

Important Notice Regarding Telephone Service

Hood Canal Telephone Co., Inc. will be filing with the Washington Utilities and Transportation Commission ("Commission") to increase its Residential Exchange Access Line Service from \$18.00 to \$20.00 per month, a change of \$2.00 per month, and its Business Service from \$19.50 to \$20.00, a change of \$.50 per month. This filing is proposed to take effect June 1, 2017.

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.

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 level it has in the past, if the FCC does not reverse its position.

The Commission has the authority to set final rates that may be lower or higher than the Company's request, depending on the outcome of its investigation. You can submit comments by going to www.utc.wa.gov and clicking "Submit a Comment," or by one of the following options:

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

Commission staff will make a recommendation to the commissioners at an open meeting in Olympia, which is scheduled for 9:30 a.m. on May 11, 2017, and you will have an opportunity to comment in person at this meeting. If you unable to attend the open meeting, you can participate by telephone by calling 360-664-1234 the day before the meeting for instructions and to sign in.

A memo containing the staff recommendation will be available on the commission website approximately three days prior to the open meeting. To view the memo, go to www.utc.wa.gov. Click on the link near the bottom that says "Documents." Under "Open Meetings," click on "Agendas, meeting minutes, orders." When the open meeting date (see above) appears, click on the memo for this filing. This will take you to a page with the memo and any associated attachments.

The commission 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.

If you have any questions about the proposed filing and how it will affect you, please call the Company at (360)898-2481.

Sincerely,
Hood Canal Telephone., Inc.

Channel Lineup Changes:

Herring Networks, the owner of AWE TV (channel 337 & 220 in HD) has notified Hood Canal Communications that they are terminating their service with HCC on March 31, 2017. Unfortunately due to the lack of lead time HCC was not able to provide advance notification to cable subscribers. We apologize for the short notice.

IMPORTANT NOTICE FOR ALL CABLE SUBSCRIBERS:

As indicated on the March 2017 invoices a price increase for cable TV is effective with this bill cycle, April 2017. The price for Basic Cable service has increased to \$68.95 per month. The price for Preferred Cable has increased to \$78.95 per month. For a complete list of video service options and channel lineups please refer to hcc.net/cable-tv.

Attention Customers:

HCC offers multiple payment methods including online, in person, and over the phone. Customers are being encouraged to take advantage of the improved ebill platform recently released. Beginning, June 1, 2017, a processing fee of \$1.99 will be applied to any payment made by phone. Learn more about available options at <https://www.hcc.net/?p=4254>

Payment by Check

Sending an eligible check with a payment coupon authorizes us to complete the payment by electronic debit. If we do, the checking account will be debited in the amount of the check, as soon as the day we receive the check, and the check will be destroyed.

Disconnect or Disable for Non-Payment

Payment is due by the fifteenth (15th) of each month. On the sixteenth (16th) day, if payment is not received, a final notice will be sent giving until the first (1st) of the following month to pay the account.

Service may be terminated should payment not be received by the due date on the final notice. The balance due, a reconnect fee, and possibly a deposit will be required to restore each delinquent service.

Returned Payments

A \$20.00 charge will be applied to all insufficient payments.