

Walter S. Foster
1878-1961
Richard B. Foster
1908-1996
Theodore W. Swift
1928-2000
John L. Collins
1926-2001

Webb A. Smith
Allan J. Claypool
Gary J. McRay
Robert J. McCullen
Stephen I. Jurmu
William K. Fahey
Stephen O. Schultz
William R. Schulz
David H. Aldrich

Scott A. Storey
Charles A. Janssen
Charles E. Barbieri
James B. Jensen, Jr.
Scott L. Mandel
Michael D. Sanders
Sherry A. Stein
Brent A. Titus
Brian A. Kaser
Robert E. McFarland
Stephen J. Lowney
Patricia A. Calore
Michael J. Bommarito
Jean G. Shtokal
Glen A. Schmiege
Brian G. Goodenough
Matt G. Hrebec
Mark H. Canady

Eric E. Doster
Stephen J. Rhodes
Melissa J. Jackson
Steven H. Lasher
Nancy L. Kahn
Deanna Swisher
Mark J. Burzych
Alan G. Gilchrist
Thomas R. Meagher
Douglas A. Mielock
Scott R. Forbush
Peter R. Albertins
Christopher A. Ballard
Scott A. Chernich
Donald E. Martin
Jennifer M. Van Horn
Paul J. Millenbach
Dirk H. Beckwith

Bruce A. Vande Vusse
Anne M. Seuryneck
Richard L. Hillman
Alan T. Rogalski
Andrea J. Hool
Steven L. Owen
John M. Naber
Rebecca S. Davies
Barbara J. Oyer
Claire V. Groen
Jennifer Kildea Dewane
John P. Nicolucci
Michael D. Homier
Molly L. Chan
Keith A. Castora
Kirsten M. McNelly
Robert M. Hartley
Emily L. Matthews

Benjamin J. Price
Ronald D. Richards, Jr.
Joseph E. Kozely
Pamela C. Dausman
Terrence G. Quinn
Jacqueline E. Bayley
Ethan E. Rii
Dana M. Bennett
Tina M. Sellers
Radhika P. Drake

Of Counsel
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John W. Ester
David VanderHaagen
Michael G. Harrison
Allan O. Maki
Frederick B. Bellamy
Gilbert M. Frimet
Deborah J. Williamson

Writer's Direct Phone: 906.635.5754 Fax: 517.367.7154

Reply To: Lansing

August 5, 2004

Hand Delivery & E-file

Mary Jo Kunkle, Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

Dear Ms. Kunkle:

Re: In the Matter of the Application of Pigeon Telephone Company for authority to offer expanded local calling and to adjust rates for basic local exchange service.
Case No. U-14195

Enclosed for filing on behalf of Pigeon Telephone Company are the original and four copies of the following: (1) Affidavit of Mary Babcock dated August 2, 2004, with attached Notice of Expanded Calling Areas and Proposed Rate Alteration, and (2) Certificate of Service. We have also enclosed an additional copy of the Affidavit and Certificate of Service which we ask that you time-stamp and return with our courier.

Thank you for your assistance in this matter.

Sincerely,

FOSTER, SWIFT, COLLINS & SMITH, P.C.

Ronald D. Richards Jr.

RDR:ib

Enclosure

cc: Angie A. Fadly

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AFFIDAVIT

Re: Notice of Rate Alteration

STATE OF MICHIGAN)
) ss.
COUNTY OF HURON)


I, Mary Babcock, being duly sworn, state the following based on my personal knowledge:

1. I am the Chief Accountant and Business Office Manager of Pigeon Telephone Company, which filed an application for authority to, among other things, offer expanded local calling and to adjust its basic exchange rates related to providing such expanded local calling.

2. Pursuant to § 304(3) of the Michigan Telecommunications Act ("MTA"), MCL 484.2304(3), on July 31, 2004, a Notice of Expanded Calling Area and Proposed Rate Alternation ("Notice") was mailed to each Pigeon Telephone Company customer who the proposed rate increase would affect. The Notice complies with the requirements of § 304(3) of the MTA. A copy of the Notice is attached as Exhibit A to this affidavit.

3. The monthly bills with which the Notice was sent had a billing date of August 1, 2004. The Notice was sent in the same envelope as the bill of each affected customer. The bills and Notice were sent in sealed envelopes with first class postage fully prepaid, addressed to each customer, and were deposited in the United States Government Mail.


FURTHER AFFIANT SAYETH NOT.



Mary Babcock

Subscribed and sworn to before me this 2nd day of Aug, 2004, by

Mary Babcock.



Janice A. Heckroth, Notary Public
Huron County, Michigan
My Commission Expires: 12-11-2007

MPSC Case No. U-14195

EXHIBIT A

(to Affidavit of Mary Babcock)

NOTICE OF EXPANDED CALLING AREAS AND PROPOSED RATE ALTERATION

Many of you have contacted us to request an expanded local calling area. As a result, we are currently seeking approval from the Michigan Public Service Commission ("MPSC") to expand our local calling areas. In MPSC Docket No. U-14195, we, Pigeon Telephone Company, are proposing to offer expanded local calling from the Alba exchange to the Bellaire, Gaylord, East Jordan, Mancelona, and Elmira exchanges, in addition to the Lakes of the North exchange; from the Lakes of the North exchange to the Gaylord, Grayling, Mancelona, and Manistee River exchanges, in addition to the Alba exchange; from the Pigeon exchange to the Bay Port, Owendale, Sebawaing, Caseville, Elkton, Bad Axe, Gagetown, Unionville, Cass City, Kinde, and Port Austin exchanges; and from the Twining exchange to the East Tawas, Prescott, Whittemore, Omer, and Au Gres exchanges.

In addition to asking the MPSC to approve our expanded local calling plan, we are also proposing to change the rates for residential, business, and educational basic local exchange service. If our application with the MPSC is approved, in the Alba, Lakes of the North, and Pigeon exchanges we will change the monthly residential basic local exchange rate to \$22.55, our monthly business basic local exchange rate to \$27.11, our monthly private branch exchange (PBX) rate to \$36.40, and our educational and multi-line business one-party and PBX rates to \$24.61 and \$33.90. If our application with the MPSC is approved, in the Twining exchange we will change the monthly residential basic local exchange rate to \$21.07, our monthly business basic local exchange rate to \$23.37, our monthly private branch exchange (PBX) rate to \$26.30, and our educational and multi-line business one-party and PBX rates to \$20.87 and \$23.80. The estimated amount of the rate change for the typical residential, one-party line customer is \$6.00 monthly (or \$72.00 annually), and \$7.20 monthly (or \$86.40 annually) for the typical business customer. If approved, Pigeon's application will also result in blocking 1+ originating toll calling from each of our four exchanges to the expanded local calling areas (eliminating the need to dial '1' before calls to the other identified exchanges), and each of Pigeon's customers would receive a monthly 2,000 minute calling allowance for calls placed to the expanded local calling areas, with additional minutes in excess of the monthly allowance charged at \$0.04 per minute. Local calls occurring entirely within the customer's home exchange and local calls between the Alba and Lakes of the North exchanges would not count against the 2,000 minute allowance.

By law, you have the right to comment on or receive the complete details of the rate alteration proposed in Case No. U-14195, by calling the Michigan Public Service Commission at (517) 241-6180, or by writing to the following address: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. You may also contact Pigeon Telephone Company for details, at (989) 453-4321. You may also email comments to the Michigan Public Service Commission by emailing the comments to: mpscfilecases@michigan.gov. All comments received will become public information. All comments should reference Case No. U-14195, and must be filed with the Commission no later than 5:00 p.m., on September 7, 2004.

We take great pride in offering you the best service possible, and we hope that the proposed plan will meet your requests for an expanded local calling area. We appreciate the opportunity to serve you.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Application of Pigeon Telephone Company for authority to offer expanded local calling and to adjust rates for basic local exchange service.

Case No. U-14195

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Public Service Division
Attorney for the Michigan Public Service Commission
6545 Mercantile Way, Suite 15
Lansing, MI 48911
(517) 241-6680

CERTIFICATE OF SERVICE

I hereby certify that on August 5, 2004, I served a copy of (1) the Affidavit of Mary Babcock dated August 2, 2004, and (2) this Certificate of Service, upon Angie A. Fadly, Attorney for the Michigan Public Service Commission Staff. Service was accomplished via electronic mail and by hand delivery by the courier service Great Lakes Express Service, Inc. to:

Angie A. Fadly
Assistant Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911
fadlya@mich.gov

I declare that the statements above are true to the best of my information, knowledge and belief.

Date: August 5, 2004

Ronald D. Richards Jr.