

April 19, 2016

Dear Customer,

Thank you for being a customer of Chariton Valley Telephone. This letter is to inform you of a tariff rate increase ordered by the Federal Communications Commission. Effective June 1, 2016, Chariton Valley will be raising its local service rate to \$18.00 per month. Although the tariff rate is increasing, there will not be an increase to the Basic or Premium phone package.

Chariton Valley's proposed rate adjustment is necessary to preserve its ability to receive USF subsidies that are important to its ability to provide telephone service in its high-cost rural service territory. Without a minimum rate sufficient to meet FCC's new rate floor, high-cost carriers like Chariton Valley will lose significant federal funding that has historically allowed these carriers to provide service to the most costly, rural customers.

Chariton Valley continues to work with others to support an end to future required local rate increases that Chariton Valley believes penalizes you for being a customer of a rural telephone company.

Again, this tariff rate increase will not increase the rate of the phone package you are currently subscribed to at this time. If you have any questions, you may contact a local Customer Service Representative at 660-395-9000, option 1, option 2, option 1. We appreciate your business.

Sincerely,

Chariton Valley Telephone Corporation