

LIST OF EFFECTIVE SHEETS

Sheets listed below are effective as of the date shown on each sheet.

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(To be inserted by utility)

Advice Letter No. 365

Decision No. 07-01-024

Issued by

Harry H. Baker

NAME

President

TITLE

(To be inserted by Cal. P.U.C.)

Date Filed May 29, 2008

Effective August 4, 2008

Resolution No. _____

A32. CALIFORNIA HIGH COST FUND SURCHARGES -
CALIFORNIA HIGH COST FUND - A & CALIFORNIA HIGH COST FUND - B

32.1 CALIFORNIA HIGH COST FUND - A

32.1.1 APPLICABILITY

All telecommunications carriers are required to apply California Public Utilities Commission (CPUC) mandated Public Program surcharge rates and the CPUC Reimbursement Fee rate to intrastate services. The California High Cost Fund - A (CHCF-A) Surcharge is for the purpose of funding the CHCF-A Program to ensure that customers in areas served by small Local Exchange Carriers (LECs) have access to telephone service at reasonable rates. This surcharge applies to all end-user intrastate telecommunications services, both within a service area (intraLATA) and between service areas (interLATA), except those shown in Special Conditions 32.1.4.

32.1.2 TERRITORY

Within the exchange area of all exchanges as said areas are defined on maps filed as part of the tariff schedules.

32.1.3 RATES

As permitted by Public Utilities Code Section 492, and as required by CPUC Resolution T-16901, Ordering Paragraph 1, effective January 1, 2005, Sierra Telephone concurs with the Commission's Public Program all-end-user surcharges rates and the Reimbursement Fee rate as filed by Pacific Bell Telephone Company (d.b.a. AT&T California) (Pacific Bell/AT&T California) in its joint tariff for surcharges and fees. Sierra Telephone will apply the current surcharge and fee rates filed in the joint tariff to its respective end user bills until further revised.

For a list of the individual Public Program surcharges and Reimbursement Fee, and the current Commission-approved percentage surcharge and fee rates, refer to the Pacific Bell/AT&T California tariff Schedules Cal. P.U.C. No. A1.1.10, Cal. P.U.C. No. A2, and/or Cal. P.U.C. No. A5. The Pacific Bell/AT&T California tariff schedules are available on-line at: www.cpr.bellsouth.com/pdf/ca/ca.htm.

32.1.4 SPECIAL CONDITIONS

A. Pursuant to Cal. P.U.C. Decision No. 94-09-065 a surcharge is applied to all end-user intrastate telecommunications services, both within a service area (intraLATA) and between service areas (interLATA). This percentage rate surcharge became effective on January 1, 1995 and is described on the customers' bills as "California High Cost Fund Surcharge - A" or "CHCF-A Surcharge." This surcharge will remain in effect until otherwise ordered by the Commission.

(Continued)

(To be inserted by utility)

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A32. CALIFORNIA HIGH COST FUND SURCHARGES -
 CALIFORNIA HIGH COST FUND - A & CALIFORNIA HIGH COST FUND - B

32.1 CALIFORNIA HIGH COST FUND – A - Continued

32.1.4 SPECIAL CONDITIONS - Continued

A. Continued

The application of this surcharge to all billed end-user intrastate services is authorized by the tariffs of Sierra Telephone Company, Inc., the tariffs of other service providing companies, and the joint tariff for surcharges and fees of Pacific Bell/AT&T California.

B. The percentage rate surcharge applies to service area toll/WATS/800 Service (intrastate intraLATA), between service areas toll/WATS/800 Service (intrastate interLATA), detariffed services, all recurring and non-recurring rates, and charges for services provided by the Utility to end-users, and new General Order 96-A contracts executed after September 15, 1994. The percentage rate surcharge does not apply to federal and local excise taxes, and the following:

- | | | |
|-----|------------------------------|--|
| 1. | Schedule Cal. P.U.C. No. A4 | Universal Lifeline Telephone Service - basic monthly access rate and reduced service connection charges, both the subsidized and the unsubsidized portions |
| 2. | Schedule Cal. P.U.C. No. A9 | Public Access Line Service (PARTIAL) - Coin Sent Paid, Coin Station Service, Coin Person Service, and Debit Card Messages |
| 3. | Schedule Cal. P.U.C. No. A24 | California Teleconnect Fund Surcharge |
| 4. | Schedule Cal. P.U.C. No. A26 | Universal Lifeline Telephone Service Surcharge |
| 5. | Schedule Cal. P.U.C. No. A31 | Products and Services for the Disabled/California Relay Service and Communications Devices Fund Surcharge |
| 6. | Schedule Cal. P.U.C. No. A32 | California High Cost Fund - A Surcharge and California High Cost Fund - B Surcharge |
| 7. | Schedule Cal. P.U.C. No. A34 | Surcharge to Fund Public Utilities Commission Reimbursement Fee |
| 8. | Schedule Cal. P.U.C. No. B1 | Access Service |
| 9. | | Message Telecommunications (PARTIAL) - Coin Sent Paid, Coin Station Service, Coin Person Service, and Debit Card Messages |
| 10. | | One-Way Radio Paging Service |
| 11. | | Directory Advertising |
| 12. | | Usage charges billed to Customer-Owned Pay Telephone (COPT) Service Providers |

The surcharge is subject to federal and local excise tax.

(Continued)

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Resolution No. _____

A32. CALIFORNIA HIGH COST FUND SURCHARGES -
CALIFORNIA HIGH COST FUND - A & CALIFORNIA HIGH COST FUND - B

32.2 CALIFORNIA HIGH COST FUND - B

32.2.1 APPLICABILITY

All telecommunications carriers are required to apply California Public Utilities Commission (CPUC) mandated Public Program surcharge rates and the CPUC Reimbursement Fee rate to intrastate services. The California High Cost Fund – B (CHCF-B) Surcharge is for the purpose of funding the CHCF-B Program to ensure that customers in areas served by large and mid-sized Local Exchange Carriers (LECs) have access to telephone service at reasonable rates.

Pursuant to Cal. P.U.C. Decision No. 07-12-054, dated December 20, 2007, on and after January 1, 2008, one-half of the California High Cost Fund-B surcharge is to be allocated to the California Advanced Services Fund (CASF). The CASF, an expected two-year program, is for the purpose of augmenting the deployment of broadband in unserved and underserved areas in the state.

This surcharge applies to all end-user intrastate telecommunications services, both within a service area (intraLATA) and between service areas (interLATA), except those shown in Special Conditions 32.2.4.

32.2.2 TERRITORY

Within the exchange area of all exchanges as said areas are defined on maps filed as part of the tariff schedules.

32.2.3 RATES

As permitted by Public Utilities Code Section 492, and as required by CPUC Resolution T-16901, Ordering Paragraph 1, effective January 1, 2005, Sierra Telephone concurs with the Commission's Public Program all-end-user surcharges rates and the Reimbursement Fee rate as filed by Pacific Bell Telephone Company (d.b.a. AT&T California) (Pacific Bell/AT&T California) in its joint tariff for surcharges and fees. Sierra Telephone will apply the current surcharge and fee rates filed in the joint tariff to its respective end user bills until further revised.

For a list of the individual Public Program surcharges and Reimbursement Fee, and the current Commission-approved percentage surcharge and fee rates, refer to the Pacific Bell/AT&T California tariff Schedules Cal. P.U.C. No. A1.1.10, Cal. P.U.C. No. A2, and/or Cal. P.U.C. No. A5. The Pacific Bell/AT&T California tariff schedules are available on-line at: www.cpr.bellsouth.com/pdf/ca/ca.htm.

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Advice Letter No. 365a

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Resolution No. _____

A32. CALIFORNIA HIGH COST FUND SURCHARGES -
CALIFORNIA HIGH COST FUND - A & CALIFORNIA HIGH COST FUND - B

32.2 CALIFORNIA HIGH COST FUND – B - Continued

32.2.4 SPECIAL CONDITIONS

- A. Pursuant to Cal. P.U.C. Decision No. 96-10-066 a surcharge is applied to all end-user intrastate telecommunications services, both within a service area (intraLATA) and between service areas (interLATA). This percentage rate surcharge became effective on February 1, 1997 and is described on the customers' bills as California High Cost Fund Surcharge-B or CHCF-B Surcharge. This surcharge will remain in effect until otherwise ordered by the Commission.

Pursuant to Cal. P.U.C. Decision No. 07-12-054, dated December 20, 2007, one-half of the California High Cost Fund-B percentage rate surcharge is to be allocated to the California Advanced Services Fund (CASF). This percentage rate surcharge allocation became effective on January 1, 2008, and is described on the customers' bills as CASF. This percentage rate surcharge allocation will remain in effect until otherwise ordered by the Commission.

The application of this percentage rate surcharge to all billed end-user intrastate services is authorized by the tariffs of Sierra Telephone Company, Inc., the tariffs of other service providing companies, and the joint tariff for surcharges and fees of Pacific Bell/AT&T California.

(Continued)

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A32. CALIFORNIA HIGH COST FUND SURCHARGES -
CALIFORNIA HIGH COST FUND - A & CALIFORNIA HIGH COST FUND - B

32.2 CALIFORNIA HIGH COST FUND – B - Continued

32.2.4 SPECIAL CONDITIONS - Continued

B. The percentage rate surcharge applies to service area toll/WATS/800 Service (intrastate intraLATA), between service areas toll/WATS/800 Service (intrastate interLATA), detariffed services, all recurring and non-recurring rates and charges for services provided by the Utility to end-users, and new General Order 96-A contracts executed after September 15, 1994. The percentage rate surcharge does not apply to federal and local excise taxes, and the following:

1. Schedule Cal. P.U.C. No. A4 Universal Lifeline Telephone Service - basic monthly access rate and reduced service connection charges, both the subsidized and the unsubsidized portions
2. Schedule Cal. P.U.C. No. A9 Public Access Line Service (PARTIAL) - Coin Sent Paid, Coin Station Service, Coin Person Service, and Debit Card Messages
3. Schedule Cal. P.U.C. No. A24 California Teleconnect Fund Surcharge
4. Schedule Cal. P.U.C. No. A26 Universal Lifeline Telephone Service Surcharge
5. Schedule Ca. P.U.C. No. A31 Products and Services for the Disabled/California Relay Service and Communications Devices Fund Surcharge
6. Schedule Cal. P.U.C. No. A32 California High Cost Fund - A Surcharge and California High Cost Fund - B Surcharge
7. Schedule Ca. P.U.C. No. A34 Surcharge to Fund Public Utilities Commission Reimbursement Fee
8. Schedule Cal. P.U.C. No. B1 Access Service
9. Message Telecommunications (PARTIAL) - Coin Sent Paid, Coin Station Service, Coin Person Service, and Debit Card Messages
10. One-Way Radio Paging Service
11. Directory Advertising
12. Usage charges billed to Customer-Owned Pay Telephone (COPT) Service Providers

The surcharge is subject to federal and local excise tax.

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