SIERRA TELEPHONE COMPANY, INC. Decision No. D-23-01-004 NOTICE OF INCREASE IN ACCESS LINE RATES

On January 13, 2023, the California Public Utilities Commission ("CPUC") issued a final decision in CPUC proceeding A.21-11-005, increasing rates for customers of Sierra Telephone Company, Inc. ("Sierra Telephone"). The final decision is identified as D.23-01-004, and is available at this link: https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M501/K134/501134415.PDF. Based on this decision, effective February 1, 2023, basic residential service rates will increase from \$25.00 to \$26.50, not including federal and state surcharges, fees and taxes. Business service rates will increase from \$39.32 to \$43.25, not including federal and state surcharges, fees and taxes. Business and residential basic rates will also be restructured to include Call Waiting with Cancel Call Waiting, Call Forwarding (Variable, Busy and No Answer, Remote Access) and Economy Voice Mailbox services at no additional charge. Additionally, two-party line service will be discontinued.

In December of 2021, Sierra Telephone notified customers that it had filed an application with the CPUC requesting no rate increases to its services and a proposal to modify Sierra's basic single-line residential and business rates to include all custom calling features and voicemail for the same price as the current basic rates. Sierra also proposed to eliminate party line service.

The CPUC held a Public Participation Hearing on April 11, 2022 to take comments from customers regarding Sierra Telephone's application. On May 13, 2022, the CPUC's Public Advocates Office proposed a ten percent increase in Sierra's residential and business rates. The CPUC's decision adopted Cal Advocates' proposal as to basic business rates, and adopted a 6% increase in basic residential rates, resulting in the rates reflected in this notice.

Questions or comments about this rate increase can be directed to Sierra Telephone's Business Office at 559-683-4611, 209-966-3636 or toll free at 1-877-658-4611.

You may also contact the CPUC's Public Advisor's Office at Public.Advisor@cpuc.ca.gov or 866-849-8390. The Public Advocates Office can be reached at PublicAdvocatesOffice@cpuc.ca.gov or 415-703-1584.

The chart below summarizes the rate changes mandated by D.23-01-004.

| Service | Current Rate | 2023 Rate |
|-----------------------|--------------|---------------|
| 1 Party Residential* | \$25.00 | \$26.50* |
| 1 Party Business* | \$39.32 | \$43.25* |
| 1 Party Lifeline** | \$25.00 | \$26.50 |
| 1 Party Enhanced ULTS | \$25.00 | \$26.50 |
| 2-Party Line Service | \$16.00 | Not available |

^{*}Will now include Call Waiting with Cancel Call Waiting, Call Forwarding (Variable, Busy and No Answer, Remote Access) and Economy Voice Mailbox.

^{**}This rate will be reduced based on federal and state LifeLine support. Sierra anticipates that the LifeLine rate for February 2023 will range from \$5.85 to \$7.85 after federal and state support credits are applied.