

**NOTICE OF PUBLIC PARTICIPATION
HEARING FOR FORESTHILL TELEPHONE
COMPANY'S GENERAL RATE CASE
APPLICATION
(A.17-10-004)**

**June 14, 2018 at 6:00 p.m.
Foresthill Memorial Hall
24601 Harrison Street
Foresthill, CA 95631**

The California Public Utilities Commission (CPUC) wants to hear from you! A Public Participation Hearing (PPH) has been scheduled to receive your comments about Foresthill Telephone Company's (Foresthill) request to increase rates and for other further relief, as discussed more fully below. The hearing location, date and time are listed above.

The hearing's location is wheelchair accessible. If you need a language or sign interpreter, or would like to request assisted listening devices, please contact the CPUC's Public Advisor's Office (PAO) at least five business days prior to the hearing. If you are unable to attend the hearing, you may submit written comments directly to the PAO at the address noted at the bottom of this notice.

A CPUC Administrative Law Judge (Judge) will be presiding at this PPH to listen to concerns, comments, and opinions on the application. One or more Commissioners may attend, but no decisions will be reached at this hearing. In addition, representatives of Foresthill and Office of Ratepayer Advocates (ORA) will attend the PPH and be available to answer any questions. All public comments from this PPH will be included in the formal record of this proceeding and become public record.

ABOUT THE APPLICATION

On October 2, 2017, Foresthill filed an application with the CPUC requesting a review of its intrastate revenue requirement and rate design. The application proposed increases to Foresthill's rates for basic residential and business single-line service, LifeLine service, and other business services. Foresthill also requested a review of the high cost fund support amounts that the company receives.

Foresthill's proposed increases to its residential end user rates are consistent with the Commission's decision resolving Phase 1 of the California High Cost Fund A (CHCF-A) proceeding, Decision 14-12-084, which found that small incumbent local exchange carriers' residential basic rates must be set within a range of \$30.00 to \$37.00, including federal and state fees and surcharges. Foresthill proposes to set its residential basic rates at \$24.00, not including the surcharges and fees that the FCC uses to set the Access Recovery Charge (ARC) benchmark. The residential basic rates, inclusive of the ARC and state and federal fees and surcharges, would be set at \$30.88 based on Foresthill's all-inclusive rate calculation and proposed surcredit at the time of the application. Foresthill proposes a corresponding increase to its LifeLine rate from \$6.11 to \$7.50. Foresthill also proposes to increase its basic business rate to \$32.35, not including surcharges and fees. In addition, Foresthill proposes changes to other select charges in its tariff as described more fully in its application and Exhibit B to its application.

In setting rates in this proceeding, the Commission will consider input from other parties, including ORA, who may propose rates that are higher or lower than Foresthill's proposed rates but also within the Commission's required residential all-inclusive rate range of \$30.00 to \$37.00 mentioned above. ORA may also propose adjustments to other rates, which could be higher or lower than current rates. ORA's rate proposals in this proceeding will be provided in its testimony, which is currently due on June 11, 2018. In resolving this proceeding, the Commission may adopt any party's proposal, or it could adopt a proposal of its own, which could involve rates that are higher or lower than the rates presented.

¹ The surcredit is proposed to offset the ARC charge to residential customers that is required under federal regulations from January 1, 2019 through July 1, 2019.

Foresthill believes that these proposed changes are necessary to cover costs associated with increased expenses. This increase would also cover the costs of technological changes in the telecommunications industry, which often require updates to Foresthill's facilities and networks. Foresthill has made this proposal to ensure that it can continue to provide safe, reliable, modern telecommunications services to its customers, while covering its expenses and earning a reasonable rate of return on its investments.

Further information may be obtained by contacting Foresthill's Business Office toll free at 1 (866) 367-8704 or locally at (530)-367-2222. A copy of Foresthill's application and its related exhibits are available at the office of the CPUC at 505 Van Ness Avenue, San Francisco, California 94102, or at Foresthill's Business Office located at 23990 Foresthill Road, Foresthill, CA 95631. An electronic copy of the application and its related exhibits may be examined on the CPUC's website at www.cpuc.ca.gov.

ORA'S PARTICIPATION

ORA, the independent consumer advocate within the CPUC with a legislative mandate to represent utility customers, is in the process of reviewing Foresthill's application and will be submitting testimony regarding Foresthill's proposal on June 11, 2018. Once submitted, ORA's testimony will be made available at the Commission's website location specific to this proceeding. ORA's review includes whether this application complies with applicable state law governing the California High Cost Fund-A (CHCF-A), a universal service program providing monetary support to Foresthill for providing telephone service to customers living in high-cost, rural areas. You may submit written comments concerning ORA's proposals in its testimony once it is submitted. The principal requirements of the CHCF-A program are set forth in Public Utilities Code Section 275.6. For more information about ORA, please call 1 (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

CPUC PROCESS

The assigned Judge will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) will be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties" will present their testimony and may be subject to cross-examination by other parties. These EHs are currently scheduled for August 6-8, 2018, but the dates for the EHs are in the process of being rescheduled and it is anticipated that the EHs will take place in September 2018. These hearings will be held in San Francisco and are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding become what the Judge relies upon when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and all evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision determining whether to adopt Foresthill's request, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a Commission Voting Meeting.

STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at <http://subscribe.puc.ca.gov/>. The proceeding number is A.17-10-004.

If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at www.cpuc.ca.gov/pao. You may also contact the PAO as follows:

Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov

Phone: 1 (866) 849-8390 (toll free) or 1 (415) 703-2074
1 (866) 836-7825 (toll free) or TTY 1 (415) 703-5282

Please reference "Foresthill Telephone Company, Application No. A.17-10-004" in any communications you have with the Commission regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review by the assigned Judge, the Commissioners, and appropriate CPUC staff.

² Public Utilities Code Section 275.6 can be accessed online at the following link: <http://law.onecle.com/california/utilities/275.6.html>
1209295.1