

**Warwick Valley Telephone Company**  
**JSI Tariff FCC No. 1 - Transmittal No. 105**  
**Federal Universal Service Charge (FUSC) Rates**  
**Proposed Rates for First Quarter 2005**

**Attachment 1 - Schedule 1**

	End User Access Rate Description	FUSC Rate Tariff Section	Old Rate (Through Dec. 31, 2004) - Input	New Rates for January 1, 2005 - Per Sch. 2	Change	% Change
Line	(A)	(B)	(C)	(D)	(E)	(F)
1	Per Residential Line or Trunk	Sec. 17.1.3(B)(1)	<b>\$0.58</b>	<b>\$0.70</b>	\$0.12	20.69%
2	Per Single Line Business Line or Trunk	Sec. 17.1.3(B)(2)	<b>\$0.58</b>	<b>\$0.70</b>	\$0.12	20.69%
3	Per Multiline Business Line or Trunk	Sec. 17.1.3(B)(3)	<b>\$0.59</b>	<b>\$0.71</b>	\$0.12	20.34%
4	Per Centrex Line	Sec. 17.1.3(B)(4)	<b>\$0.07</b>	<b>\$0.08</b>	\$0.01	14.29%
5	Per Basic Rate ISDN (BRI) Line	Sec. 17.1.3(B)(5)	<b>\$0.58</b>	<b>\$0.70</b>	\$0.12	20.69%
6	Per Primary Rate ISDN (PRI) Arrangement	Sec. 17.1.3(B)(6)	<b>\$2.95</b>	<b>\$3.55</b>	\$0.60	20.34%
7	Per ISDN-BRI End User Port	Sec. 17.1.3(B)(7)	<b>\$0.20</b>	<b>\$0.24</b>	\$0.04	20.00%
8	Per ISDN-PRI End User Port	Sec. 17.1.3(B)(8)	<b>\$0.98</b>	<b>\$1.18</b>	\$0.20	20.41%
	<b>Calculation of FUSC for All Other End User Charges</b>					
7	All Other Interstate Recurring and Nonrecurring Charges Billed to End Users	Sec. 17.1.3(A)	<b>8.9%</b>	<b>10.7%</b>	0.0180	20.22%

Warwick Valley Telephone Company  
 JSI Tariff FCC No. 1 - Transmittal No. 105  
 Federal Universal Service Charge (FUSC) Rates  
 Multiline Rate Calculation For First Quarter 2005 - Effective January 1, 2005

FCC PROPOSED FACTOR **10.70%**

Line	(A) End User Access Rate Description	(B) Tariff Section for End User Access Rate	(C) End User Rate	(D) Number of Charges that Apply	(E) = (C)*(D) End User Access Charge Billed	(F) Corresponding FUSC Rate Section	(G) Factor (If Section 17.1.3(A))	(H) = (E)*(G) FUSC Rate - if Based on Direct Factor	(I) FUSC Rate - Based on Interim Waiver - Per Schedule 3	(J) = (D)*(I) or (H) FUSC Rate Applied per Service
1	Per Residential Line or Trunk	Section 17.1.2(A)	<b>\$6.50</b>	1	\$6.50	Sec. 17.1.3(A)(1)	10.7%	<b>\$0.70</b>		<b>\$0.70</b>
2	Per Single Line Business Line or Trunk	Section 17.1.2(B)	<b>\$6.50</b>	1	\$6.50	Sec. 17.1.3(A)(2)	10.7%	<b>\$0.70</b>		<b>\$0.70</b>
3	Per Multiline Business Line or Trunk	Section 17.1.2(C)	<b>\$7.18</b>	1	\$7.18	Sec. 17.1.3(A)(3)			<b>\$0.71</b>	<b>\$0.71</b>
4	Per Centrex Line	Section 17.1.2(B)	\$6.50	1	\$6.50	Sec. 17.1.3(A)(4)			<b>\$0.08</b>	<b>\$0.08</b>
5	Per Basic Rate ISDN (BRI) Line	Section 17.1.2(B)	\$6.50	1	\$6.50	Sec. 17.1.3(A)(5)	10.7%	<b>\$0.70</b>		<b>\$0.70</b>
6	Per Primary Rate ISDN (PRI) Arrangement	Section 17.1.2(B)	\$7.18	5	\$35.90	Sec. 17.1.3(A)(6)	10.7%	<b>\$3.84</b>	<b>\$0.71</b>	<b>\$3.55</b>
7	Per ISDN-BRI End User Port	Section 17.1.4(A)	<b>\$2.21</b>	1	\$2.21	Sec. 17.1.3(A)(7)	10.7%	<b>\$0.24</b>		<b>\$0.24</b>
8	Per ISDN-PRI End User Port	Section 17.1.4(B)	\$2.21	5	\$11.05	Sec. 17.1.3(A)(8)	10.7%	<b>\$1.18</b>		<b>\$1.18</b>

**Calculation of FUSC for Special Access and Other End User Charges**

9	FUSC Factor Applicable to all Other Interstate Charges Billed to End Users					Sec. 17.1.3(B)	<b>10.7%</b>			
---	--	--	--	--	--	----------------	--------------	--	--	--

Warwick Valley Telephone Company  
 JSI Tariff FCC No. 1 - Transmittal No. 105  
 Federal Universal Service Charge (FUSC) Rates  
 Multiline Rate Calculation For First Quarter 2005 - Effective January 1, 2005

FCC PROPOSED FACTOR 10.70%

	Description (A)	Source (B)	Variable (C)	Value (D)
1	Gross Up Factor	$x = (c(a+b))/(a+(b/d))$ [see bottom of page]	x	11.9%
2	Multiline Business Lines Excluding Cenrex	Per Line 22	a	3,247
3	Centrex Lines	Per Line 23	b	402
4	FUSC Factor	Per DA 03-2833, 9/5/03	c	10.7%
5	Multiline EUCL to Centrex Factor	Per DA 03-689, 3/7/03	d	9
6	Multiline EUCL	JSI Tariff FCC No. 1 Sec. 17.1.2	e	\$5.98
7	Multiline FUSC Rate Without Gross-Up	Line 4 X Line 6 (Rounded)		\$0.640
8	Multiline FUSC Rate Grossed-Up	Line 1 X Line 6 --> to Sch 2, Col (I) Ln 3		\$0.710
9	Centrex Rate	Line 8 / Line 5		\$0.079
10	Centrex Rate-Rounded Up	Line 12 Rounded Up --> to Sch 2, Col (I) Ln 4		\$0.080
11	Effective Ratio - Multiline to Centrex	Line 8 / Line 10		8.88
12	Primary Rate ISDN	Line 8 X 5 --> to Sch 2, Col (J) Ln 6		\$3.550

Proof

		Lines	Rate	Revenue	
13	Monthly FUSC from Regular Multiline Bus Lines	Lines from Line 19, Rate from Line 8	3,242	\$0.710	\$2,301.82
14	Monthly FUSC from ISDN-PRI Arrangements	Lines from Line 20, Rate from Line 12	1	\$3.550	\$3.55
15	Monthly FUSC from Centrex lines.	Lines from Line 23, Rate from Line 10	402	\$0.080	\$32.16
16	Monthly FUSC for Adjusted Multiline	Sum Lines 13-15			\$2,337.53
17	Rounding				\$2.68
18	Required FUSC Charges Before Centrex Adjustment	Line 24(G) X Line 6 X Line 4			\$2,334.85

**Multiline Business Line Data for Calculation of Centrex Rate**

		New York (E)	New Jersey (F)	Combined (G)	
19	Multiline Business Lines - Excluding Centrex	Customer Records	2,433	809	3,242
20	ISDN PRI Arrangements	Customer Records	1	0	1
21	ISDN PRI Equivalent Multi-Line Lines	Line 20 * 5	5	-	5
22	Multiline Business Lines - Excluding Centrex	Line 9 + Line 21	2,438	809	3,247
23	Centrex Lines - Business	Customer Records	402	0	402
24	Total Multiline Business Lines Before Centrex Adjmt	Line 22 + Line 23	2,840	809	3,649
25	Adjusted Centrex Lines	Line 23 / 9 - Rounded Down	44	-	44
27	Centrex Adjustment	Line 23 - Line 25	358	-	358
28	Adjusted Multiline Count	Line 24 - Line 27	2,482	809	3,291

**Gross-Up Formula Development:**

$c(e(a+b)) = xe(a+b/d); c(e(a+b)) = xe(a+b/d); x = (c(a+b))/(a+(b/d))$