

# IMPORTANT NOTICE

# CITIZENS FIBER

December 1, 2017

Dear Valued Citizens Customer,

Once a year we adjust our prices due to increases in programming and other costs associated with providing cable television service to our customers. **Effective January 1, 2018 the prices for some of our services will change, as listed on the back of this letter. We strive for transparency in this business.**

We recognize that the cable industry is on the verge of drastic changes and, in fact, it's already begun. The costs of both providing and subscribing to traditional cable service continue to increase with no end in sight. This is due in part to the changes the Internet has brought about, providing the option for consumers to drop traditional cable services and instead stream their favorite content. As cable subscriber numbers fall, the content providers charge more to make up for the subscriber loss.

Many cable networks now provide over-the-top (OTT) options, which allow the consumer to stream a network's content over the Internet, rather than requiring a subscription to a defined cable lineup. Consumers are demanding the ability to choose the networks they enjoy and only pay for those networks. While this is not yet a reality due to contractual obligations laid out by the content providers, there are other options to watch your favorite shows rather than subscribing through a cable provider. The issue remains that some popular programming, like local sports, is not yet available in an OTT format.

Sports programming is one of the biggest overall drivers for rate increases. Because sports programming is popular among customers, the rates for this programming are higher than other networks. Due to contractual requirements from sports networks, these channels must be carried on a particular service level, decided by the networks. There is no way to separate them in to a la carte services at this time.

Sending this annual letter is never easy, nor is it any easier to receive it. We encourage you to call us at 724.423.3000 to discuss your best bundle option. We sincerely thank you for being our customer and for being a part of this local community.

Sincerely,

The Citizens Fiber Team

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## EXPLANATION OF CABLE SERVICE FEES

The "Fee for Local Broadcast Channels" is the retransmission fee charged by the broadcast programmers (KDKA, WTAE, WPCW, WPGH, ION, WPXI, WPMY, WQED, and WPCB). While these channels can be picked up for free over-the-air using an antenna, cable providers are required by law to retransmit these channels and are charged this fee as a result.

The "Technology Fee" on your bill refers to licensing fees that are involved in providing services. Citizens is required to pay licensing fees to third party companies whose patented services are a necessity to offer the consistent experience that our customers have come to expect.

<b>CABLE SERVICE FEES*</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>
FEE FOR LOCAL BROADCAST CHANNELS	\$10.09	\$15.15
TECHNOLOGY FEE	\$3.99	\$4.99

\*See explanation of fees in the letter on reverse side.

<b>BUNDLES – 2 AND 3-SERVICE</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>
<i>GIGABUNDLE</i>	\$199.99	\$205.99
<i>BUILD YOUR BROADBAND (INTERNET)</i>	\$34.99	\$34.99
ADD ON ESSENTIALS	\$10.00	\$10.00
ADD ON CLASSIC	\$65.00	\$70.00
ADD ON DELUXE	\$76.00	\$82.00
<i>PHONE PLUS (WITH ESSENTIALS CABLE)</i>	\$24.99	\$24.99
UPGRADE TO CLASSIC	\$55.00	\$60.00
UPGRADE TO DELUXE	\$71.00	\$77.00
<i>BASIC BUNDLE</i>	\$97.99	\$102.99
UPGRADE TO DELUXE	\$18.00	\$19.00

<b>“GRANDFATHERED” BUNDLES**</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>
<i>BASIC BUNDLE - UNLIMITED LD</i>	\$116.99	\$121.99
UPGRADE TO DELUXE	\$18.00	\$19.00
<i>DIGITAL BUNDLE</i>	\$119.99	\$126.99
<i>2-SERVICE BUNDLE</i>	\$100.99	\$105.99
UPGRADE TO DELUXE	\$18.00	\$19.00

\*\*These bundles are no longer offered to new customers. If you have one of these bundles, please call our office to discuss a more cost-effective bundle for your services.

<b>CABLE SERVICE ONLY</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>
ESSENTIALS	\$14.99	\$14.99
CLASSIC	\$65.99	\$70.99
DELUXE	\$83.99	\$89.99

<b>PREMIUM CABLE CHANNELS</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>
HBO	\$18.00	\$18.00
STARZ ENCORE	\$17.00	\$18.00
SHOWTIME TMC	\$17.00	\$18.00
CINEMAX	\$17.00	\$18.00
ALL 4 PREMIUMS PACKAGE	\$50.00	\$55.00

<b>INTERNET SERVICE</b>	<b>PREVIOUS PRICE</b>	<b>NEW PRICE 1/1/2018</b>	<b>BUNDLED WITH TV</b>
LITE	\$34.99	\$34.99	21.49
BROADBAND	\$49.99	\$49.99	34.99
PREMIUM	\$69.99	\$69.99	44.99
GIGABIT	\$129.99	\$99.99	79.99

**PHONE SERVICE - NO CHANGE**