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COMMISSIONERS

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2014 MAR - 7 P 12: 29

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA TELEPHONE COMPANY, AN
ARIZONA CORPORATION, FOR A HEARING
TO DETERMINE THE EARNINGS OF THE
COMPANY, THE FAIR VALUE OF THE
COMPANY FOR RATEMAKING PURPOSES,
AND TO INCREASE RESIDENTIAL RATES AS
NECESSARY TO COMPENSATE FOR THE
RATE IMPACTS OF THE FCC'S USF/ICC
TRANSFORMATION ORDER

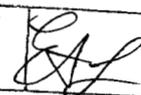
DOCKET NO. T-02063A -13-0411

REVISED PROOF OF NOTICE

Arizona Corporation Commission

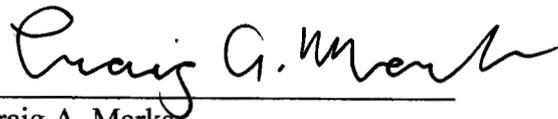
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MAR 07 2014

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1 Arizona Telephone Company hereby files revised proof that, on February 14, 2014, it
2 provided the notice required by the January 23, 2014, Procedural Order in the above-captioned
3 docket.

4 Respectfully submitted on March 7, 2014.



Craig A. Marks
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(480) 367-1956 (Fax)
Craig.Marks@azbar.org
Attorney for Arizona Telephone Company

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Original and 13 copies filed
on March 7, 2014, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

AFFIDAVIT

COUNTY OF KNOX)
)
STATE OF TENNESSEE)

1. My name is Jeffrey S. Handley.
2. I am the Manager, State Government Affairs of TDS Telecom – parent company of Southwestern Telephone Company.
3. My business address is 10025 Investment Drive, Knoxville, TN 37932, and my business phone is (865) 671-4750.
4. The January 24, 2014 Procedural Order in the above-captioned case provided a form notice and required the Southwestern Telephone Company to “mail to each of its customers a copy of the above notice no later than February 14, 2014”.
5. The purpose of this affidavit is to document compliance with this requirement of the Procedural order.
6. I caused to be prepared the customer notice required by the Procedural Order. A copy of that notice is attached as Exhibit A.
7. I caused to be prepared a current electronic customer mailing list and provided a copy to TDS Telecom’s Consumer Marketing Operations. On February 14, 2014, TDS Telecom’s Consumer Marketing Operations caused to be mailed a copy of the customer notice to each customer on the mailing list.
8. This completes my affidavit.

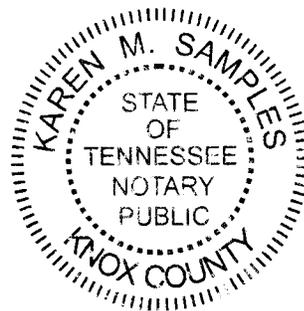
Jeffrey S. Handley
Jeffrey S. Handley

Subscribed and sworn to before me this 3 day of March, 2014.

Karen M. Samples
NOTARY PUBLIC

COMMISSION EXPIRES:

May 4, 2017



**PUBLIC NOTICE OF THE HEARING ON THE APPLICATION OF
SOUTHWESTERN TELEPHONE COMPANY FOR AN INCREASE IN ITS
RATES AND CHARGES**
(Docket No. T-01072A-13-0412)

On November 27, 2013, Southwestern Telephone Company ("Company") filed with the Arizona Corporation Commission ("Commission") an application requesting authority to increase its residential monthly basic local access line rate from \$14.00 to the lower of \$19.00, or the Federal Communications Commission's ("FCC") approved residential rate floor.

On November 18, 2011, the FCC issued a comprehensive new Order. Among other things, the FCC's Order establishes that in order for the Company to continue receiving federal support funds, the Company's local residential monthly service rates must be increased to floor rates. The FCC determines the floor rate annually. If the Company's rates are not increased to the floor rate, the amount of federal support funds the Company receives will be reduced dollar-for-dollar for each customer by the difference between the existing local rate and the new FCC floor rate. The new FCC floor rate was not available at the time the application was filed, but is expected to be known in the first quarter of 2014.

The Commission's Utilities Division ("Staff") is in the process of analyzing the application, and has not yet made any recommendations regarding the Company's proposed rates. The Commission will determine the appropriate relief to be granted based on the evidence presented by the parties. The Commission is not bound by the proposals made by the Company, Staff, or any interveners. Therefore, the final rates approved by the Commission may be higher or lower than the rates requested by the Company.

How You Can View or Obtain a Copy of the Rate Application

Copies of the application and proposed rates are available by contacting Jeff Handley, at Southwestern Telephone Company; (jeff.handley@tdstelecom.com, 865-671-4750), at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, 85007, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. T-01072A-13-0412.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **March 25, 2014, at 2:00 p.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. Public comments will be taken at the beginning of the hearing. Written public comments may be submitted by mailing a letter referencing **Docket No. T-01072A-13-0412** to: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007. If you require assistance, you may contact the Consumer Services Section at 602.542.4251 or 1.800.222.7000.

Interested parties may participate in this matter by (1) filing for intervention and becoming a formal party to the proceeding; or (2) submitting written or oral public comment. Any interested person may file written public comments regarding the Company's application in **Docket No. T-01072A-13-0412** at any time.

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket. **However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website www.azcc.gov using the e-Docket function, located at the bottom of the website homepage. RSS feeds are also available through e-Docket.

About Intervention

You do not need to intervene if you want to appear at the hearing and provide public comment on the application, or if you want to file written comments in the record of the case.

Any person or entity entitled by law to intervene and having a direct substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. **If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center no later than March 7, 2014, and send a copy of the motion to the Company or its counsel and to all parties of record.**

Contact information for the Company and parties of record may be obtained using the Commission's e-Docket Function and Docket No. T-01072A-13-0412. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a shareholder of the Company, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to the Company or its counsel and to all parties of record in the case.

The granting of motions to intervene is governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before March 7, 2014**. For a sample intervention request form, go to <http://WWW.azcc.gov/divisions/utilities/FORMS/interven.pdf>. All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S.40-243 with respect to the practice of law.

If you do intervene, and wish to present direct testimony and associated exhibits at the hearing, you must, on or before March 18, 2014: (1) reduce your direct

testimony and associated exhibits to writing, (2) file the original and 13 copies with the Commission's Docket Control Center by 4:00 p.m., and (3) mail a copy to each party.

Americans with Disabilities Act ("ADA")/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request reasonable accommodations such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail sabernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodations.