative Telephone Association  
Scio Mutual Telephone Association  
Stayton Cooperative Telephone Company  
Trans-Cascades Telephone Company

# **EXHIBIT 1**



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February 20, 2009

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Qwest Corporation  
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Portland, OR 97204

Lisa Rackner  
McDowell & Rackner PC  
520 SW 6th Ave Ste 830  
Portland, OR 97204

Re: UM 1017 – Triennial Review

Dear Counsel:

You may remember that the requirements of UM 1017 include a provision for a triennial review in the change in the support per line for rural companies under the Oregon Universal Service Fund (OUSF). You may also remember that in 2006 certain parties entered into a Memorandum of Understanding (MOU) that extended the existing support for line that was developed in 2003 in UM 1017 for the next three years approved by Order 06-297. This extension of the same support per line took place even though the calculations performed in 2006 supported the conclusion that there would be an increase in the support per line and a corresponding increase in the OUSF per line surcharge assessed to support the OUSF.

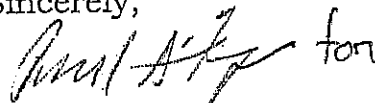
The Oregon Telecommunications Association (OTA) and the Oregon Exchange Carrier Association (OECA) have considered what might happen under the 2009 triennial review. Given that the support per line would have gone up in 2006 but for the MOU, and given three more years of additional investment by member companies and frozen interstate/intrastate factors, it is highly probable that the support per line would increase even above the 2006 levels, let alone the 2003 levels that are in place today. On this basis, OTA and OECA suggested to Commission Staff that a positive approach to this year's triennial review would be to extend the existing MOU. Commission Staff is willing to consider entering into such an extension, subject to input from all parties.

Accordingly, it is very important to involve all of the other parties at this time, even though technically a docket has not been opened. Commission Staff, OTA and OECA would very much appreciate hearing from you on whether you would join in, or at least not object to, an extension of the existing MOU and the existing per line support for an additional three years.

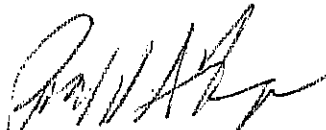
Please let us know your position on this possible extension of the MOU at your earliest convenience and, if at all possible, on or before March 6, 2009.

If you have any questions concerning this letter, please contact Roger White of Commission Staff, Mike Weirich or Rick Finnigan. Thank you for your attention to this matter.

Sincerely,



MICHAEL T. WEIRICH *per another signature*  
Counsel for Commission Staff



RICHARD A. FINNIGAN  
on behalf of OTA and OECA

RAF/km  
cc: Roger White

# **EXHIBIT 2**

ORDER NO. 06-297

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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1017

In the Matter of the Investigation into  
Expansion of the Oregon Universal Service  
Fund to Include the Service Areas of Rural  
Telecommunications Carriers.

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between the Public Utility  
Commission of Oregon Staff ("Staff"), the Oregon Exchange Carrier Association ("OECA") and  
the Oregon Telecommunications Association ("OTA") on behalf of its members.<sup>1</sup>

<sup>1</sup> For purposes of this Memorandum of Understanding, OTA's members are as follows: Asotin Telephone Company,  
Beaver Creek Cooperative Telephone Company, Canby Telephone Association, Cascade Utilities, Inc., CenturyTel of  
Eastern Oregon, Inc., CenturyTel of Oregon, Inc., Citizens Telecommunications Company of Oregon, Clear Creek  
Mutual Telephone Company, Colton Telephone Company, Eagle Telephone System, Inc., Gervais Telephone  
Company, Helix Telephone Company, Home Telephone Company, Malheur Home Telephone Company, Midvale  
Telephone Exchange, Inc., Molalla Telephone Company, Monitor Cooperative Telephone Company, Monroe  
Telephone Company, Mt. Angel Telephone Company, Nehalem Telecommunications, Inc., North-State Telephone  
Company, Oregon-Idaho Utilities, Inc., Oregon Telephone Corporation, People's Telephone Company, Pine Telephone  
System, Inc., Pioneer Telephone Cooperative, Roome Telecommunications Inc., St. Paul Cooperative Telephone  
Association, Scio Mutual Telephone Association, Sprint/United Telephone Company of the Northwest, Stayton  
Cooperative Telephone Company and Trans-Cascades Telephone Company.

MEMORANDUM  
OF UNDERSTANDING - 1

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APPENDIX A  
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ORDER NO. 06-297

BACKGROUND

1  
2 Under the terms and conditions set out by the Commission in its Order No. 03-082 in this  
3 Docket ("Commission Order"), the Commission is to conduct a triennial review of the costs of  
4 those companies drawing from the rural company portion of the Oregon Universal Service Fund  
5 ("OUSF"). Under the standards set forth in the Commission Order, that review is to be conducted  
6 in 2006, with a target effective date of July 1, 2006. The review is based on the 2004 Form I  
7 submitted by each company to the Commission in the fall of 2005.<sup>2</sup>

8 Under the Commission Order, initial support for the small companies was predicated upon  
9 the formula adopted in the Commission Order, which was based upon a review of each company's  
10 costs as set out on the 2001 Form I for each company. In anticipation that the costs for the rural  
11 companies may have increased from 2001 to 2004, Commission Staff recommended to the OUSF  
12 Advisory Board that the surcharge rate for 2006 be increased to 7.12%. That increase anticipated a  
13 growth of approximately 15% in per line support for the rural companies.<sup>3</sup> In October 2005, the  
14 Commission approved an increase in the surcharge and contribution rates to 7.12% and 6.65%,  
15 respectively, effective January 1, 2006.

16 Commission Staff reviewed the 2004 Form I as submitted by each of the rural incumbent  
17 local exchange carriers (rural "ILECs"). Based upon that review, Commission Staff found that if all  
18 aspects of the Commission Order were applied on a step-by-step basis, there would be a  
19 substantially larger increase in the size of the OUSF than anticipated. As a means of comparison,  
20 the anticipated growth was from a current draw of approximately \$8.9 million for the rural ILECs to  
21 approximately \$10.3 million. The theoretical draw which was calculated based upon the review of  
22

23 <sup>2</sup> Qwest Corporation and Verizon Northwest Incorporated receive support from the OUSF based upon a forward-  
24 looking cost model, rather than upon embedded costs and are not affected by the triennial review concept.

25 <sup>3</sup> It should be noted that the increase was not solely due to an anticipated increase in costs for the small companies. It  
26 also reflected a reduction in the contribution base.

MEMORANDUM  
OF UNDERSTANDING - 2

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APPENDIX A  
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1 each individual company's 2004 Form I would increase the draw from the current level of \$8.9  
2 million to approximately \$16.3 million. This would require revisiting the OUSF surcharge rate or  
3 taking action to possibly modify the formula that is contained in the Commission Order.

4 As a result, the product of the review by Commission Staff was discussed with the OUSF  
5 Advisory Board. The OUSF Advisory Board and Commission Staff came up with a number of  
6 alternatives that might be explored. Those alternatives are set out on Appendix A.

7 Two workshops were held to discuss the possible increases to the size of the draw from the  
8 OUSF by rural companies and steps that might be taken to mitigate that draw. This included  
9 discussing the alternatives on Appendix A. Appendix A was first presented to the industry at the  
10 first workshop held on March 8, 2006. The companies affected by the possible changes in the draw  
11 from the OUSF were invited to attend. In addition, representatives from Verizon Northwest  
12 Incorporated and Qwest Corporation also attended the workshop, as did some members of the  
13 OUSF Advisory Board.

14 At that first workshop, representatives of OTA asked for the opportunity to explore options  
15 beyond those listed on Appendix A. That opportunity was granted and a second workshop was  
16 scheduled for March 30, 2006. Shortly before the second workshop, OTA circulated its initial  
17 position, which was that the Commission Order should be implemented as adopted. OTA's  
18 reasoning for this position is attached as Appendix B. Once again, the companies affected by the  
19 possible changes in draws from OUSF were invited to attend the workshop. And again,  
20 representatives from Verizon Northwest Incorporated and Qwest Corporation also attended the  
21 second workshop, as did some members of the OUSF Advisory Board.

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26 MEMORANDUM  
OF UNDERSTANDING - 3

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APPENDIX A  
PAGE 12 OF 19

1 OTA's Compromise Proposal

2 At the March 30, 2006 workshop, OTA developed and offered a compromise position. That  
3 compromise would place an interim limitation on distributions from the rural portion of OUSF.  
4 That compromise was discussed and received general support at the workshop. Following the  
5 workshop, OTA canvassed its members to determine if any member had an objection to the  
6 proposal. No objection was heard.

7 On the basis of the foregoing, Staff, OTA and OECA offer the following:

8  
9 MEMORANDUM OF UNDERSTANDING

10 For purposes of an interim period of time (defined below) the rural companies that are  
11 eligible to draw from the OUSF agree to an interim limitation in the amount of support per line.  
12 This interim limitation would be the support per line that is built into the 2006 surcharge rate of  
13 7.12%. The amount for the rural portion of the OUSF would be distributed to the rural companies  
14 based upon a distribution ratio created by each rural company's 2004 cost per line derived from the  
15 2004 Form I for each rural company.

16 This interim limitation would increase the current projected annual draw for rural  
17 companies' support in the OUSF from approximately 8.9 million dollars to approximately 10.3  
18 million dollars. A spreadsheet depicting the anticipated draw from OUSF based upon the 2004  
19 Form I for each company is attached as Appendix C. The support would be based on the cost per  
20 line as derived from the 2004 Form I for each rural company.

21 For the estimated 10.3 million dollar annual distribution, the rate rebalancing would follow  
22 the method set out at paragraphs 29 through 33 of the stipulation adopted in order 03-082. The  
23 OUSF support disbursements to eligible LECs would follow the method set out at paragraphs 19  
24 through 22 of the stipulation.

25  
26 MEMORANDUM  
OF UNDERSTANDING - 4

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APPENDIX A  
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ORDER NO. 06-297

1 The parties to this Memorandum of Understanding intend that the interim limitation will be  
2 in effect until the completion of the next triennial review as contemplated by the Commission  
3 Order. However, OTA and Staff agree that either party may file a petition to seek Commission  
4 review of the OUSF plan upon: (1) the issuance of a future Federal Communications Commission  
5 (FCC) order creating a new federal contribution method in CC Docket No. 96-45, unless such  
6 change can only be implemented through legislation; (2) the issuance of a future FCC order  
7 changing the intercarrier compensation mechanism in CC Docket No. 01-92, if such FCC order may  
8 have an effect on intrastate access charges or OUSF issues; or (3) an increase in the per line support  
9 for rural companies that does not require a corresponding increase in the surcharge rate based upon  
10 either of the following two events: a) an increase to the contribution base or b) a decrease in the  
11 number of ETCs receiving support from the OUSF. The parties further agree that the interim  
12 limitation will not automatically terminate merely because OTA or Staff have filed a petition as  
13 described above but will continue until the Commission issues a final order which grants, denies or  
14 takes other appropriate final action upon the petition. Finally, each party reserves the right to make  
15 whatever arguments they deem appropriate in any docket resulting from the filing of the  
16 aforementioned petition.

17 This Memorandum of Understanding constitutes an interim proposal and should not be  
18 interpreted as incorporating any agreement as to the theoretical basis to adjust any aspect of the  
19 Commission Order other than an agreed limitation on the OUSF support per line calculation under  
20 paragraphs 10 through 13 of the stipulation adopted in Order 03-082 for purposes of the triennial  
21 review contemplated by paragraph 5 of said stipulation.

22 The advantage of the proposal contained in this Memorandum of Understanding is that it  
23 does not require an increase in the 2006 surcharge rate of 7.12%. There may need to be a future  
24 increase in the surcharge rate if the contribution base continues to decline.

25  
26 MEMORANDUM  
OF UNDERSTANDING - 5

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APPENDIX A  
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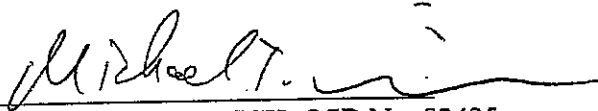
ORDER NO. 06-297

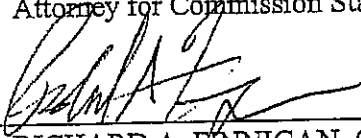
1 A further advantage to the agreed limitation in this Memorandum of Understanding is that it  
2 can be implemented effective July 1, 2006. It was apparent that any restructuring of the  
3 Commission Order would delay implementation, probably until July 1, 2007.

4 Another advantage of the interim limitation as set forth in this Memorandum of  
5 Understanding is that all parties avoid the significant transactional costs that the reopening of  
6 Docket No. UM 1017 would entail.

7 For the reasons set forth above, Staff, OTA and OECA respectfully submit the  
8 Memorandum of Understanding for Commission consideration.

9 Respectfully submitted this 15<sup>th</sup> day of May, 2006.

10  
11 By:   
12 MICHAEL T. WEIRICH, OSB No. 82425  
13 Attorney for Commission Staff

14 By:   
15 RICHARD A. FINNIGAN, OSB No. 96535  
16 Attorney for the Oregon Telecommunications  
17 Association and the Oregon Exchange Carrier  
18 Association  
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26 MEMORANDUM  
OF UNDERSTANDING - 6

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## Appendix A

## Options for OUSF Support Update

1. Freeze support per line and open docket.
2. Calculate composite rate for rural telcos (2001 level) and increase by an index such as CPI. Distribute support based on 2004 revised support ratios times the capped fund amount.
3. Include a productivity factor in the calculation of the support per line.
4. Change ROR from 11.1% to a lower rate.
5. Impute DSL revenues as an additional OUSF offset.
6. Allocate a portion of COE Cat. 4.13 and CWF Cat. 1.3 (subscriber line for DSL). Would have to remove some federal loop support offset as well.
7. Adjust the line counts to include DSL capable lines in the denominator to calculate cost per line.
8. Use a tiered approach to disallow X% of the increase over a set amount. The % disallowance increases with the size of company.
9. Apply plant and expense per line caps on costs.
10. Adopt Federal formula to calculate loop cost.
11. Change the benchmark.
  - a. Index the benchmark. Penalizes Qwest and Verizon if no review of their costs.
  - b. Deaverage the benchmark between urban and rural companies.
12. Use economic cost model to calculate support per line.
13. Require companies to demonstrate the need for the support.
14. Revise the definition of supported lines, e.g., primary lines only.
15. Use an affordability benchmark which is company specific.
16. Limit ETC status to 1 ETC in rural areas.

ORDER NO. 06-297

APPENDIX BOTA's Preferred Course of Action

It was originally anticipated that the OUSF contribution rate would increase to 7.12% under projections made before analysis of the rural companies' 2004 Form I was undertaken. After that analysis, which calculated the increases in per line support that would be generated under the Commission Order, the OUSF contribution rate rises to 7.76%. OTA believes that this is not an undue increase in the contribution rate.

OTA's position is that any such increase is well justified by the actions taken over the course of the three years by the rural ILECs in improving service to customers in rural Oregon.

For example, Monroe Telephone Company has undertaken its first major construction project in over 25 years. It has replaced miles of aerial plant with buried plant. This improves the reliability of service to customers. It is a direct benefit to those customers. In a similar project, Gervais has also replaced aerial plant with underground plant.

Many rural companies have converted to new billing systems in the interval between 2001 and 2004. These new billing platforms are necessary to give customers increased choices and to provide a means which allows the companies to efficiently comply with increased customer education requirements, such as truth-in-billing requirements, notification related to customer rights and responsibilities, and other customer education initiatives. More sophisticated billing systems allow companies to increase customer choice of services and increase the level of customer education through better billing formats.

During this time period, many rural companies had to invest in switch upgrades (usually software, but sometimes hardware) to make their switches CALEA compliant and to enable porting of numbers. The CALEA investment is a matter of national security and thus benefits customer safety. Porting of numbers allows easier competition, which many argue is a benefit to customers.

In addition, many rural companies have added substantial numbers of customer service staff between the years 2001 and 2004. As telecommunications has become more complex, customers have more questions. Those customers more often turn to their local company for information than trying to wade through tedious calling trees that require customers to categorize their questions and wade through multiple layers in an effort to find answers to their questions. This increased need for customer education and customer responsiveness requires more employees and, therefore, a higher level of expense.

## ORDER NO. 06-297

In addition, some companies, such as Stayton, Canby and Molalla, among others, find themselves within the boundaries of urban growth areas. This means that the companies are seeing a substantial level of new developments. As carriers of last resort, the rural companies have to build plant to serve throughout each of these new developments, even though they may not have each new home subscribe to service. For example, some customers may not subscribe to wireline service at all, preferring wireless service. Other customers may be enticed by a bundle of services from Comcast, as another example. However, the carrier of last resort obligation requires the investment to be made throughout the service area.

For all of these reasons, the increase in per customer expense and the corresponding increase in per customer support from OUSF is understandable. The result is an increase in the contribution level, but not an outrageous increase.

Appendix C

UM 1017 Memorandum of Understanding

Ln. No.	Company	2005 Basic Service Lines	Current Support/ln/mo	Annual Distribution	Support/ln/mo based on 2004 Form I	Annual Distribution	% of Distribution	Revised Distribution	Revised Support per line
1	Asofin	146	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
2	Beaver Creek	4,287	\$5.47	\$281,399	\$12.77	\$656,940	0.040381	\$416,749	\$8.10
3	Canby	11,029	\$1.10	\$145,563	\$6.62	\$876,144	0.058855	\$555,808	\$4.20
4	Cascade Utilities	8,900	\$6.48	\$692,064	\$4.27	\$456,036	0.028032	\$289,300	\$2.71
5	CenturyTel	88,669	\$4.90	\$4,037,737	\$6.71	\$5,529,228	0.339872	\$3,507,630	\$4.26
6	Citizens	12,582	\$2.69	\$406,147	\$5.56	\$839,471	0.051601	\$532,543	\$3.53
7	Clear Creek	3,607	\$0.00	\$0	\$3.96	\$171,405	0.010536	\$108,736	\$2.51
8	Colton	1,180	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
9	Eagle	454	\$8.22	\$44,783	\$11.42	\$62,216	0.003824	\$39,469	\$7.24
10	Gervais	1,033	\$5.51	\$68,302	\$9.78	\$121,233	0.007452	\$76,908	\$6.20
11	Helix	323	\$14.40	\$55,814	\$17.26	\$66,900	0.004112	\$42,440	\$10.95
12	Home	843	\$2.16	\$21,851	\$3.07	\$31,056	0.001909	\$19,701	\$1.95
13	Malheur	12,303	\$2.58	\$380,901	\$6.92	\$1,021,641	0.062798	\$648,108	\$4.39
14	Midvale	252	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
15	Molalla	6,519	\$6.86	\$536,644	\$12.11	\$947,341	0.058231	\$600,974	\$7.68
16	Monitor	632	\$8.46	\$64,161	\$14.52	\$110,120	0.006769	\$69,858	\$9.21
17	Montro	927	\$4.06	\$45,163	\$18.17	\$202,123	0.012424	\$128,223	\$11.53
18	Mount Angel	1,676	\$0.49	\$9,855	\$0.41	\$8,246	0.000507	\$5,231	\$0.26
19	Nehalem	3,102	\$0.95	\$35,363	\$2.76	\$102,738	0.006315	\$65,175	\$1.75
20	North State	495	\$0.00	\$0	\$0.35	\$2,079	0.000128	\$1,319	\$0.22
21	Oregon	1,718	\$2.28	\$47,004	\$0.00	\$0	0.000000	\$0	\$0.00
22	Oregon-Idaho	633	\$8.77	\$66,617	\$13.29	\$100,951	0.006205	\$64,041	\$8.43
23	Peoples	1,445	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
24	Pine	927	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
25	Pioneer	14,987	\$0.36	\$64,744	\$4.33	\$778,725	0.047867	\$494,007	\$2.75
26	Roome	641	\$24.02	\$184,762	\$21.46	\$165,070	0.010147	\$104,717	\$13.61
27	Sci	1,800	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
28	Sprint	65,797	\$1.87	\$1,476,485	\$4.63	\$3,655,681	0.224708	\$2,319,090	\$2.94
29	Stayton	7,171	\$3.69	\$308,927	\$3.70	\$318,392	0.019571	\$201,982	\$2.35
30	St. Paul	630	\$0.00	\$0	\$5.93	\$44,831	0.002756	\$28,440	\$3.76
31	TransCascades	205	\$0.00	\$0	\$0.00	\$0	0.000000	\$0	\$0.00
32	TOTAL	234,913		\$8,974,304		\$16,268,566		\$10,320,450	\$

Appendix C

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**CERTIFICATE OF SERVICE**  
**UM 1017**

9 I certify that I have this day sent the attached Motion to Extend Effective Date on  
10 Memorandum of Understanding by electronic mail and U.S. mail to the following:

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FILING CENTER  
PUBLIC UTILITY COMMISSION OF OREGON  
550 CAPITOL STREET NE STE 215  
SALEM, OR 97301-2551  
puc.filingcenter@state.or.us

I further certify that I have this day sent the attached Motion to Extend Effective Date on  
Memorandum of Understanding by electronic mail pursuant to OAR 860-013-0070, and U.S. mail to  
the following parties or attorneys of parties:

CINDY MANHEIM  
AT&T  
PO BOX 97061  
REDMOND, WA 98073  
cindy.manheim@att.com

CALVIN K. SIMSHAW  
CENTURYTEL OF OREGON INC.  
PO BOX 9901  
VANCOUVER, WA 98668-8701  
calvin.simshaw@centurytel.com

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421 SW OAK ST STE 810  
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1300 SW FIFTH AVE STE 2300  
PORTLAND, OR 97201-5682  
marktrinchero@dwt.com

JEFFRY H. SMITH  
GVNW CONSULTING INC.  
PO BOX 2330  
TUALATIN, OR 97062  
jsmith@gvnw.com

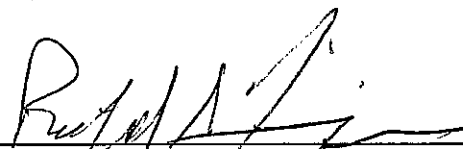
MARLIN ARD  
LAW OFFICE OF MARLIN ARD  
PO BOX 2190  
SISTERS, OR 97759  
maratty@bendbroadband.com

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Dated at Olympia, Washington, this 18th day of March, 2009.

  
Richard A. Finnigan, OSB #965357  
Attorney for the Oregon Telecommunications Association  
and Oregon Exchange Carrier Association