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Arizona Corporation Commission

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Attorney for Midvale Telephone Exchange, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTEN K. MAYES - Chairman
PAUL NEWMAN
GARY PIERCE
SANDRA KENNEDY
BOB STUMP

**IN THE MATTER OF MIDVALE
TELEPHONE EXCHANGE INC.'S
APPLICATION FOR AN AMENDMENT
TO ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY**

DOCKET NUMBER: T-02532A-08-0542

**SECOND AMENDED APPLICATION OF
MIDVALE TELEPHONE EXCHANGE,
INC.**

18 Midvale Telephone Exchange, (hereinafter "Midvale" or "Applicant"), through counsel,
19 provides the following information in support of its **Second Amended** Application for an
20 Amendment to its Certificate of Convenience and Necessity. Midvale requests to amend its
21 current territory to include customer locations within Qwest Communications Corporation's
22 (hereinafter "Qwest") service area. Qwest has indicated to Midvale that it will support this
23 application before the Arizona Corporation Commission. **The Second Amendment makes**
24 **changes to the description of the area to be transferred from Qwest to Midvale.**

1 **I. INTRODUCTION**

2 Midvale is the holder of an amended Certificate of Public Convenience and Necessity in
3 Arizona. Approval of Midvale's Application would result in an extension of Midvale's current
4 territories to territories currently with Qwest boundaries which Qwest is willing to serve but at a
5 cost that is viewed as prohibitive by prospective customers within the transfer area. Midvale is
6 in a position to serve the customers at an affordable cost. Qwest, in the public interest, is willing
7 to transfer the territory to Midvale.

8 **II. THE APPLICANT**

9 Midvale currently provides telephone service in rural Arizona communities. According
10 to its March 31, 2010 Loop/ Line count, Midvale serves approximately 1319 rural residential and
11 124 rural business customers in five Arizona exchanges. Midvale serves a total of 2380 rural
12 customers in Idaho, Oregon, and Arizona. The Commission has received only 7 Midvale
13 customer complaints in the last 14 years.

14 Copies of Midvale's Certificate of Incorporation and Articles of Incorporation are
15 attached hereto as Attachment "A". The applicant's exact name and the address of its principle
16 business office are:

17 Midvale Telephone Exchange, Inc.,
18 P.O. Box 7
2205 Keithley Creek Road
19 Midvale, Idaho, 83645

20 **III. DESIGNATED CONTACT**

21 The name and address of the person authorized, on behalf of the applicant, to receive notices
22 and communications regarding this application is:

23 Gary H. Horton, Esq.
24 PMB 447
989 S. Main St., Suite A
Cottonwood, Arizona, 86325
25 Telephone: 928-649-6113
Email: ghorton_57@msn.com

1 **IV. MIDVALE'S EXTENSION REQUEST**

2 This Application requests Commission authorization to provide facilities-based, basic
3 local exchange service and toll service to currently unserved customers in Qwest's service area
4 in Yavapai County, Arizona. These areas are immediately contiguous to existing Midvale
5 territories in the Long Meadows portion of its Mill Site Exchange (the "Extended Territory").

6 According to Midvale's March 31, 2010 Loop/ Line count, Midvale now serves 226
7 residential and 12 business customers in its Mill Site Exchange. Midvale's basic rates in the
8 exchange are \$24.00 for its residential customers and \$30.00 for its business customers. Midvale
9 has broadband available to its customers in the Mill Site exchange, and will provide it on
10 demand in the Extended Territory. Service in the Extended Territory will not require the hiring
11 of any additional employees in Arizona.

12 Midvale maintains an 800 number for all its customers for customer service related
13 issues. This line is attended to by Midvale five days a week, eight hours a day. Midvale also
14 provides its customers with 24/7 emergency and service outage reporting, with employees on
15 standby to correct problems.

16 As the Extended Territory will become a part of the existing Long Meadows portion of
17 its Millsite Exchange. No new connections will be required to interface with the public network
18 switch. Midvale's existing switches provide network services such as local and toll directory
19 assistance, operator assistance, 911 routing, and N11 routing.

20
21 **V. LEGAL DESCRIPTIONS OF THE EXTENSIONS**

22 The main gate location of the Las Vegas Ranch Estates at 15411 N. Las Vegas Road is
23 located within Section 13, Township 16N, Range 04W This section will be transferred from
24 Qwest to Midvale if this application is approved.

1 The Richter home located at 14010 North Tonto Road is within the Southeast ¼ of
2 Section 23, Township 16N, Range 04W. The Southern ½ and the Northwest ¼ of section 23
3 would be transferred from Qwest to Midvale if this application is approved. The following
4 Sections all within Township 16N, Range 04W would also be transferred upon Commission
5 approval: The western ½ of Section 22, the Southern ½ and Northwest quarter of Section 15, the
6 Northern ½ and Southwest quarter of Section 14; Sections 1, 2, 11, and 12.

7 Other territories to be transferred include: the western ½ of Section 20, Township 16N,
8 Range 03W; Section 17, Township 16N, Range 03W excluding the Hootenanny Holler
9 Development and also excluding that portion of Section 17 north of Williamson Valley Road
10 (The surveyor's description of that portion of the Hootenanny Holler boundary located within
11 Section 17, T16N R03W which will serve as the boundary between Midvale and Qwest is
12 attached hereto as Attachment "C"). Maps depicting the areas to be transferred are attached as
13 Attachment "B".

14 **VI. PROVISION OF SERVICES**

15 All construction will feature Fiber to the Home ("FTTH") technology. This technology
16 will allow Midvale to provide a full range of telephone, high speed internet, and video services to
17 this portion of rural Arizona. Midvale would connect with existing outside plant. No switch
18 replacement would be required.

19 **VII. FINANCING THE EXTENDED TERRITORY**

20 The construction and resulting cost to serve these two locations will be minimal.
21 Midvale will use general funds to finance construction. Midvale will connect the Extended
22 Territory with existing outside plant. No switch replacement or upgrades will be required to
23 serve the new customers.

24 Midvale is an Eligible Telecommunications Carrier and in the past received both Arizona
25 and Federal Universal Service Funds in the Mill Site Exchange. The Universal Service Fund

ATTACHMENT "A"
MIDVALE TELEPHONE EXCHANGE, INC.
ARTICLES OF INCORPORATION
AND
CERTIFICATE OF INCORPORATION



Department of State

CERTIFICATE OF INCORPORATION

ARNOLD WILLIAMS,

I, ~~XXXXXXXXXX~~ Secretary of State of the State of Idaho, and legal custodian of the corporation records of the State of Idaho, do hereby certify that the original of the articles of incorporation of

MIDWALK TELEPHONE EXCHANGE, INCORPORATED

was filed in the office of the Secretary of State on the **nineteenth** day of **March,** A.D. One Thousand Nine Hundred **Fifty-Nine,** and duly recorded on Film No. **164** of Record of Domestic Corporations, of the State of Idaho, and that the said articles contain the statement of facts required by Section 30-103, Idaho Code.

I FURTHER CERTIFY, That the persons executing the articles and their associates and successors are hereby constituted a corporation, by the name hereinbefore stated, for **perpetual existence** from the date hereof, with its registered office in this State located at **Midvale,** in the County of **Washington.**

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State. Done at Boise City, the Capital of Idaho, this **19th** day of **March**, A.D., 19 **59**.

Secretary of State.

ARTICLES OF INCORPORATION OF
MIDVALE TELEPHONE EXCHANGE, INCORPORATED

* * *

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, all of whom are full age, citizens of the United States and residents of the State of Idaho, have this day voluntarily associated ourselves together, and do hereby unite and associate ourselves together for the purpose of forming a corporation under the laws of the State of Idaho for the purposes hereinafter stated.

I

The name of this corporation shall be and is MIDVALE TELEPHONE EXCHANGE, INCORPORATED.

II

The term for which this corporation shall exist shall be perpetual.

III

The location and postoffice address of the registered office of this corporation in the State of Idaho is Midvale, Washington County, Idaho.

IV

The objects and purposes for which this corporation is formed shall be and are:

(a) To acquire, by purchase, lease or otherwise, construct, maintain, lease and operate telephone exchange systems, and public and private telephone lines, and in general to receive and transmit intelligence by electricity for all purposes and to do a telephone business within and without the State of Idaho, and to acquire, hold, use, sell and lease all rights, franchises, patents, machinery and apparatus pertaining to such business within and without the State of Idaho;

(b) To purchase, own, lease, hold, improve, sell and convey such real estate, and to construct, lease and maintain thereon such buildings or other improvements, as shall be necessary or proper for conducting the business of this corporation, either within or without the State of Idaho; and to buy, own, lease, improve, sell or convey such other real estate as shall be acquired by this corporation in the conduct of its business;

(c) To purchase, own, hold, vote, sell or hypothecate the stocks and bonds of other corporations and to take in the name of this corporation such stocks, bonds, mortgages, notes, deeds, conveyances or other evidence of indebtedness, ownership, title or security as may be acquired by this corporation in the usual and ordinary transaction of its business;

(d) To borrow money in the name of this corporation in such amounts as the stockholders or directors may determine and issue as evidence thereof notes, bonds or other evidence of indebtedness of this corporation, and to secure the payment of the same, when required, by mortgages, trust deeds, pledges, assignments or other conveyance of all or any portion of its property, real or personal;

(e) To acquire the good will, rights and property of any person, firm, association or corporation, and to pay for the same in cash, stocks, notes or bonds of this corporation or otherwise;

(f) To enter into, make, perform and carry out contracts of every kind and character with any person, firm, association or corporation;

(g) To carry out the objects and purposes for which this corporation is formed, as principal, agent or otherwise, to the same extent as natural persons might do;

(h) To conduct the business of this corporation as herein set out at any place or places within the State of Idaho or any other state, or territory of the United States, as the Board of Directors may from time to time determine;

(i) To carry on and promote any other business whatsoever which may seem to the officers or stockholders of this corporation capable of being carried on in connection with the foregoing objects and purposes, or calculated directly or indirectly to promote the interests of the

corporation or to enhance the value of its property, and generally to have, enjoy and exercise all the rights, powers and privileges which are now, or which may hereafter be, conferred upon corporations organized under the laws of Idaho;

(f) It is the intention of the incorporators of this company that the foregoing clauses shall be construed both as objects and powers and the foregoing enumeration of specific powers shall not be construed to limit or restrict in any manner the powers of the corporation, but that said corporation shall have power to do all and every thing necessary, suitable, convenient or proper for the accomplishment of any of its purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers herein named, or which shall at any time appear conducive or expedient for the protection or benefit of the corporation, and this to the same extent and as fully as natural persons might or could do.

V

The present estimated length of the telephone line or lines to be acquired and operated by said corporation is one hundred miles.

VI

The business of this corporation shall be managed and conducted by a board of three directors, the first board to be elected at the meeting of the shareholders of the corporation, and thereafter to be elected annually at the annual meeting of the shareholders.

VII

The articles of incorporation may be amended in any respect as may be provided by the laws of the State of Idaho, by a vote representing at least a majority of the outstanding stock, at a shareholders meeting especially called for that purpose, as provided by statute. The by-laws of the corporation may be amended and new by-laws adopted by the board of directors.

VIII

The shareholders of this corporation shall not be individually liable for the debts or obligations of the corporation.

IX

The corporation shall have a total authorized capital stock of \$25,000.00, divided into 250 shares of the par value of \$100.00 per share.

X

The names and postoffice addresses of the incorporators, together with the number of shares of stock subscribed by each, are as follows:

<u>Name</u>	<u>Address</u>	<u>No. Shares</u>
Verdie O. Williams	Midvale, Idaho	1
Charlotte Williams	Midvale, Idaho	1
Shirley Archer	Midvale, Idaho	1

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 19th day of March, 1959.

Verdie O. Williams
Charlotte Williams
Shirley Archer

STATE OF IDAHO)
) ss.
County of Ada)

On this 19th day of March, 1959, before me, the undersigned, a Notary Public in and for said State, personally appeared VERDIE O. WILLIAMS, CHARLOTTE WILLIAMS and SHIRLEY ARCHER, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

M. J. Lane
Notary Public for Idaho
Residence: Boise, Idaho

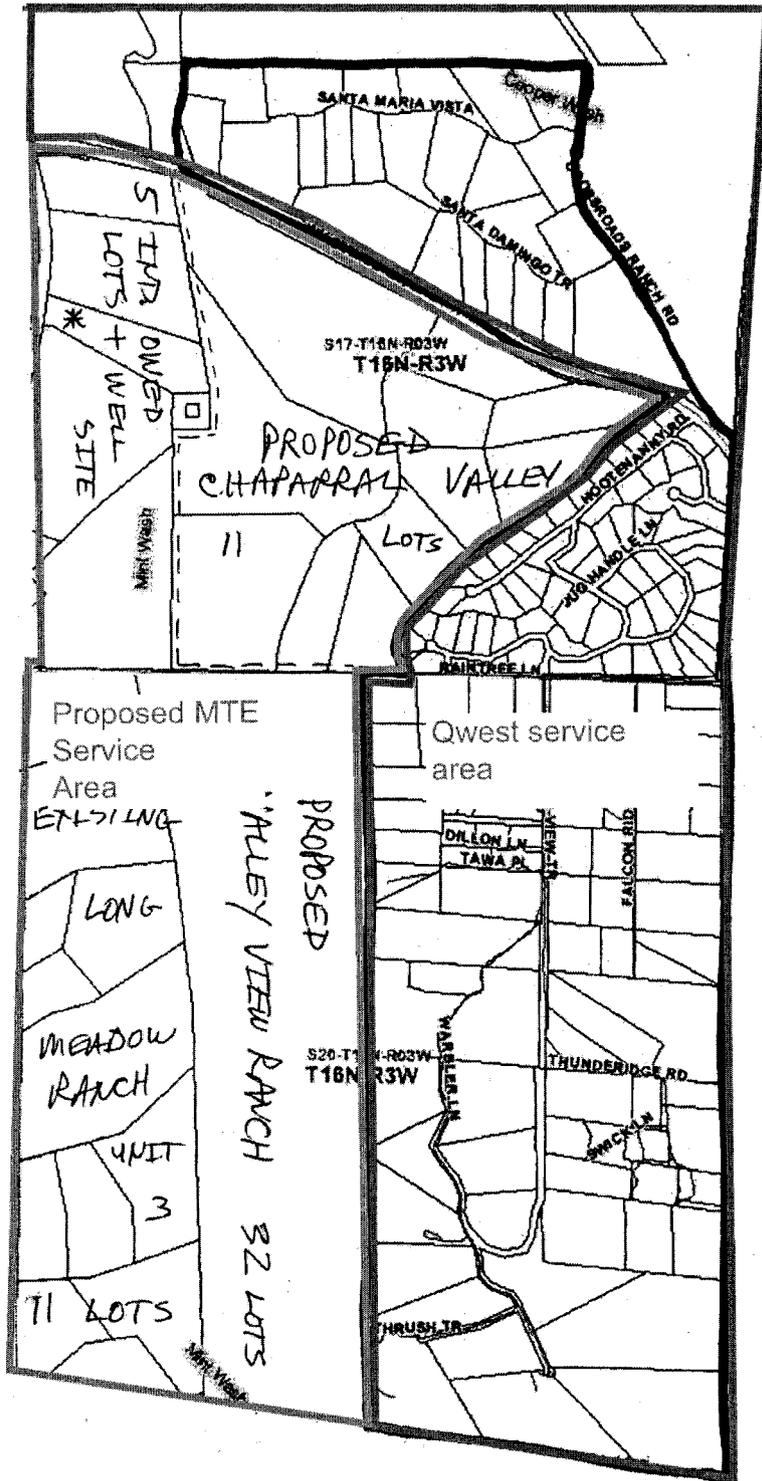
ATTACHMENT "B"
MAP DEPICTING THE AREAS TO BE TRANSFERRED

T16N

R03W

R04W

5	4	3	2	1	6	5	4
8	9	10	11	12	7	8	9
17	16	15	14	13	18	19	16
20	21	22	23	24	19	20	21
29	28	27	26	25	30	29	28
32	33	34	35	36	31	32	33



ATTACHMENT "C"

**SURVEYOR'S DESCRIPTION OF THAT PORTION OF
HOOTENANNY HOLLER BOUNDARY LOCATED
WITHIN SECTION 17, T16N, R03W WHICH WILL
SERVE AS THE BOUNDARY BETWEEN MIDVALE
AND QWEST**

MIDVALE TELEPHONE EXCHANGE WILL ACQUIRE FROM QWEST THE FOLLOWING PORTION OF SECTION 17 TOWNSHIP 15N RANGE 3 WEST, EVERYTHING NORTH OF THE SOUTH SECTION LINE OF SAID SECTION 17 AND 238.01 FEET EAST OF THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 17;

THENCE NORTH 28 DEGREES 50 MINUTES 25 SECONDS WEST, ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION, A DISTANCE OF 172.15 FEET TO A POINT ON A CURVE, CONCAVE, TO THE EAST, THE CENTER OF WHICH BEARS NORTH 61 DEGREES 09 MINUTES 35 SECONDS EAST, A DISTANCE OF 168.03 FEET;

THENCE NORTHERLY, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 71 DEGREES 03 MINUTES 04 SECONDS, A DISTANCE OF 208.37 FEET;

THENCE NORTH 42 DEGREES 12 MINUTES 35 SECONDS EAST, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION, A DISTANCE OF 728.73 FEET TO A POINT ON A CURVE, CONCAVE TO THE EAST, THE CENTER OF WHICH BEARS SOUTH 47 DEGREES 47 MINUTES 25 SECONDS EAST, A DISTANCE OF 675.57 FEET;

THENCE NORTHEASTERLY, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 17 DEGREES 13 MINUTES 00 SECONDS, A DISTANCE OF 203.00 FEET.

THENCE NORTH 59 DEGREES 25 MINUTES 35 SECONDS EAST, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION, A DISTANCE OF 633.11 FEET TO A POINT ON A CURVE, CONCAVE TO THE NORTHWEST, THE CENTER OF WHICH BEARS NORTH 30 DEGREES 34 MINUTES 25 SECONDS WEST, A DISTANCE OF 658.13 FEET;

THENCE NORTHEASTERLY, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 16 DEGREES 53 MINUTES 59 SECONDS, A DISTANCE OF 194.12 FEET;

THENCE NORTH 42 DEGREES 31 MINUTES 35 SECONDS EAST, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION, A DISTANCE OF 645.96 FEET TO A POINT ON A CURVE, CONCAVE TO THE SOUTHEAST, THE CENTER OF WHICH BEARS SOUTH 47 DEGREES 28 MINUTES 25 SECONDS EAST, A DISTANCE OF 420.46 FEET;

THENCE NORTHEASTERLY, CONTINUING ALONG THE WEST LINE OF SAID "HOOTENANNY HOLLER" SUBDIVISION AND ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 20 DEGREES 33 MINUTES 03 SECONDS, A DISTANCE OF 150.81 FEET TO WILLIAMSON VALLEY ROAD

THENCE EVERYTHING WEST OF SAID "HOOTENANNY HOLLER" SUBDIVISION AND SOUTH OF WILLIAMSON VALLEY ROAD TO THE WEST SECTION LINE OF SAID SECTION 17