

March 26, 2013

IMPORTANT NOTICE

Kalama Telephone Company ("Company") has filed with the Washington Utilities and Transportation Commission ("Commission") to increase its Business Exchange Access Line Services rate from \$19.50 for the first line and \$13.50 for additional lines to \$21.00; and Residential Exchange Access Line Services rate from \$13.00 to \$14.00. In addition, the Company is making changes to Non-Recurring Charges, Custom Calling Services/Features, Centrex Services, Public Access Line Services and Remote Call Forwarding as outlined below. Some services that are not in use have been deleted.

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. Universal service support enables the Company to provide high quality service to you. The Company has historically opposed raising its local rates, but after due consideration, the Company believes it has no choice but to follow the FCC's requirement.

If you have any questions about the proposed filing and how it will affect you, please call the Company at 360-673-2755.

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. The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the commission at (360) 664-1132 or human_resources@utc.wa.gov.

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,

Kalama Telephone Company

Non-Recurring Charges	Current Rate Business	New Rate Business	Current Rate Residential	New Rate Residential
Service Order (initial)	\$10.00	N/A	\$8.00	N/A
Service Order (change in service, facilities or equipment)	\$8.00	N/A	\$6.00	N/A
Service Initiation or Change Charge	N/A	\$15.00*	N/A	\$15.00*
Premises Visit	\$12.00	\$20.00	\$12.00	\$20.00
Central Office Work	\$7.00	N/A	\$7.00	N/A
Number Change Charge	\$25.00	N/A	\$25.00	N/A

Custom Calling Service/Feature	Current Rate Business	New Rate Business	Current Rate Residential	New Rate Residential
Caller Identification Number	\$3.95	\$3.00	\$2.95	\$3.00
Caller Identification Name and Number	\$5.95	\$3.00	\$5.95	\$3.00
Call Detail EAS	\$10.00	\$10.00	\$7.50	\$10.00
Call Rejection	\$2.25	\$1.50	\$2.00	\$1.50
Simultaneous Ringing	\$2.25	\$1.50	\$2.25	\$1.50
Last Call Return	\$2.25	\$1.50	\$2.00	\$1.50
Priority Call	\$2.25	\$1.50	\$2.00	\$1.50
Selective Call Acceptance	\$2.25	\$1.50	\$2.00	\$1.50
Selective Call Forwarding	\$2.25	\$1.50	\$2.00	\$1.50
Telemarketer Call Screening	\$3.95	\$3.00	\$3.95	\$3.00
Customer Ringing (Teen Line)	N/A	N/A	\$5.00	\$3.00
Customer Ringing (Preference Line)	\$5.00	\$3.00	N/A	N/A

All other Features	Current Rate Business	New Rate Business	Current Rate Residential	New Rate Residential
First Feature	\$2.00	N/A	\$1.75	N/A
Second Feature	\$1.50	N/A	\$1.25	N/A
Each Additional Feature	\$1.20	N/A	\$0.95	N/A
All Features	N/A	\$1.50	N/A	\$1.50

Centrex Line Rates	Current Rate IBSI 3-6 Lines	Current Rate IBSII 7-24 Lines	New Rate IBSI 3-6 Lines	New Rate IBSII 7-24 Lines
Minimum 12 Months	\$14.30	\$13.00	\$15.80	\$14.50
13-24 Months	\$14.00	\$12.60	\$15.50	\$14.10
25-36 Months	\$13.60	\$12.30	\$15.10	\$13.80

Centrex Optional Features Monthly Rate	Current Rate Minimum 12 Months	Current Rate 13-24 Months	Current Rate 25-36 Months	New Rate
Call Handling Enhancement per Line	\$1.25	\$1.00	\$0.80	\$1.50
Call Waiting Enhancement per Line	\$0.85	\$0.70	\$0.56	\$1.50
Off-Premise Extension Surcharge per Line per Additional Location	\$6.00	\$5.75	\$5.40	\$6.00

Public Access Line Service	Current Rate	New Rate
Line Rate	\$19.50	\$21.00

Remote Call Forwarding	Current Rate	New Rate
Remote Call Forwarding	\$19.00	\$25.50

* combines existing service order, central office work and number change charges.