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COMMISSIONERS

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AZ CORP COMMISSION  
DOCKET CONTROL

2014 MAR 13 PM 1 21

DOCKET NO. T-01847A-13-0457

IN THE MATTER OF THE APPLICATION OF VALLEY TELEPHONE COOPERATIVE, INC., 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

CORRECTED NOTICE

Arizona Corporation Commission

DOCKETED

MAR 13 2014

DOCKETED BY

1 Valley Telephone Cooperative, Inc. ("Valley Telephone") hereby files a copy of the  
2 actual notice that it mailed to its customers on February 14, 2014. A copy of the notice provided  
3 by Copper Valley Telephone, Inc., was inadvertently attached to Valley Telephone's March 7  
4 notice filing.

5 Respectfully submitted on March 13, 2014.

6  
7

8  
9 Craig A. Marks  
10 Craig A. Marks, PLC  
11 10645 N. Tatum Blvd., Ste. 200-676  
12 Phoenix, Arizona 85028  
13 (480) 367-1956 (Direct)  
14 (480) 304-4821 (Fax)  
15 [Craig.Marks@azbar.org](mailto:Craig.Marks@azbar.org)  
16 Attorney for Valley Telephone Cooperative, Inc.

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

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

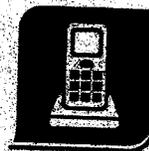


Digital Television

Internet

Telephone

Bundled Services



Dear Valley Telephone Customer:

We are writing to inform you of upcoming changes to your telephone bill that are being proposed to take effect on June 1, 2014. As we have reported many times in the past, the Federal Universal Service Fund is a program that has been in place for many years that is designed to ensure rural subscribers have access to telecommunications services at rates that are comparable to those provided in urban areas. The fund provides support to rural telecommunications carriers by helping offset the high-cost of providing telecommunications service in rural areas.

As part of a recent reform and modernization of this plan, the Federal Communications Commission has established a minimum residential local service rate that must be charged in order for a telephone company to continue to receive the full amount of federal support funds. This is being done to provide comparability between urban and rural rates. Within the next few months, the FCC is expected to announce the new minimum rate that must be in effect by June 1, 2014. We expect the rate to be no more than \$19.00. To comply with this decision and to maintain the full level of funding, we must raise the rate for residential local phone service from \$14.00 to the newly established minimum by June 1, 2014.

The Arizona Corporation Commission will be holding a public hearing on this request for change in rates on March 27, 2014 at 10:30 a.m. The formal notice is attached and is being mailed to all Valley Telephone residential customers. This notice provides additional information about the application including the location for this hearing.

We value your business and if you have questions about this, you may contact us at (800) 421-5711.

Sincerely,

A handwritten signature in black ink, appearing to read "S. D. Metts".

Steven D. Metts  
CEO/General Manager

**PUBLIC NOTICE OF THE HEARING ON THE**  
**APPLICATION OF VALLEY**  
**TELEPHONE COOPERATIVE, INC. FOR AN INCREASE IN**  
**ITS RATES AND CHARGES**  
**(Docket No. T-01847A-13-0457)**

On December 19, 2013, Valley Telephone Cooperative, Inc. ("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 intervenors. 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 Steve Metts, 752 E. Maley, Willcox, AZ 85643, 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](http://www.azcc.gov)) using the e-Docket function and Docket No. T-01847A-13-0457.

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **March 27, 2014, at 10:30 a.m.**, at the Commission's offices, Room 222, 400 West Congress Street, Tucson, 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-01847A-13-0457** 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-01847A-13-0457** 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](http://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-01847A-13-0457. 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 4:00p.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](mailto:sabernal@azcc.gov), voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodations.