

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

In the matter of the Application of Oregon Farmers)
Mutual Telephone Company to Authorize A)
Minimum Depreciation Rate and to) Case No. _____
Record Depreciation Expense in Excess of)
Such Minimum Rate.)

**APPLICATION FOR AUTHORITY TO ESTABLISH
MINIMUM DEPRECIATION RATE FOR ACCOUNT NO. 2212 AND
TO RECORD DEPRECIATION EXPENSE IN EXCESS OF SUCH MINIMUM RATE**

Comes now Oregon Farmers Mutual Telephone Company (“Oregon Farmers”) and for its Application For Authority to Establish A Minimum Depreciation Rate for Account No. 2212.xxx and To Record Depreciation Expense in Excess of Such Minimum Rate pursuant to §392.280.2, RSMo 2000, and 4 CSR 240-2.060 states to the Missouri Public Service Commission (“Commission” or “PSC”) as follows:

1. Oregon Farmers is a corporation duly organized and existing under the laws of the State of Missouri; its principal office and place of business is located at 118 East Nodaway, Oregon, Missouri 64473. Its telephone number is (660) 446-3391, and its fax number is (660) 446-2800. Oregon Farmers currently provides telecommunications service to customers located in the state of Missouri in one exchange located in Holt County pursuant to a certificate of public convenience and necessity issued by this Commission in Case No. TA-88-5. Oregon Farmers is a “telecommunications company” and a “public utility” as those terms are defined in §392.020, RSMo 2000, and, thus, is subject to the jurisdiction, supervision and control of this Commission.

In Case No. TF-98-243, Oregon Farmers filed a copy of a Certificate of Corporate Good Standing which the Company requests be incorporated by reference in this case.

2. Correspondence, orders and decisions in this matter should be addressed to:

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3. Section 392.280.2, RSMo 2000, provides a method whereby the Commission may authorize minimum depreciation rates in lieu of fixed rates and allow a telecommunications company to record depreciation expense on the basis of rates in excess of such minimum rates. Oregon Farmers requests that the Commission authorize its current depreciation rate for Account No. 2212.xxx of 6.67% as its “minimum” rate and authorize a depreciation rate in excess of the minimum rate to allow for the accelerated depreciation of a switch that was originally placed in service in 1989 and is now technologically obsolete as more specifically described below.

4. Oregon Farmers is preparing to upgrade its telephone plant in order to improve service to customers. As a part of this project, Oregon Farmers plans to replace its Nortel DMS-10 switch, which was originally placed in service in 1989 and is now technologically obsolete. The accumulated depreciation for total switching is \$648,406.10 and the total switching amount is \$945,396.70, leaving a residual (or undepreciated) balance of \$296,990.60, or 31%.

5. Oregon Farmers is requesting that the Commission allow it to recover its

investment in this account with an accelerated depreciation rate. Oregon Farmers proposes that this residual investment balance be recovered over a period of three years beginning October 1, 2007. This would result in a depreciation rate of 10.34 percent (10.34%) for Account No. 2212.xxx and an annual additional depreciation expense of \$34,696. Oregon Farmers currently depreciates switching over fifteen (15) years, or 6.67%. Accordingly, Oregon Farmers requests that the PSC establish a minimum depreciation rate for Account No. 2212.xxx of 6.67% and further authorize Oregon Farmers to book depreciation expense in excess of such minimum rate at a rate of 10.34% effective Oct. 1, 2007.

6. Oregon Farmers does not have any pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.

7. Oregon Farmers does not have any annual report or assessment fees which are overdue.

WHEREFORE, Oregon Farmers respectfully requests that its Application for Authority to Establish Minimum Depreciation Rate for Account No. 2212.xxx and to Record Depreciation Expense in Excess of Such Minimum Rate at 10.34% effective October 1, 2007 be granted, and for any other relief appropriate in the circumstances.

Respectfully submitted,

/s/ **Brian T. McCartney**

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was served electronically on this 7th day of September 2007 to:

Mr. Mike Dandino
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General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

/s/ **Brian T. McCartney**