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COMMISSIONERS

DOUG LITTLE, Chairman  
BOB STUMP  
ROBERT BURNS  
TOM FORESE  
ANDY TOBIN

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2016 APR 29 P 3:50

AZ CORP COMMISSION  
DOCKET CONTROL  
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

PROOF OF MAILING

Valley Telephone Cooperative, Inc. hereby files proof that it provided the customer notice required by Decision No. 74773 in the above-captioned docket.

Respectfully submitted on April 29, 2016.

Arizona Corporation Commission

DOCKETED

APR 29 2016

DOCKETED BY

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

Original and 13 copies filed on April 29, 2016, with:

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

Copies mailed on April 29, 2016 to:

Maureen Scott/Charles Hains  
Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

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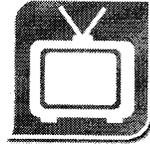


Digital Television

Internet

Telephone

Bundled Services



Dear Valley Telephone Cooperative Residential Customer,

In November 2014 we sent you a letter explaining that local rates would have to rise this year to comply with Federal Communication Commission's (FCC's) USF Order. The Order requires that local exchange carriers charge a minimum amount for basic telephone service in order to remain eligible to receive the full amount of Universal Service Funds (USF). At that time, we advised that the rate would go up to as much as \$18.00 by June 1, 2016.

The FCC decided that this rate needed to be \$18.00 by June 1. On October 24, 2014, the Arizona Corporation Commission issued Decision No. 74773, which authorized the rate increase to \$18.00 this year and then to as much as \$20.00 by June 1, 2017 and also required us to send you the following additional notice:

**Customers of Valley Telephone Cooperative, Inc**  
**Notice of Rate Increase**  
**Docket No. T-01847A-13-0457**

On October 24, 2014, the Commission issued Decision No. 74773. This Decision authorized Valley Telephone Cooperative, Inc. ("Cooperative") to increase the Cooperative's rates for residential local exchange service from the current tariffed rate of \$16.00 to \$18.00 effective June 1, 2016. The new \$18.00 rate is the second 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. 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 the Cooperative to implement these residential local service rate increases or the Cooperative 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. A primary goal of Federal Universal Service funding is to keep local service rates in high cost areas affordable and comparable with rates in urban areas.

If you have any questions, please contact the Cooperative at 800-421-5711, or the Commission's Consumer Services Division at 602-542-4251 or toll free 1-800-222-7000.

Thank you for being a loyal customer, and please let us know if you have any questions.

Sincerely,

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

Steven D. Metts  
CEO/General Manager  
Valley TeleCom Group

Company Detail	
Company Name	ARIZONA JET-MAIL F - TUCSON
Address	3710 E 43RD PL STE 101 # 101 TUCSON, AZ 85713-6809
Contact Name	RICK HECOX
Phone Number	(520)571-1329
Profit Indicator	P
PS Form 3607R - Mailing Transaction Receipt	
Account Holder Account Number	1183085
Account Holder Permit Number	541
Account Holder Permit Type	PI
Account Holder CRID	4650090
Post Office of Permit	TUCSON, AZ 85726-9653
Post Office of Mailing	TUCSON, AZ 85726-9653
Post Office of Permit Cost Center	038880-0990
Post Office of Mailing Cost Center	038880-0990
Mailing Agent Name	ARIZONA JET-MAIL F - TUCSON
Mailing Agent CRID	4650090
Mail Owner Name	VALLEY TELECOM GROUP
Mail Owner CRID	16695174
JOB ID	00144006
Customer Reference ID	
CAPS Transaction Number	N/A
Class of Mail	First-Class Mail and First-Class Package Service
Processing Category	Letters (may include Postcards)
Postage Statement ID	238304822
Mailing Group ID	165602095
Mailer's Mailing Date	04/14/2016
Mailer Declared Total Pieces	1,437 pcs.
Mailer Declared Total Weight	35.9250 lbs.
Mailer Declared Weight of a single-piece	0.0250 lbs.
USPS Determined Total Pieces	1,437 pcs.
USPS Determined Total Weight	35.9250 lbs.
USPS Determined Weight of a single-piece	0.0250 lbs.
Total Number of Containers	7
Total Adjusted Postage	\$ 551.18
Payment Date and Time	04/18/2016 13:47
Payment Transaction Number	201610915472524M0
Adjustment Transaction Number	
Mailer Figures Adjusted?	No
Person authorizing adjustment	
Name	
Phone Number	
Acceptance Site Mailer ID	
Clerk Initials	JG
Mail Arrival Date and Time	04/18/2016 13:18

144006  
UTC  
ARIZONA

<b>Company Detail</b>	
Company Name	ARIZONA JET-MAIL F - TUCSON
Address	3710 E 43RD PL STE 101 # 101 TUCSON, AZ 85713-6809
Contact Name	RICK HECOX
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Profit Indicator	P
<b>PS Form 3607R - Mailing Transaction Receipt</b>	
Account Holder Account Number	1183085
Account Holder Permit Number	541
Account Holder Permit Type	PI
Account Holder CRID	4650090
Post Office of Permit	TUCSON, AZ 85726-9653
Post Office of Mailing	TUCSON, AZ 85726-9653
Post Office of Permit Cost Center	038880-0990
Post Office of Mailing Cost Center	038880-0990
Mailing Agent Name	ARIZONA JET-MAIL F - TUCSON
Mailing Agent CRID	4650090
Mail Owner Name	VALLEY TELECOM GROUP
Mail Owner CRID	16695174
JOB ID	00144008
Customer Reference ID	
CAPS Transaction Number	N/A
Class of Mail	First-Class Mail and First-Class Package Service
Processing Category	Letters (may include Postcards)
Postage Statement ID	238392314
Mailing Group ID	165674358
Mailer's Mailing Date	04/15/2016
Mailer Declared Total Pieces	2,055 pcs.
Mailer Declared Total Weight	63.7050 lbs.
Mailer Declared Weight of a single-piece	0.0310 lbs.
USPS Determined Total Pieces	2,055 pcs.
USPS Determined Total Weight	63.7050 lbs.
USPS Determined Weight of a single-piece	0.0310 lbs.
Total Number of Containers	11
Total Adjusted Postage	\$ 778.63
Payment Date and Time	04/18/2016 13:51
Payment Transaction Number	201610915513379M0
Adjustment Transaction Number	
Mailer Figures Adjusted?	No
Person authorizing adjustment	
Name	
Phone Number	
Acceptance Site Mailer ID	
Clerk Initials	JG
Mail Arrival Date and Time	04/18/2016 13:17

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VALLEY