

Customer Notice

Southwest Texas Telephone Company, (“Southwest Texas” or “Company”) is submitting a filing with the Public Utility Commission of Texas (“Commission”) to reflect an increase in the basic monthly local access line rate for its residential customers in all exchanges and an increase in its basic monthly local access line rate for business customers in its Rocksprings Exchange. This rate change is in response to a recent Federal Communications Commission (“FCC”) Order that determined that the Company’s universal service support would be reduced if its residential local rates (plus state regulated fees) are not raised to meet the residential local rate floor that the FCC has established. Therefore, Southwest Texas is raising its local rates to lessen the impact of the FCC’s Order. The business rate in the Rocksprings Exchange is being raised to match the residential rate in that exchange to avoid having the business rate lower than the residential rate.

The combined impact of implementing the proposal contained herein results in an estimated increase to Southwest Texas’s total regulated intrastate gross annual revenues of \$50,045.00.

The rate chart below shows the current and new proposed rates for Southwest Texas’s residential and business customers impacted by this proposed rate increase:

	<u>Current</u>	<u>Proposed</u>
Barksdale Residential Monthly Access Rate	\$12.50	\$14.50
Camp Wood Residential Monthly Access Rate	\$14.13	\$16.13
D’Hanis Residential Monthly Access Rate	\$12.50	\$14.50
Rocksprings Residential Monthly Access Rate	\$16.00	\$18.00
Utopia Residential Monthly Access Rate	\$13.08	\$15.08
Vinegarroon Residential Monthly Access Rate	\$12.50	\$14.50
Rocksprings Business Monthly Access Rate	\$16.00	\$18.00

The estimated annual revenue increase recognized by the Company for the above rate increases is \$76,200.00. The new rate change will become effective June 1, 2016.

In addition, Southwest Texas is proposing to provide the following optional services at no monthly charge or reduced charge in order to offset and lessen the impact on its customers of the rate increases to basic local service rates. These services will be added upon request for customers who are not already subscribed:

	<u>Current</u>	<u>Proposed</u>
Voice Mail Service		
Announcement Plan	\$3.95	\$0.00
Basic Plan	\$4.95	\$0.00
Premium Plan	\$7.95	\$3.95
Telemarketers Do Not Disturb	\$1.00	\$0.00

The estimated annual revenue reduction recognized by the Company for the above rate decreases is (\$22,155.00). The new rates for these optional services will become effective June 1, 2016.

If the Commission receives a complaint(s) relating to this rate increase signed by 5% or more of the Company’s customers to which this rate increase applies before June 1, 2016, the rate increase will be docketed. The 5% limitation will be calculated based upon the total number of customers of record as of the calendar month preceding the Commission’s receipt of the complaint(s). As of February 29, 2016, the 5% threshold equals 185 customers. A request to intervene, participate

or for further information should be mailed prior to the effective date to the Public Utility Commission of Texas, P. O. Box 13326, Austin, TX 78711-3326 or you may call the Commission's Consumer Hotline at (888) 782-8477 or (512) 936-7120, or (800) 735-2989 for Relay Texas, or (512) 936-7136 for text telephone. For a copy of the tariff pages with the new rates or for further information regarding this rate increase, customers should contact Southwest Texas Telephone Company, at 939 S Texas Hwy. 55, Rocksprings, TX 78880 or call (830) 683-2111 during regular business hours.