

**THE PONDEROSA TELEPHONE CO.
NOTICE OF GENERAL RATE INCREASE
EFFECTIVE FEBRUARY 1, 2009**

On December 27, 2007, The Ponderosa Telephone Co. (Ponderosa) filed Advice Letter No. 374 and on June 6, 2008 filed 374A with the California Public Utilities Commission (CPUC) to perform a rate review for certain telephone services to determine if the rates being charged are appropriate. Ponderosa provided notice to customers of its proposed rate increases coincident with the filing of Advice Letter No. 374 in December 2007.

The CPUC completed Ponderosa's General Rate Case review and issued its final decision on January 29, 2009. The final decision approved Ponderosa's proposed rate increases and also ordered Ponderosa to implement additional rate increases not proposed by Ponderosa. Ponderosa proposed rates and CPUC approved rates are shown below.

<u>Description of Service</u>	<u>Present Charge</u>	<u>Ponderosa Proposed Charge</u>	<u>CPUC Approved Charge*</u>	<u>CPUC Approved Increase</u>
Flat Rate Exchange Service:				
Individual Access Line - Residence	\$16.85	No Change	\$20.25	\$3.40
Lifeline Telephone Service- 'California Lifeline'	\$5.47	No Change	\$6.11	\$.64
Individual Access Line - Business	\$28.45	No Change	\$30.05	\$1.60
Key Access Line -Business	\$28.45	No Change	\$30.05	\$1.60
C.O. Trunk Access Line - Business	\$28.45	No Change	\$30.05	\$1.60
Custom Calling Service: (Discounts apply if more than one feature is ordered)				
Call Forwarding - Business	\$3.60	\$4.00	\$5.00	\$1.40
Call Forwarding - Residence	\$2.40	\$3.00	\$3.00	\$.60
Call Waiting - Business	\$6.00	\$6.50	\$6.50	\$.50
Call Waiting - Residence	\$3.60	\$4.00	\$4.00	\$.40
Three-Way Calling - Business	\$6.00	\$6.50	\$6.50	\$.50
Three-Way Calling - Residence	\$3.60	\$4.00	\$4.00	\$.40
Speed Calling-8 Code - Business	\$3.60	\$4.00	\$4.00	\$.40
Speed Calling-8 Code - Residence	\$2.40	\$3.00	\$3.00	\$.60
Speed Calling-30 Code - Business	\$6.00	\$6.50	\$6.50	\$.50
Speed Calling-30 Code - Residence	\$3.60	\$4.00	\$4.00	\$.40
Call Fwd/Call Wait - Business	\$7.20	\$7.75	\$7.75	\$.55
Call Fwd/Call Wait - Residence	\$4.80	\$5.25	\$5.25	\$.45
Call Fwd/Three Way - Business	\$7.20	\$8.00	\$8.00	\$.60
Call Fwd/Three Way - Residence	\$4.80	\$5.25	\$5.25	\$.45
Call Wait/Three Way - Business	\$9.60	\$10.25	\$10.25	\$.65
Call Wait/Three Way - Residence	\$6.00	\$6.50	\$6.50	\$.50
Call Fwd/Spd Call 8 Code - Business	\$5.40	\$6.00	\$6.00	\$.60
Call Fwd/Spd Call 8 Code - Residence	\$3.60	\$4.00	\$4.00	\$.40
Call Fwd/Spd Call 30 Code - Business	\$7.20	\$8.00	\$8.00	\$.60
Call Fwd/Spd Call 30 Code - Residence	\$5.40	\$6.00	\$6.00	\$.60
Call Wait/Spd Call 8 Code - Business	\$7.80	\$8.25	\$8.25	\$.45
Call Wait/Spd Call 8 Code - Residence	\$4.80	\$5.25	\$5.25	\$.45
Call Wait/Spd Call 30 Code - Business	\$9.60	\$10.25	\$10.25	\$.65
Call Wait/Spd Call 30 Code - Residence	\$6.60	\$7.00	\$7.00	\$.40
Three-Way/Spd Call 8 Code - Business	\$7.80	\$8.25	\$8.25	\$.45
Three-Way/Spd Call 8 Code - Residence	\$4.80	\$5.25	\$5.25	\$.45
Three-Way/Spd Call 30 Code - Business	\$9.60	\$10.25	\$10.25	\$.65
Three-Way/Spd Call 30 Code - Residence	\$6.60	\$7.00	\$7.00	\$.40
Call Wait/Three-Way/Spd Call 8 Code - Business	\$12.60	\$13.50	\$13.50	\$.90
Call Wait/Three-Way/Spd Call 8 Code - Residence	\$7.80	\$8.25	\$8.25	\$.45
Call Wait/Three-Way/Spd Call 30 Code - Business	\$14.40	\$15.50	\$15.50	\$1.10
Call Wait/Three-Way/Spd Call 30 Code - Residence	\$9.60	\$10.25	\$10.25	\$.65
Call Fwd/Call Wait/Three-Way/Spd Call 8- Bus	\$15.00	\$16.00	\$16.00	\$1.00
Call Fwd/Call Wait/Three-Way/Spd Call 8- Res	\$9.60	\$10.25	\$10.25	\$.65
Call Fwd/Call Wait/Three-Way/Spd Call 30- Bus	\$16.80	\$17.50	\$17.50	\$.70
Call Fwd/Call Wait/Three-Way/Spd Call 30- Res	\$11.40	\$12.00	\$12.00	\$.60
Remote Access to Call Fwd- Business	\$1.50	\$1.75	\$1.75	\$.25
Remote Access to Call Fwd- Residence	\$1.00	\$1.25	\$1.25	\$.25

*The CPUC has authorized Ponderosa to implement a surcharge to recover the difference between the approved charges and the present charges billed for February 2009.

<u>Description of Service</u>	<u>Present Charge</u>	<u>Ponderosa Proposed Charge</u>	<u>CPUC Approved Charge</u>	<u>CPUC Approved Increase</u>
Custom Calling Service: Advanced:				
Selective Call Forwarding- 10 list - Business	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Forwarding- 10 list - Residence	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Forwarding- 30 list - Business	\$4.00	\$4.50	\$4.50	\$.50
Selective Call Forwarding- 30 list - Residence	\$4.00	\$4.50	\$4.50	\$.50
Automatic Redial - Business	\$3.00	\$3.50	\$3.50	\$.50
Automatic Redial - Residence	\$3.00	\$3.50	\$3.50	\$.50
Call Return - Business	\$3.00	\$3.50	\$3.50	\$.50
Call Return - Residence	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Acceptance- 10 list - Business	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Acceptance- 10 list - Residence	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Acceptance- 30 list - Business	\$4.00	\$4.50	\$4.50	\$.50
Selective Call Acceptance- 30 list - Residence	\$4.00	\$4.50	\$4.50	\$.50
Selective Call Rejection- 10 list - Business	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Rejection- 10 list - Residence	\$3.00	\$3.50	\$3.50	\$.50
Selective Call Rejection- 30 list - Business	\$4.00	\$4.50	\$4.50	\$.50
Selective Call Rejection- 30 list - Residence	\$4.00	\$4.50	\$4.50	\$.50
Priority Ringing- 10 list - Business	\$3.00	\$3.50	\$3.50	\$.50
Priority Ringing- 10 list - Residence	\$3.00	\$3.50	\$3.50	\$.50
Priority Ringing- 30 list - Business	\$4.00	\$4.50	\$4.50	\$.50
Priority Ringing- 30 list - Residence	\$4.00	\$4.50	\$4.50	\$.50
Caller ID - Business	\$5.00	\$5.50	\$5.50	\$.50
Caller ID - Residence	\$5.00	\$5.50	\$5.50	\$.50
Calling Name/Number - Business	\$6.00	\$6.50	\$6.50	\$.50
Calling Name/Number - Residence	\$6.00	\$6.50	\$6.50	\$.50
Anonymous Call Rejection - Business	\$3.00	No Change	\$4.00	\$1.00
Anonymous Call Rejection - Residence	\$3.00	No Change	\$4.00	\$1.00
Centrex Service:				
Basic Feature Package - One - Business	\$5.00	\$5.50	\$5.50	\$.50
Basic Feature Package - Two - Business	\$4.00	\$4.50	\$4.50	\$.50
Basic Feature Package - Three - Business	\$3.00	\$3.50	\$3.50	\$.50
Ponderosa Wiring Protection:				
Business Wiring	\$1.95	\$2.00	\$3.00	\$1.05
Home Wiring	\$.95	\$1.00	\$1.50	\$.55
Voice Mail Service:				
Voice Mail - 10	\$3.95	\$4.25	\$4.25	\$.30
Voice Mail - 20	\$5.95	\$6.50	\$6.50	\$.55
Voice Mail - 30	\$7.95	\$8.50	\$8.50	\$.55
Voice Mail - 40	\$9.95	\$10.50	\$10.50	\$.55
Greeting Only – (Bulletin Board)	\$3.95	\$4.25	\$4.25	\$.30
Voice Menu Service	\$3.95	\$4.25	\$4.25	\$.30
Local Area Directory Assistance Service:				
Call Allowances				
Residence	5	No Change	1	
Business	2	No Change	0	
Each Direct Dialed Call to 4-1-1 (after allowance)	\$.24	No Change	\$.50	\$.26
Directory Listings:				
Additional Listing – Business	\$.95	No Change	\$1.50	\$.55
Additional Listing – Residence	\$.50	No Change	\$1.00	\$.50
Additional Line of Information	\$.50	No Change	\$.75	\$.25

For information about this notification, please contact Ponderosa Telephone's Customer Care Center at 559-868-6000 or 1-800-682-1878, or by e-mail at Regulatory@ponderosatel.com.