



January 25, 2012

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 March 1, 2012, subject to approval by the California Public Utilities Commission.

Please refer to the list below for affected services; this notice and impacted rates are also posted on <http://www.telepacific.com/notice> 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.

New Rate Per Line Per Month • California – AT&T (ILEC Territory)

	Month-to-Month	1-Year MRC*	2-Year MRC*	3-Year MRC*
Business Lines (POTS)	\$39.27	\$37.27	\$36.27	\$35.27
Small Business Suite	\$42.27	\$40.27	\$39.27	\$38.27
Total Service		\$55.22	\$55.22	\$55.22
Total Service Premium		\$60.22	\$60.22	\$60.22
Centrex	\$44.27	\$42.27	\$41.27	\$40.27
Optilines		\$35.77	\$34.77	\$33.77
Alarm Line		\$24.57	\$24.57	\$24.57
Business Line – Grand Slam		\$31.52	\$31.52	\$31.52
Centrex – Grand Slam		\$36.52	\$36.52	\$36.52
Small Business Suite – Grand Slam		\$34.52	\$34.52	\$34.52
Business Line 1 st Promotion		\$55.27	\$55.27	\$55.27
Business Line Accelerator		\$50.22	\$50.22	\$50.22
Centrex Line 1 st Promotion		\$55.27	\$55.27	\$55.27

*Monthly Recurring Charge

Sincerely,

Michael W. James
TelePacific Communications
Senior Vice President
Customer Experience