



Federal Communications Commission
Washington, D.C. 20554

March 25, 2009

Gail Pitzer
General Manager
Agate Mutual Telephone Cooperative Association
P.O. Box 38
Agate, CO 80101-0038

DA 09-671

Re: February 11, 2009 Request of Agate Mutual Telephone Cooperative Association for Approval to Charge Account 1438, Deferred Maintenance and Retirements

Dear Ms. Pitzer:

By letter dated February 11, 2009, Agate Mutual Telephone Cooperative Association (“Agate”) requested approval to include in account 1438, Deferred Maintenance and Retirements, the unprovided-for loss in service value of telecommunications plant for an extraordinary, retirement not considered in depreciation associated with Agate’s MDX switch.¹ You explained that in order to comply with its obligations regarding the Communications Assistance to Law Enforcement Act² and Local Number Portability,³ Agate was required to upgrade its MDX switch or convert to a new HDX “soft” switch for a “virtually identical” price.⁴ You further explained that Agate selected the HDX “soft” switch and, as a result, has retired its MDX switch (the “Retired Plant”).⁵

Pursuant to section 32.1438 of the Commission’s rules, a company may include charges in account 1438 “only upon direction or approval from this Commission,” for “*unprovided-for* loss in service value of telecommunications plant for *extraordinary nonrecurring retirement not considered in depreciation* and the cost of extensive replacements of plant normally chargeable to the current period Plant Specific Operations Expense accounts.”⁶ Further, the company’s application for such approval must give the Commission “full particulars concerning the property

¹ Letter from Gail Pitzer, General Manager, Agate Mutual Telephone Cooperative Association, to Albert M. Lewis, Chief, Pricing Policy Division, Wireline Competition Bureau, dated February 11, 2009 (“*February 11, 2009 Request*”).

² Pub. L. No. 103-414, 108 Stat 4279 (1994) (codified as amended in sections of 18 USC and 47 USC).

³ 47 U.S.C. §251(b)(2).

⁴ *February 11, 2009 Request* at 2.

⁵ *Id.*

⁶ 47 C.F.R. § 32.1438(a)(1) (emphasis added).

retired, the extensive replacements, the amount chargeable to operating expenses and the period over which in its judgment the amount of such charges should be distributed.”⁷

Applications for authorization to include charges in account 1438 must necessarily be considered on a case-by-case basis. We find that the showing contained in Agate’s *February 11, 2009 Request* satisfies the requirements set forth in the Commission’s rules to include the Retired Plant in account 1438.⁸ Accordingly, pursuant to the authority delegated in the Commission’s rules,⁹ Agate is authorized to charge account 1438 for the net book value of the Retired Plant, amortized ratably, over a three-year period beginning January 1, 2009 and ending December 31, 2011.

Sincerely,



Albert M. Lewis
Chief
Pricing Policy Division
Wireline Competition Bureau

⁷ *Id.*

⁸ *Id.*

⁹ 47 C.F.R. §§ 0.91, 0.204, 0.291.