



Over the past several weeks FTC has provided you with multiple notifications regarding our responsibilities under a reformed state law which governs the regulation of certain telecommunication services. FTC has received many phone calls and inquiries as to whether or not local telephone rates will be increasing as a result of these changes. To answer your primary concern, FTC is not raising the basic rates it charges for either residential or business services. The rates charged for basic monthly service will remain, at \$16.30 for residential and \$32.60 for business per line per month. This basic rate does not include the mandated charges and taxes.

These recent changes provide FTC with the opportunity to broaden the manner in which it can provide enhanced services and cost saving options to you, our valued customers. In addition, these changes will also allow FTC to bundle advanced services and long distance offerings together in attractively priced packages.

FTC has always made it a priority to be very open and honest with our customers. In order to continue that tradition, we must make you aware that a number of our optional services and equipment rates must now be changed. The rising costs of material, supplies, labor, and other items such as gasoline, require that we increase the prices charged for some of these items. Failure to do so could prevent FTC from providing these services in the very near future. On the other side of this document you will find the new schedule of rates for those services that are changing. Please be assured that not every FTC customer will be affected by these changes; many of them will apply to only a limited number of our customers. These new rates are scheduled to take effect in the billing period beginning on or after March 1, 2007. The following is a list of a few very important facts concerning these changes that should be remembered:

- There are no changes in basic rates for business or residential telephone service.
- There are no changes in current bundle prices.
- The services that are affected include optional services such as the price we charge to install new wiring.
- Many of these charges are incurred only when subscribing for new service.
- Many of these charges can be avoided by subscribing to our inside wiring maintenance plans.

FTC makes serious efforts to hold down the costs for all of our products and services. We assure you that we have done all we can to keep these increases to a minimum while continuing to provide you with opportunities to minimize their impact. However, just as groceries, gas, and other items increase in price, FTC has to occasionally do the same for its products and services if we are to continue offering the exceptional quality you have come to expect from us.

Please feel free to contact any of our customer service representatives during regular business hours if you have any questions or if you would like more information on any of the products and services FTC has to offer.

MONTHLY BILLING CODES

C&C Code	Description	Current Rate	New Rate as of 3/1/2007
HHS	HARD-OF-HEARING SET	\$1.50	\$2.50
INS	INSTR ASSOC. W/MAIN LINE	\$3.00	\$4.00
K2L	2-LINE KEY SET	\$5.00	\$6.00
KSB	BUZZER KEY SYS-INTERCOM #	\$2.00	\$3.00
LEX	LOUD EXTENSION BELL	\$3.00	\$4.00
LH	LOUD HORN	\$3.00	\$4.00
LHL	LOUD HORN - LINE POWERED	\$4.50	\$5.50
NS00	NRSTR 7100 SNGL LINE PHON	\$4.00	\$5.00
NS08	NORSTAR 7208 KEY PHONE	\$4.50	\$5.50
NS08N	M7308 FEATURE PHONE	\$6.60	\$8.00
NS10	NORSTAR 7310 KEY PHONE	\$6.00	\$7.00
NS16	M7316 FEATURE PHONE	\$6.00	\$7.00
NS16N	M7316 FEATURE PHONE	\$6.85	\$8.00
NS24	NORSTAR 7324 KEY PHONE	\$7.00	\$8.00
NS24N	M7324 FEATURE PHONE	\$9.50	\$10.00
NS2PC	NORSTAR 2 PORT CARTRIDGE	\$6.50	\$8.00
NS2PX	NRSTR FIBR 2PORT EXP CART	\$6.50	\$8.00
NS40N	CICS KSU	\$4.00	\$14.00
NSATA	NRSTR SNGL LINE INTERFACE	\$4.00	\$5.00
PA2	VALCOM V-1030 SPEAKER	\$7.50	\$8.00
PA2N	VCOM 1030 HORN O/D SPEAKER	\$8.50	\$9.00
PA3	VALCOM V-1022C WALL BAFFL	\$3.00	\$4.00
SA1BNN	SERVICE ORDER WITH TRIP- OUTSIDE AREA	\$50.00	\$85.00
SA1BX	STRICTLY NON-REG BUS TRIP CHG	\$40.00	\$75.00
SA1RX	STRICTLY NON-REG RES TRIP CHG	\$25.00	\$50.00
SALGO	ALGO STROBE LIGHT	\$4.50	\$5.00
SCJB	JACK CHARGE BUS	\$5.00	\$7.50
SCJR	JACK CHARGE RES	\$4.00	\$5.00
SCWB	WIRE CHARGE BUS	\$25.00	\$30.00
SCWBN	INSIDE WIRING CHARGE - OUTSIDE AREA	\$35.00	\$40.00
SCWR	WIRE CHARGE RES	\$20.00	\$25.00
SERCV	IP SERIAL CONVERTER	\$5.80	\$6.00
STROB	WHEELLOCK STROBE LIGHT	\$2.50	\$3.00
TTDB	TOUCH-TONE SET BUSINESS	\$2.50	\$3.50
TTDR	TOUCH-TONE SET RESIDENTIA	\$2.50	\$3.50
TTFB	TOUCHTONE SET W/FLASH BUS	\$3.00	\$4.00
TTTR	TOUCH TONE TRENDLINE RES	\$1.75	\$2.75
VBM	BUSINESS BASIC VOICE MA	\$4.25	\$5.25
VMBD	BUS DELUXE VOICE MAIL	\$5.00	\$6.00
VMBDT	V/MAIL DLX TOLL RSTRCTR	\$5.00	\$6.00
VMBG2	BUS GROUP MAIL BOX	\$6.00	\$7.00
VMBG4	BUS GROUP MAIL BOX	\$8.00	\$9.00
VMBG6	BUS GROUP MAIL BOX	\$10.00	\$11.00
VMBG8	BUS GROUP MAIL BOX	\$12.00	\$13.00
VMBO2	V/MAIL BULLITIN BD OPTN	\$16.00	\$17.00
VMBO4	V/MAIL BULLITIN BD OPTN	\$22.00	\$23.00
VMBO6	V/MAIL BULLITIN BD OPTN	\$28.00	\$29.00
VMBO8	V/MAIL BULLITIN BD OPTN	\$34.00	\$35.00
VMBT	V/MAIL BUS TOLL RSTRCTR	\$4.25	\$5.25
VMR	RESIDENTIAL BASIC VOICE MAIL	\$3.00	\$4.00
VMRD	RES. DELUXE VOICE MAIL	\$4.00	\$5.00
VMRDT	V/MAIL RES DLX TOLL RES	\$4.00	\$5.00
VMRF2	RES FAMILY MAIL BOX	\$5.00	\$6.00
VMRF4	RES FAMILY MAIL BOX	\$6.00	\$7.00
VMRF6	RES FAMILY MAIL BOX	\$7.00	\$8.00
VMRF8	RES FAMILY MAIL BOX	\$8.00	\$9.00
VMRT	V/MAIL RES RSTRCTR	\$3.00	\$4.00
WMB	BUS WIRE MAINTANENCE	\$3.00	\$5.00
WMC	COMPLEX BUS WIRE MAINT	\$3.00	\$6.00
WMR	WIRE MAINTANENCE RES	\$2.00	\$3.00