

On or around April 28, Peoples Rural Telephone Coop. Corp., Inc. will file with the KY Public Service Commission an increase in basic local service rates charged to residential subscribers due to a Federal Communication Commission mandate. With this change, residential rates are proposed to increase by \$3 from \$18 to \$21. Business rates are proposed to increase \$3.90 from \$21.10 to \$25. If approved by the PSC, the effective date of this rate change will be May 31, 2017. We anticipate the average residential and business increases will be 8.9% and 10.3%, respectively, however based on their calling patterns, many of our members may actually see a reduction in their bills.

**With this change all calls within the state of Kentucky will become local calls and you will no longer be charged toll for completing direct dialed calls anywhere in the Commonwealth, regardless of who your long distance carrier is.**

This increase is mandated by recent changes enacted by the Federal Communications Commission which set minimal local service rate levels as a condition of continued receipt of federal high cost funding that allows us to deploy fiber optic facilities and support advanced voice and broadband services. Because this support is vital to the economic health of our community, we had no choice but to request this rate increase.

You may examine this application at the offices of Peoples Rural Telephone Coop. Corp., Inc. located at 1080 Main Street South, McKee, KY 40447 during regular business hours or at the offices of the Kentucky Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. Rates contained in this notice are the rates proposed by the Company but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

You may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.