

July 11, 2013

IMPORTANT NOTICE

The Federal Communications Commission has issued an Order (FCC Order No. 11-161) that requires all telephone companies to have base rate at a minimum of \$14.00 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.

The Toledo Telephone Co., Inc. has filed with the Washington Utilities and Transportation Commission ("Commission") to increase its residential individual line service effective August 10, 2013, to \$14.00 a month. The existing rate is \$10.94. In addition, the Company is requesting to increase its business individual line service to \$14.00. The existing rate is \$11.00. However, to mitigate the effect of these increases, the Company is decreasing the rate for flat-rate EAS by \$3.00 per month. For the customers subscribing to flat-rate EAS, the effect is neutral.

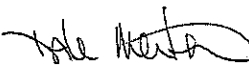
This is not something that the Company is taking lightly. However, in considering the options available to it, the Company believes it has no choice but to follow the FCC's requirement in order to continue to receive universal service support at approximately the same levels it has in the past.

If you have any questions about the proposed filing and how it will affect you, please call the Company at 360-864-4552.

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 July 26, 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.

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Sincerely,



C.O.O. ToledoTel