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2014 NOV 26 P 4: 12

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
SOUTHWESTERN 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-01072A-13-0412

PROOF OF MAILING

1 Southwestern Telephone Company hereby files proof that it provided the customer notice
2 required by Decision No. 74774 in the above-captioned docket.

3 Respectfully submitted on November 26, 2014.

4 Arizona Corporation Commission

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Original and 13 copies filed
on November 26, 2014, with:

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

Copies e-mailed
on November 26, 2014 to:

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Legal Division
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AFFIDAVIT

COUNTY OF KNOX)
)
STATE OF TENNESSEE)

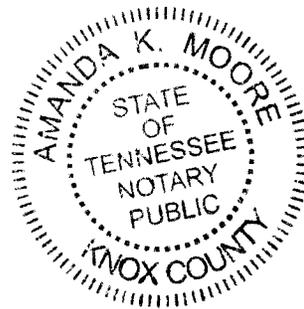
1. My name is Jeffrey S. Handley.
2. I am the Manager, State Government Affairs of TDS Telecom – parent company of Southwestern Telephone Company.
3. My business address is 10025 Investment Drive, Knoxville, TN 37932, and my business phone is (865) 671-4750.
4. Decision No. 74774 in Docket No. T-01072A-13-0412, docketed on October 24, 2014 required Southwestern Telephone Company to provide notice to each of its affected customers within thirty (30) days of the date of this decision.
5. The purpose of this affidavit is to document compliance with this requirement in Decision No 74774.
6. I caused to be prepared the customer notice required by Decision No. 74774. 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 November 13, 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 20th day of November, 2014.

Amanda K. Moore
NOTARY PUBLIC

COMMISSION EXPIRES: March 31, 2018



Customers of Southwestern Telephone Company -Notice of Rate Increase

Docket No. T-01072A-13-0412

On October 24, 2014, the Commission issued Decision No. 74774. This Decision authorized Southwestern Telephone Company to increase the rates for residential local exchange service from the current tariffed rate of \$14.00 to \$16.00 effective December 1, 2014. The new \$16.00 rate is the first of three step increases authorized by the Commission pursuant to a June 10 2014 Federal Communications Commission ("FCC") Order. The FCC Order established a residential local service rate floor of \$20.00 but provides for a phase-in of the rate floor in three steps. There will be another step increase to \$18.00 (or the new rate floor established by the FCC if lower) effective June 1, 2016. The final step increase will become effective June 1, 2017, and will be set at the lower of \$20.00 or the FCC's new residential local service rate floor. The FCC requires Southwestern Telephone Company to implement these residential local service rate increases or Southwestern Telephone Company will lose Federal Universal Service Funding on a dollar for dollar basis to the extent that its rates are below the FCC's rate floors. The purpose of Federal Universal Service Funding is to keep local service rates affordable. If you have any questions, please contact TDS Telecom at 888-225-5837.