

Warwick Valley Telephone Company  
 JSI Tariff FCC No. 1 - Transmittal No. 118  
 Federal Universal Service Charge (FUSC) Rates  
 Proposed Rates for Second Quarter 2006

Attachment 1 - Schedule 1

	End User Access Rate Description	FUSC Rate Tariff Section	Old Rate (Through June 30, 2005) - Input	New Rates for July, 2005 - Per Sch. 2	Change
Line	(A)	(B)	(C)	(D)	(E)
1	Per Residential Line or Trunk	Sec. 17.1.3(B)(1)	<b>\$0.66</b>	<b>\$0.71</b>	\$0.05
2	Per Single Line Business Line or Trunk	Sec. 17.1.3(B)(2)	<b>\$0.66</b>	<b>\$0.71</b>	\$0.05
3	Per Multiline Business Line or Trunk	Sec. 17.1.3(B)(3)	<b>\$0.81</b>	<b>\$0.86</b>	\$0.05
4	Per Centrex Line	Sec. 17.1.3(B)(4)	<b>\$0.09</b>	<b>\$0.10</b>	\$0.01
5	Per Basic Rate ISDN (BRI) Line	Sec. 17.1.3(B)(5)	<b>\$0.73</b>	<b>\$0.86</b>	\$0.13
6	Per Primary Rate ISDN (PRI) Arrangement	Sec. 17.1.3(B)(6)	<b>\$4.05</b>	<b>\$4.30</b>	\$0.25
7	Per ISDN-BRI End User Port	Sec. 17.1.3(B)(7)	<b>\$0.23</b>	<b>\$0.24</b>	\$0.01
8	Per ISDN-PRI End User Port	Sec. 17.1.3(B)(8)	<b>\$1.13</b>	<b>\$1.20</b>	\$0.07

**Calculation of FUSC for All Other End User Charges**

9	All Other Interstate Recurring and Nonrecurring Charges Billed to End Users	Sec. 17.1.3(A)	<b>10.2%</b>	<b>10.2%</b>	0.00%
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**FCC PROPOSED 2nd Quarter 2006 FACTOR 10.9%** Per DA 06-571 Released March 13, 2006

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 or ISDN Port Charges Billed	(F) Corresponding FUSC Rate Section	(G) Factor	(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)	\$6.50	1	\$6.50	Sec. 17.1.3(A)(1)	10.9%	\$0.71		\$0.71
2	Per Single Line Business Line or Trunk	Section 17.1.2(B)	\$6.50	1	\$6.50	Sec. 17.1.3(A)(2)	10.9%	\$0.71		\$0.71
3	Per Multiline Business Line or Trunk	Section 17.1.2(C)	\$7.18	1	\$7.18	Sec. 17.1.3(A)(3)	10.9%	\$0.78	\$0.86	\$0.86
	Per Centrex Line	Section 17.1.2(C)	\$7.18	1	\$7.18	Sec. 17.1.3(A)(4)	10.9%	\$0.78	\$0.10	\$0.10
5	Per Basic Rate ISDN (BRI) Line	Section 17.1.2(C)	\$7.18	1	\$7.18	Sec. 17.1.3(A)(5)	10.9%	\$0.78	\$0.86	\$0.86
6	Per Primary Rate ISDN (PRI) Arrangement	Section 17.1.2(C)	\$7.18	5	\$35.90	Sec. 17.1.3(A)(6)	10.9%	\$3.91	\$0.86	\$4.30
7	Per ISDN-BRI End User Port	Section 17.1.4(A)	\$2.21	1	\$2.21	Sec. 17.1.3(A)(7)	10.9%	\$0.24		\$0.24
8	Per ISDN-PRI End User Port	Section 17.1.4(B)	\$11.05	1	\$11.05	Sec. 17.1.3(A)(8)	10.9%	\$1.20		\$1.20

**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) 10.9%

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Attachment 1 - Schedule 3

Multiline Rate Calculation For Second Quarter 2006 - Effective April 1, 2006

	Description (A)	Source (B)	Variable (C)	Value (D)
1	Gross Up Factor	$x = (c(a+b))/(a+(b/d))$ [see bottom of page]	x	12.0%
2	Combined Multiline Business Lines Excluding Cenrex	Line 22	a	3,540
3	Centrex Lines	Line 23	b	417
4	FUSC Factor	Per DA 06-571 Released March 13, 2006	c	<b>10.9%</b>
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	Sch 2 Line 3 Col C	e	<b>\$7.18</b>
7	Multiline FUSC Rate Without Gross-Up	Line 4 X Line 6 (Rounded)		\$0.780
8	Multiline FUSC Rate Grossed-Up	<b>Line 1 X Line 6 --&gt; to Sch 2, Col (I) Ln 3</b>		<b>\$0.860</b>
9	Centrex Rate	Line 8 / Line 5		\$0.096
10	Centrex Rate-Rounded Up	<b>Line 12 Rounded Up --&gt; to Sch 2, Col (I) Ln 4</b>		<b>\$0.100</b>
11	Effective Ratio - Multiline to Centrex	Line 8 / Line 10		8.60
12	Primary Rate ISDN	<b>Line 8 X 5 --&gt; to Sch 2, Col (J) Ln 6</b>		<b>\$4.300</b>

Proof

	Description	Source	Combined Lines From Col J (E)	Rate (F)	Revenue (G)
13	Monthly FUSC for Multiline Bus/BRI/PRI Lines	Lines from Line 23, Rate from Line 8	3,540	\$0.860	\$3,044.40
14	Monthly FUSC from Centrex lines.	Lines from Line 23, Rate from Line 10	417	\$0.100	\$41.70
15	Monthly FUSC for Adjusted Multiline	Sum Lines 13-15			\$3,086.10
16	Rounding				-\$0.36
17	Required FUSC Charges Without Centrex Adjustment	Lines from Line 23, Rate from Line 7	3,957	\$0.780	\$3,086.46

Combined Lines From Col J (E)	Rate (F)	Revenue (G)
3,540	\$0.860	\$3,044.40
417	\$0.100	\$41.70
		\$3,086.10
		-\$0.36
3,957	\$0.780	\$3,086.46

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

	Description	Source	New York (H)	New Jersey (I)	Combined (J)
18	Multiline Business Lines - Excluding Centrex	Customer Records	2,671	809	3,480
19	Multiline Business Lines - BRI	Customer Records	25	25	50
20	ISDN PRI Arrangements	Customer Records	-	2	2
21	ISDN PRI Equivalent Multi-Line Lines	Line 21 * 5	-	10	10
22	Combined Multiline Business Lines - Excluding Centrex	Line 19 + Line 20 + Line 22	2,696	844	3,540
23	Centrex Lines - Business	Customer Records	417	0	417
24	Total Multiline Business Lines Before Centrex Adjmt	Line 23 + Line 24	3,113	844	3,957
25	Adjusted Centrex Lines	Line 24 / 9 - Rounded Down	46	-	46
26	Centrex Adjustment	Line 24 - Line 26	371	-	371
27	Adjusted Multiline Count	Line 24 - Line 27	2,742	844	3,586

New York (H)	New Jersey (I)	Combined (J)
2,671	809	3,480
25	25	50
-	2	2
-	10	10
2,696	844	3,540
417	0	417
3,113	844	3,957
46	-	46
371	-	371
2,742	844	3,586

**Gross-Up Formula Development:**

$c(e(a+b)) = xe(a+b/d)$ ;  $c(e(a+b)) = xe(a+b/d)$ ;  $x = (c(a+b))/(a+(b/d))$  Note: Variables match lines 1 through 6