



PO Box 609/One Telephone Dr. Mount Vernon, OR 97865

March 11, 2016

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 1088
Salem, OR 97308-1088

Re: RESIDENTIAL RATE INCREASE NOTIFICATION TO CUSTOMERS

To Whom It May Concern,

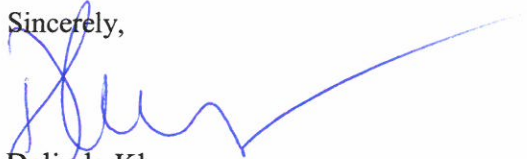
Attached you will find the above-referenced customer notification regarding a rate increase, effective May 1, 2016. The residential rate will increase from \$14.35 per month to \$16.60 per month. In addition to this notification, Oregon Telephone has also made the appropriate changes to the Price List, with an effective date of May 1, 2016.

The rate increase affects 27 residential customers in the Juntura exchange only and will provide additional annual revenue of approximately \$60.75.

The purpose of this notification is to conform to FCC Order No. 11-161 and subsequent rules. In the course of that Order, the Federal Communications Commission adopted new rules concerning the universal service program. The effect of those rules is to penalize any company whose total residential rate plus certain state fees is less than \$18.00 on June 1, 2016. The \$16.60 when coupled with the OUSF provides the required rate level. The penalty is a dollar-for-dollar reduction in universal service support for the Company's operations.

Thank you for your attention to this matter.

Sincerely,



Delinda Kluser
Vice-President/General Manager

March 11, 2016

IMPORTANT NOTICE

Oregon Telephone Corporation is filing with the Oregon Public Utility Commission ("Commission") to increase its residential monthly service rate from \$14.35 to \$16.60 per month for the Juntura Exchange, a change of \$2.25 or 15.67%. The proposed effective date for the filing is May 1, 2016. The rate change is in response to regulatory reforms issued by the Federal Communications Commission including reduction in inter-carrier compensation. In addition, without a rate change, Oregon Telephone Corporation will lose some of its federal Universal Service Support. Federal Universal Service Support helps keep the network serving you as affordable as possible.

<u>Service</u>	<u>Existing Rate</u>	<u>New Rate</u>	<u>Change</u>	<u>Percentage of Change</u>
One-Party Residential Access Line	\$14.35	\$16.60	\$2.25	15.68%

If you have any questions about the proposed filing and how it will affect you, please call the Company at (541) 932-4411 or 1-800-848-7969

Customers may petition the Public Utility Commission of Oregon to investigate the rate increase. The Commission will investigate the rate increase if it receives petitions signed by 10 percent of customers on or before April 21, 2016. If the Commission does not receive sufficient petitions by April 21, 2016, the proposed rates will become effective on May 1, 2016, without Commission review. Petitions should be sent to the Commission's Consumer Services Division. The Company will provide a current copy of the local exchange directory and its service territory map within ten days of a request from any customer.

The Commission's toll free telephone number is 1-800-522-2404
The Commission's address is
Oregon Public Utility Commission
Consumer Services Section
Post Office Box 1088
Salem, OR 97308-1088

Sincerely,

Oregon Telephone Corporation