

## IMPORTANT NOTICE

Whidbey Telephone Company ("Company") has implemented only one residential local service rate increase in over 25 years, and we have proudly kept our residential local exchange service at the same rates for over 13 years. Though we prefer not to change our rates for such service, an order by the Federal Communications Commission ("FCC") has given us no reasonable alternative but to file revisions to the Company's Tariff WN U-5 with the Washington Utilities and Transportation Commission ("Commission"). In order for the Company to be eligible to avail itself of Federal universal service support and not incur a corresponding reduction in that support, FCC Order 11-161 requires the Company to increase its rates for residential local exchange services to the minimum level established by the FCC as set forth below. Receiving Federal universal service support in the past has allowed us to keep our prices steady and continue the ability to provide high quality, technologically advanced telecommunications services to the communities we serve.

As reflected by the above-mentioned FCC order, the Company's residential service rate is considered to be significantly below prevailing rates for comparable service nationally. The FCC order envisions a transition by which, over time, lower residential service rates are to be brought into closer alignment with what the FCC has identified as a national rate floor for such service. We believe that, even with the proposed increases, our rates will continue to represent exceptionally good value for our customers.

The effect of the tariff revision filing that the Company has made with the Commission will be to increase the Company's monthly recurring rates for residential individual line service, residential hot line service and Centrex service (for each of the 26th through 200th lines) ("Centrex service") to \$14.00, effective May 1, 2013. The Company's current monthly recurring rates for these same services are \$9.40 for residential individual line service, \$12.90 for residential hot line service and \$12.50 for Centrex service.

If you have any questions about the Company's filing with the Commission or how it will affect you, or wish additional information, please visit one of our Customer Experience Centers or call the Company at (360) 321-1122 from South Whidbey, (360) 945-1122 from Point Roberts, or toll free at (866) 548-7760 if calling from outside the Company's local service area. The Company's Customer Experience Centers are located at 1651 Main Street, Freeland, WA 98249 and 1957 Johnson Road, Point Roberts, WA 98281.

The Commission has the authority to set rates that may vary from the Company's request, depending on the outcome of such investigation as the Commission may conduct. 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 may participate in the Commission process by attending this meeting either in person or by way of the Commission's telephone bridge line. If you wish to avail yourself of the telephone bridge line, please call the Commission at (360) 664-1234 the business day before the open meeting for instructions and to sign in. You may also comment by using the "Public Comment" feature on the Commission's website, at <http://www.utc.wa.gov>, or by using the following contact information:

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](mailto:comments@utc.wa.gov)  
Telephone: 1-888-333-WUTC (9882)

WHIDBEY TELEPHONE COMPANY

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