

**SIERRA TELEPHONE COMPANY, INC.
NOTICE OF APPLICATION TO ESTABLISH NEW
REVENUE REQUIREMENT AND ADJUST RATES**

On October 3, 2016, Sierra Telephone Company, Inc. (Sierra Telephone) filed an application with the California Public Utilities Commission (CPUC) requesting a review of its intrastate revenue requirement and rate design. This filing was submitted in accordance with Commission rules, including those outlined in CPUC Decision No. 94-09-065, in CPUC Decision No. 14-12-084, in CPUC Decision No. 15-06-048, and in the CPUC's Rules of Practice and Procedure. This application has been docketed at the CPUC as A.16-10-003.

The application includes a proposal to increase Sierra Telephone's rates for basic residential and business 1-party service, inside wire maintenance plan, returned check charge, and a proposal to establish a late payment charge. Consistent with the requirements of Sierra Telephone's last rate case, residential and business 2-party service will be eliminated effective December 31, 2018. The proposed rate increases are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>
Basic Residential 1-Party Service	\$ 20.25	\$ 23.00
Lifeline Residential 1-Party Service	\$ 6.11	\$ 7.05
Basic Business 1-Party Service	\$ 31.85	\$ 33.00
Inside Wire Maintenance Plan/Simple	\$ 1.00	\$ 2.00
Returned Check Charge	\$ 10.00	\$ 20.00
Late Payment Charge		
On unpaid balance exceeding \$20.00	\$ 0.00	1.5%

Sierra Telephone believes that these proposed adjustments are necessary to cover increased costs necessitated by increases in expenses and by rapid technological changes in the telecommunications industry requiring significant plant modernization efforts in Sierra Telephone's service territory. Sierra Telephone has made this proposal to ensure that it can continue to provide safe, reliable, modern telecommunications services to its customers, while covering its expenses and earning a reasonable rate of return on its investments.

The CPUC will hold public hearings, at dates yet to be determined, which will provide customers an opportunity to express their views on these proposals. The CPUC will review Sierra Telephone's filing and may propose changes that differ from those proposals. The CPUC's final decision may be different from Sierra Telephone's proposed application.

An electronic copy of Sierra Telephone's application and its related exhibits may be examined on the CPUC's website at www.cpuc.ca.gov. A copy of the application and its related exhibits may be examined at the CPUC's San Francisco Office, located at 505 Van Ness Avenue, San Francisco, California 94102, as well as the Sierra Telephone's business office, located at 49150 Road 426, Oakhurst, California 93644.

A copy of the entire filing and related exhibits is available by written request to:

Regulatory Manager
Sierra Telephone
Post Office Box 219
Oakhurst, CA 93644

Inquiries related to the application, including a request to receive a notice of the date, time, and place of any hearing on the filing, may be directed to the CPUC at the address shown above or via e-mail to the CPUC's Public Advisor: public.advisor@cpuc.ca.gov.

CPUC PROCESS

The Office of Ratepayer Advocates (ORA) may become a party of record and review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. Other parties of record will also participate in the CPUC's proceeding to consider this application. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

This application will be assigned to a Judge who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties," will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding, become part of the formal record that the Judge relies upon when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and all evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision, determining whether to adopt Sierra's request, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled Commission Voting Meeting.

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If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at www.cpuc.ca.gov/pao and click on "Public Advisor" from the CPUC Information Menu. You may also contact the PAO as follows:

Write: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov