

Law Office of  
Richard A. Finnigan  
2112 Black Lake Blvd. SW  
Olympia, Washington 98512

Richard A. Finnigan  
(360) 956-7001  
rickfinn@localaccess.com

Candace Shofstall  
Legal Assistant  
(360) 753-7012  
candaces@localaccess.com

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April 4, 2017

VIA E-MAIL

Filing Center  
Oregon Public Utility Commission  
PO Box 1088  
Salem OR 97308-1088

Re: North-State Telephone Company – Customer Notice

Dear Sir/Madam:

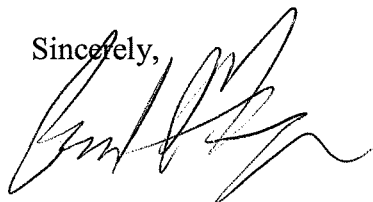
For your information, enclosed you will find the above-referenced customer notification from North-State Telephone Company ("North-State") regarding a proposed rate increase, which is scheduled to be effective June 1, 2017. This filing increases the residential rate from \$12.45 per month to \$14.35. North-State is exempt from filing tariffs. The copy of the notice is provided pursuant to statute and Commission rule.

The Federal Communications Commission has issued an Order (FCC Order No. 11-161) that requires the Company to increase its rates to the levels set forth in the enclosed notice or face a corresponding reduction in its universal service support.

There is a chance that the FCC will reverse its position. Company representatives are asking the FCC to do that. If it happens, the rate will revert to \$12.45 as quickly as possible.

Thank you for your attention to this matter.

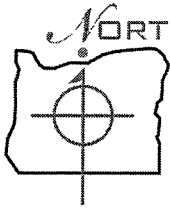
Sincerely,



RICHARD A. FINNIGAN

RAF/cs  
Enclosure

cc: Client (via e-mail)



NORTH-STATE TELEPHONE CO.

ONE TELEPHONE DRIVE  
PO BOX 609  
MT. VERNON, OREGON 97865  
(541) 932-4411

April 1, 2017

### IMPORTANT NOTICE

North-State Telephone Co. "Company" is filing with the Oregon Public Utility Commission ("Commission") to increase its residential monthly service rate from \$12.45 to \$14.35 per month for the Dufur, OR exchange, a change of \$1.90. The proposed effective date for the filing is June 1, 2017.

The Federal Communications Commission has issued an Order (FCC Order No. 11-161) that requires the Company to increase its rates to the levels set forth in this Notice or face a corresponding reduction in its universal service support. Federal Universal Service support enables the Company to provide high quality service to you.

<u>Service</u>	<u>Existing Rate</u>	<u>New Rate</u>	<u>Change</u>	<u>Percentage of Change</u>
One-Party Residential Access Line	\$12.45	\$14.35	\$1.90	15.27%

There is a chance that the FCC will reverse its position. Company representatives are asking the FCC to do that. If it happens, the rate will revert to \$12.45 as quickly as possible.

This is not something that the Company is taking lightly. However, in considering options available to it, the Company believes it has no choice but to follow the FCC's requirements in order to continue to receive universal service support at approximately the same level it has in the past, if the FCC does not reverse its position.

Customers may petition the Public Utility Commission of Oregon to investigate the rate increase. The Commission has the authority to set final rates that may be lower or higher than the company's request, depending on the outcome of the investigation. The Commission will investigate the rate increase if it receives petitions signed by 10 percent of customers on or before May 22, 2017. If the Commission does not receive sufficient petitions by May 22, 2017, the proposed rates will become effective on June 1, 2017, without Commission review. Petitions should be sent to the Commission's Consumer Services Division.

Public Utility Commission of Oregon  
PO Box 1088  
Salem OR 97308-1088  
E-mail: [puc.consumer@state.or.us](mailto:puc.consumer@state.or.us)  
Telephone: 1-800-522-2404 Consumer Services (voice)

If you have any questions about the proposed filing and how it will affect you, please call North-State Telephone Co. at (541) 467-2211 or 1-800-650-7856

Sincerely,  
North-State Telephone Co.