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COMMISSIONERS

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ARIZONA CORP COMMISSION
DOCKET CONTROL

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

PROOF OF MAILING

1 Arizona Telephone Company ("Arizona Telephone") hereby files proof that it provided
2 the customer notice mailing required by Decision No. 74771 in the above-captioned docket.

3 Respectfully submitted on November 26, 2014.

4
5 Arizona Corporation Commission

6 DOCKETED

7 NOV 26 2014

8 DOCKETED BY

9 nr

10 *Craig A. Marks*

11 Craig A. Marks
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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
Arizona Corporation Commission
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Phoenix, AZ 85007
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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 Arizona Telephone Company.
3. My business address is 10025 Investment Drive, Knoxville, TN 37932, and my business phone is (865) 671-4750.
4. Decision No. 74771 in Docket No. T-02063A-13-0411, docketed on October 24, 2014 required Arizona 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 74771.
6. I caused to be prepared the customer notice required by Decision No. 74771. 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 Arizona Telephone Company -Notice of Rate Increase

Docket No. T-02063A-13-0411

On October 24, 2014, the Commission issued Decision No. 74771. This Decision authorized Arizona 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 Arizona Telephone Company to implement these residential local service rate increases or Arizona 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.