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July 11, 2013

VIA E-FILING

Mr. Steven V. King, Acting Executive Director and Secretary Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive SW Olympia, WA 98504-7250

Re:

The Toledo Telephone Co., Inc. - Twelfth Revised Sheet No. 21 Canceling Eleventh Revised Sheet No. 21; Second Revised Sheet No. 21.2 Canceling First Revised Sheet No. 21.2; First Revised Sheet No. 21.3 Canceling Original Sheet No. 21.3

Dear Mr. King:

Attached you will find the above-referenced tariff sheet. The purpose of this filing is to increase the business individual line service from \$11.00 to \$14.00 and increase the residential individual line service from \$10.94 to \$14.00. 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. On a net basis, the filing will raise approximately \$7,200 in additional annual revenue.

This filing conforms the Company's tariff to the "urban rate floor" provisions of FCC Order No. 11-161. In the course of that Order, the Federal Communications Commission adopted new rules concerning the universal service program. The effect of those rules is to penalize any company whose residential rate plus mandatory EAS is less than \$14.00 on June 1, 2013. The penalty is a dollar-for-dollar reduction in universal service support for the Company's operations.

In addition, on July 1, 2013, the Wireline Competition Bureau of the FCC issued an order rejecting a request from companies in West Virginia to use weighted averages to determine compliance with the urban rate floor. See, In the Matter of Connect America Fund High-Cost Universal Service Support, WC Docket No. 10-90 and WC Docket No. 05-337, Order, DA 13-1485 (July 1, 2013). This order calls into question whether or not weighted averages can be used

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to determine the effect of mandatory EAS portions of the calculation of the urban rate floor. Therefore, this filing has now becomes necessary.

In addition, the reference to touch calling service has been dropped since it is available throughout the service area.

In Docket UT-110858, the Company filed financial information concerning its operations. In discussion with Commission Staff, this filing is based upon the information that the Company has filed in Docket UT-110858. As a result of using the financial information filed by the Company in Docket UT-110858, the Company believes this complies with the filing requirements of WAC 480-120-339.

Mr. Merten has authority to issue tariff sheets for The Toledo Telephone Co., Inc. The undersigned has authority to file said sheets on behalf of The Toledo Telephone Co., Inc. A copy of the notice sent to the customers is attached.

Thank you for your attention to this matter.

RICHARD A. FINNIGAN

RAF/cs Enclosure

cc: Clients (via e-mail)