

IMPORTANT NOTICE

Dear Valued Customer -

Hat Island Telephone Company ("Company") has only implemented one local residential service rate increase in the past 34 years. We believe that, even with the proposed increase, our rates will continue to represent exceptionally good value for our customers.

The Company has filed with the Washington Utilities and Transportation Commission ("Commission") to increase the Company's monthly recurring rates for residential individual line service station, to \$18.00, effective May 1, 2016. The Company's current monthly recurring rate for residential individual line service station is \$16.00. This is an increase of \$2.00 per month. The Company is taking this step in light of actions of the Federal Communications Commission that has reduced Inter-carrier compensation and related federal support.

If you have any questions about the proposed filing and how it will affect you, please call the Company at (360) 444-1122.

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 28, 2016. 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. The Commission asks that you call (360) 664-1234 several days 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)

HAT ISLAND TELEPHONE COMPANY

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