103 S. 2nd St. P.O. Box 171 Roslyn, WA 98941 INLAND TELEPHONE

Telephone: (509) 649-2211 Fax: (509) 649-2555

March 29, 2013

IMPORTANT NOTICE

Inland Telephone Company has filed with the Washington Utilities and Transportation Commission ("Commission") to increase the Residential Service individual line rate for its Roslyn exchange base rate area and rural area effective May 1, 2013, to \$14.00 per month. The existing rate is \$13.80. In addition, its residential Message Rate Service for its base rate area and its rural area will increase effective May 1, 2013, to \$14.00 per month. The existing rate is \$10.00. This is an increase of \$.20 per month for Residential Service in the Roslyn exchange and \$4.00 per month for residential Message Rate Service in all Washington exchanges. The Company is also reducing the rate and changes the terms of its Vacation Suspend Service. Instead of the rate being one-half of the base rate, it will be a flat \$1.50 per month. The service no longer allows outgoing local and E911 calls.

The reason for this filing is that the Federal Communications Commission has issued an Order (FCC Order No. 11-161) that requires the Company to increase its rates to the levels we have set forth in this Notice or face a corresponding reduction in universal service support. The Company does not want to raise its local rates. However, in order to continue to receive the same level of universal service support, which allows us to provide high quality service to you, we are required by the FCC to increase these rates or see a reduction in that support.

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

If you have any questions about the proposed filing and how it will affect you, please call the Company at 509-649-2211.

The Commission has the authority to set rates that may vary from the Company's request, depending on the outcome of its investigation. Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on April 25, 2013. You will have an opportunity to comment in person at this meeting. If you are unable to attend the open meeting, the Commission has a bridge line which enables you to participate by telephone. Call 360-664-1234 the day before the open meeting for instructions and to sign in. You can also comment by using the "Public Comment" feature at the commission's web site, at utc.wa.gov, or by using the contact information below.

Washington Utilities and Transportation Commission 1300 S Evergreen Park Drive SW Post Office Box 47250 Olympia, WA 98504-7250 E-mail: comments@utc.wa.gov Telephone: 1-888-333-WUTC (9882)

Sincerely,

Inland Telephone Company