

Dear IAMO Telephone Company Customer:

The IAMO Telephone Company Board of Directors approved an increase in rates affecting prices for Local Exchange Access Line service that you receive. The increase will apply to your usage beginning on June 1<sup>st</sup> 2016.

The Federal Communications Commission (FCC) previously issued an order requiring local phone service providers to charge a minimum monthly rate for local phone service in order to avoid forfeiture of federal support funds. For 2016, the established minimum monthly residential rate has been \$16.00 in Missouri and \$16.50 in Iowa.

IAMO Telephone Company must increase its local residential service rates from \$16.00 to \$18.00 in Missouri and from 16.50 to 18.50 in Iowa order to avoid loss of support.

The increase in annual revenues to the Company will be approximately \$26,600.00 or an approximate 12% ~~increase~~ in your local rate.

Although the effect of the rate increase on your bill may vary depending upon the type and extent of usage, the average monthly increase per customer for the primary customer classes of service is as follows:

#### LOCAL EXCHANGE ACCESS LINE CHARGES

Customer Class of <u>Service</u>	Current Monthly <u>Rate</u>	<u>Increase</u>	New Monthly <u>Rate</u>	Approx. Percentage <u>of Increase</u>
Residential Iowa	\$16.50	\$2.00	\$18.50	12.1%
Business Iowa	\$18.50	\$2.00	\$20.50	10.8%
Residential Missouri	\$16.00	\$2.00	\$18.00	12.5%
Business Missouri	\$18.00	\$2.00	\$20.00	11.1%

This will also affect the bundle prices by an increase of \$2.00 per month.