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**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Investigation )  
into the Earnings of Oregon Farmers ) CASE NO. TR-98-348  
Mutual Telephone Company. )

**NOTICE OF CORRECTION**

The Commission issued its Order Establishing Case, Giving Notice, and Setting Intervention Period on March 2, 1998. The order stated that the Stipulation And Agreement was attached to the order as Attachment A, but this was inadvertently omitted from the order as issued. Please find a copy of the Stipulation And Agreement attached to this Notice of Correction.

**BY THE COMMISSION**

*Dale Hardy Roberts*

**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Dated at Jefferson City, Missouri,  
on this 6th day of March, 1998.

Bensavage, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED  
FEB 13 1998  
MISSOURI  
PUBLIC SERVICE COMMISSION

In the matter of the investigation into the )  
earnings of Oregon Farmers Mutual ) Case No. TR-98-348  
Telephone Company. )

**STIPULATION AND AGREEMENT**

In May of 1997, the Staff of the Missouri Public Service Commission (Staff) began a per books review of the earnings of Oregon Farmers Mutual Telephone Company (Company). Staff's audit was based upon the twelve (12) months ending December 31, 1996, updated for known and measurable changes occurring during 1997. Upon completion of its preliminary earnings analysis, the Staff began discussions with the Company. As a result of extensive negotiations, the signatories hereto stipulate and agree as follows:

1. The Company's gross intrastate revenues will be reduced by approximately \$22,436 on an annual basis. This overall reduction in revenues is to be accomplished as a result of changes in certain intrastate rates as more specifically set forth in Attachment A, which is attached hereto and incorporated herein by reference.
2. The Company will prepare draft tariff sheets incorporating the rate changes identified in Attachment A and provide such drafts to Staff no later than March 6, 1998.
3. Beginning January 1, 1998, the Company shall be authorized to accrue depreciation expense based on the depreciation rates set forth in Attachment B, which is attached hereto and incorporated herein by reference.
4. The approval of this Stipulation and Agreement in its entirety by the Commission will conclude Staff's per books earnings investigation of the Company upon which this settlement was based.

5. None of the signatories to this Stipulation and Agreement shall have been deemed to have approved or acquiesced in any ratemaking or procedural principle or any method of cost determination or cost allocation, or any service or payment standard and none of the signatories shall be prejudiced or bound in any manner by the terms of this Stipulation and Agreement in this or any other proceeding, except as otherwise expressly specified herein.

6. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in its entirety, then this Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

7. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights to present testimony, to cross-examine witnesses, and to present oral argument and written briefs pursuant to Section 536.080.1 RSMo. 1994; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo. 1994; and their respective rights to judicial review pursuant to Section 386.510 RSMo. 1994.

8. If requested by the Commission, the Staff shall have the right to submit to the Commission a memorandum explaining its rationale for entering into this Stipulation and Agreement. Each Party of record shall be served with a copy of any memorandum and shall be entitled to submit to the Commission, within five (5) days of receipt of the Staff's memorandum, a responsive memorandum which shall also be served on all Parties. All memoranda submitted by the Parties shall be considered privileged in the same manner as are settlement discussions

under the Commission's rules, shall be maintained on a confidential basis by all Parties, and shall not become a part of the record of this proceeding or bind or prejudice the Party submitting such memorandum in any future proceeding or in this proceeding whether or not the Commission approves this Stipulation and Agreement. The contents of any memorandum provided by any Party are its own and are not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves this Stipulation and Agreement.

WHEREFORE, the signatories respectfully request that the Commission issue its order approving the terms of this Stipulation and Agreement and for such other orders as are reasonable in the circumstances.

Respectfully submitted,

*Cynthia R. Bryant*  
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Attorneys for Oregon Farmers  
Mutual Telephone Company

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following:

Michael Dandino  
Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Penny G. Baker

# **Oregon Farmers Mutual Telephone Company** **Rate Design Changes**

**1. Switched Access Rates**

**\$(20,695.10)**

CCL rates for intraLATA traffic would be reduced to parity with interLATA rates. Both inter and intraLATA rates would then be further reduced; 9% for originating traffic and 6% for terminating traffic.

Rate Element	Old Rate	New Rate
CCL - InterLATA Originating	0.04180	0.03800
CCL - InterLATA Terminating	0.07160	0.06725
CCL - IntraLATA Originating	0.04230	0.03800
CCL - IntraLATA Terminating	0.07238	0.06725

**2. Reduce 911 trunk rate**

**(1,730.88)**

Oregon will reduce its 9-1-1 trunk rates to a flat rate of \$25 per month.

Attachment A

Small Telephone Company  
Depreciation Rates  
Case No. Tx-98-x

Account	Account Number	Net Salvage	Average Service Life	Rate (%)
Vehicles - Combined	2112	12	8.6	10.23
Vehicles - Passenger Cars	2112.1	10	6.3	14.29
Vehicles - Light Trucks	2112.2	9	7.9	11.52
Vehicles - Heavy Trucks	2112.3	13	9.9	8.79
Garage Work Equipment	2115	1	13.0	7.62
Other Work Equipment	2116	6	14.0	6.71
Buildings	2121	2	35.0	2.80
Furniture	2122	6	14.0	6.71
Office Equipment - Office Support	2123.1	3	10.0	9.70
Office Equipment - Company Communications	2123.2	3	8.4	11.55
General Purpose Computers	2124	13	6.4	13.59
Digital Switching	2212	0	15.0	6.67
Electromechanical Switching	2215	Rate based on company specific data		
Operator Systems	2220	Rate based on company specific data		
Radio Equipment	2231	2	11.3	8.67
Circuit Equipment- Combined	2232	-3	10.0	10.30
Circuit Equipment - Digital	2232.x	-3	10.0	10.30
Circuit Equipment- Analog	2232.x	-3	10.0	10.30
Station Apparatus	2311	Rate based on company specific data		
Customer Premise Wiring	2321	Rate based on company specific data		
Large PBX	2341	Rate based on company specific data		
Public Telephones	2351	10	10.3	8.74
Other Terminal Equipment/Subscriber Carrier	2362	0	8.7	11.49
Poles	2411	-30	21.0	6.19
Aerial Cable - Metallic	2421.1	-16	21.0	5.52
Aerial Cable - Fiber	2421.2	-10	21.0	5.24
Aerial Cable - Drop	2421.3	-15	17.0	6.76
Underground Cable - Metallic	2422.1	-5	26.0	4.04
Underground Cable - Fiber	2422.2	-5	28.0	3.75
Buried Cable - Metallic	2423.1	-3	24.0	4.29
Buried Cable - Fiber	2423.2	-3	28.0	3.68
Buried Cable - Drop	2423.3	-2	21.0	4.86
Submarine Cable	2424	-1	21.0	4.81
Intrabuilding Network Cable	2426	Rate based on company specific data		
Aerial Wire	2431	-70	12.0	14.17
Conduit Systems	2441	0	50.0	2.00

RECEIVED

Attachment B

MAR 06 1998

COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION

Attachment A  
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