



February 5, 2010

Dear Valued TelePacific Customer,

As you may know, TelePacific relies on other providers to supply portions of its service to your business. Over the past several years, local telephone companies have raised the rates they charge to their business customers, including the rates TelePacific pays them to access your premises. In addition, wholesale prices charged to companies like TelePacific to provide service to our end user customers have increased for some services.

As a result, TelePacific is raising the rates we charge on certain services. These new rates will go into effect no earlier than March 15th and will be phased over the following 30 days.

Please refer to the attached for a list of affected services; this notice and impacted rates are also posted on <http://www.insidetelepacific.com/legal/legal-notices.asp> for your reference.

We regret the need for the increase, but as our costs increase we need to ensure our ability to provide the highest level of service to our customers. If you have any questions please call 877-487-8722, option 3.

Sincerely,

A handwritten signature in black ink that reads "Michael W. James". The signature is written in a cursive style with a large, prominent "M" and "J".

TelePacific Communications
Senior Vice President
Customer Experience

| TelePacific Customers | | New Rate Per Month | | |
|--|----------------------------------|----------------------|--------------------------|----------|
| Rate reflects all Term MRC* | | | | |
| | | att (ILEC Territory) | Verizon (ILEC Territory) | Nevada |
| Business Line, Business Line Custom (BLC) and Business Line Deluxe (BLD) | per line | \$18.51 | \$24.79 | \$21.23 |
| Business Line Custom Plus (BLC+) | per line | \$27.51 | \$33.79 | NA |
| Network Redundancy Package 1 | per package | \$89.69 | NA | NA |
| Network Redundancy Package 2 | per package | \$164.38 | NA | NA |
| Metro Private Line | Channel Termination per Location | \$160.00 | \$249.00 | \$133.00 |

| att and Verizon (ILEC Territories in California) and Nevada | | | | |
|---|-------------|-------------|-------------|-------------|
| | | 1-Year MRC* | 2-Year MRC* | 3-Year MRC* |
| OnePac Office | per line | \$28.50 | \$24.50 | \$22.50 |
| OnePac Line | per line | \$30.00 | \$27.50 | \$25.00 |
| OnePac Trunk and OnePac PRI | per channel | \$30.00 | \$27.50 | \$20.50 |

| att and Verizon (ILEC Territories in California) | | | | |
|--|-------------|-------------|-------------|-------------|
| | | 1-Year MRC* | 2-Year MRC* | 3-Year MRC* |
| Flex Line | per line | \$20.23 | \$17.98 | \$15.74 |
| Flex Trunk | per channel | \$16.65 | \$14.80 | \$12.95 |
| Flex PRI | per channel | \$22.95 | \$20.40 | \$17.85 |

| Nevada | | | | |
|--------------------------|--------------------------|-------------|-------------|-------------|
| | | 1-Year MRC* | 2-Year MRC* | 3-Year MRC* |
| Flex Line and Flex Trunk | per line and per channel | \$16.65 | \$14.80 | \$12.95 |
| Flex PRI | per channel | \$22.95 | \$20.40 | \$17.85 |

| 1, 2 and 3-Year MRC* California and Nevada | |
|--|---------|
| T-Pack Minute Bundles 1,000 | \$35.00 |
| Toll Free T-Pack Minute Bundles 1,000 | \$45.00 |
| T-Pack Minute Bundles 2,500 | \$60.00 |
| Toll Free T-Pack Minute Bundles 2,500 | \$85.00 |

*Monthly Recurring Charge

| TelePacific Customers Continued | | New Rate Per Month | |
|---------------------------------|-----------------------|--|--|
| Jurisdiction | Standard Per Min Rate | Affinity, Plus Connections & Value Plan Per Min Rate | |
| Billing Increment | 60/6 | 18/6 | |
| Zone 1 & 2 | | | |
| 1st Minute | \$0.0268 | \$0.0228 | |
| Additional Minute | \$0.0086 | \$0.0084 | |
| Zone 3 | | | |
| 1st Minute | \$0.0692 | \$0.0228 | |
| Additional Minute | \$0.0152 | \$0.0084 | |

| Jurisdiction | Standard Per Min Rate |
|-----------------------|-----------------------|
| Billing Increment | 30/6 |
| IntraLATA | \$0.059 |
| IntraState/InterState | \$0.059 |
| Alaska | \$0.11 |
| Guam | \$0.24 |
| Hawaii | \$0.10 |

| Jurisdiction | Standard Per Min Rate |
|-------------------------------|-----------------------|
| Billing Increment | 30/6 |
| Inbound IntraLATA | \$0.059 |
| Inbound IntraState/InterState | \$0.059 |
| Inbound Alaska | \$0.25 |
| Inbound Hawaii | \$0.22 |
| Inbound Canada | \$0.31 |
| Inbound Puerto Rico | \$0.31 |
| Inbound Virgin Islands | \$0.31 |

The payphone surcharge for each call that originates from a payphone and terminates to a TelePacific Inbound Toll Free number will increase to \$0.65 charge per call.

OTHER VOICE, INTEGRATED AND DATA SERVICES WILL NOT BE AFFECTED.

Legacy Mpower rates continued on the next page.

Legacy Mpower Customers

| New Rate Per Line Per Month California - att (ILEC Territory) | | | | |
|--|----------------------------|--------------------|--------------------|--------------------|
| | Month-to- Month | 1-Year MRC* | 2-Year MRC* | 3-Year MRC* |
| POTS | \$31.23 | \$29.23 | \$28.23 | \$27.23 |
| Small Business Suite | \$34.23 | \$32.23 | \$31.23 | \$30.23 |
| Total Service | | \$47.23 | \$47.23 | \$47.23 |
| Total Service Premium | | \$52.18 | \$52.18 | \$52.18 |
| Centrex | \$36.23 | \$34.23 | \$33.23 | \$32.23 |
| Optillines | | \$27.73 | \$26.73 | \$25.73 |
| Alarm Line | | \$16.53 | \$16.53 | \$16.53 |

***Monthly Recurring Charge**

The payphone surcharge for each call that originates from a payphone and terminates to a legacy Mpower Inbound Toll Free number will increase to \$0.65 charge per call.

There will be a \$1.00 per line per month increase for all Voice Lines and Digital Subscriber Lines (DSL) in Nevada via the 2007 UNE Rate Case Surcharge under the Industry Fees and Surcharges section of your TelePacific invoice in Nevada.

OTHER VOICE, INTEGRATED AND DATA SERVICES WILL NOT BE AFFECTED.