

DESCRIPTION AND JUSTIFICATION
Dunkirk and Fredonia Telephone Company (D&F) Tariff F.C.C. No. 2
Transmittal No. 33
July 1, 2006

Dunkirk and Fredonia Telephone Company (D&F), an incumbent local exchange carrier (ILEC) operating in New York, hereby provides a Description and Justification for its Residential, Single Line Business and Multi-Line Business End User Common Line (EUCL) rates proposed under Transmittal No. 33 of the Dunkirk and Fredonia Tariff F.C.C. No. 2 (D&F Tariff FCC No. 2).

With respect to Traffic Sensitive, Special Access and Common Line rates other than EUCL rates, D&F Tariff FCC No. 2 references National Exchange Carrier Tariff F.C.C. No. 5 (NECA Tariff FCC No. 5). Thus, this filing only addresses EUCL rates.

Specifically, the multiline business EUCL rate, and the corresponding Centrex EUCL rate, are increasing from \$7.02 per line to \$7.09 per line. The single line EUCL rate remains at the capped level of \$6.50 per line.

Because all interstate rates charged by D&F other than EUCL charges are based on NECA Tariff FCC No. 5, the effect of this filing is limited to end user customers.

Description of Filing

This summary together with the accompanying revised tariff material has been filed by John Staurulakis, Inc. (JSI) on behalf of D&F in order to comply with the rules and regulations of the Federal Communications Commission (Commission) with respect to annual access charge filings.

The instant filing is made in accordance with the Commission's March 24, 2006 releases entitled In the Matter of July 2006 Annual Access Charge Tariff Filings, WCB/Pricing File No. 06-15, Order, DA 06-649, and In the Matter of Material to be Filed in Support of 2006 Annual Access Tariff Filings, WCB/Pricing File No. 06-15, Tariff Review Plans, DA 06-650. The instant filing revises the Company's End User access rates pursuant to Section 61.38 of the Commission's rules.

Justification for Cost Support and Rate Development

In addition to the summary information provided herein, the cost support data associated with this filing is contained in one volume comprising Attachments #1 - 7. The Certification of the cost support data for this filing is shown in Attachment #8 included separately.

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In accordance with Section 61.38(b)(1)(ii) of the Commission’s rules and regulations, a projection of D&F’s costs has been made for the fiscal year ending June 30, 2007 (also referred to herein as the July 1, 2006-June 30, 2007 Test Year Cost of Service or “TYCOS”). The costs for the TYCOS have been based on financial estimates and projections of D&F, and are summarized as follows:

Summary Development of End User Common Line Revenue
RequirementAttachment #1
Part 69 - Access Charge DevelopmentAttachment #2
Part 36 – Separations of CostsAttachment #3

In accordance with Section 61.38(b)(1)(i) of the Commission’s rules and regulations, attached is a cost of service study for the most recent twelve (12) month period ending December 31, 2005, identified as follows (also referred to herein as the 2005 Prior Year Cost of Service or “PYCOS”):

Summary Development of End User Common Line Revenue
RequirementAttachment #4
Part 69 - Access Charge Development.....Attachment #5
Part 36 – Separations of Costs.....Attachment #6

Additionally, the Company has included as Attachment 7 schedules analyzing revenue impacts of the filing.

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**Recap of Test Year Cost of Service (TYCOS) Compared with Prior Year Cost of
Service (PYCOS) for Common Line**

Following is a summary of the Multiline EUCL rate development for the proposed rate to become effective July 1, 2006 compared with the rate development for the current rate per the 2004 annual filing (Transmittal No. 32).

	2005 TYCOS Trans 32 Attach. 1	2007 TYCOS Trans 32 Attach. 1	Change	% Change
Common Line Revenue Requirement	\$1,011,605	\$918,277	(\$93,328)	-9.23%
Access Lines	12,016	10,793	(1,223)	-10.18%
Monthly Rev. Req. Per Line	\$7.02	\$7.09	\$0.07	1.06%

Based on the foregoing, including the analyses at Attachments 1 through 7, the annual filing of Dunkirk and Fredonia Telephone Company resulting in rate increases for Multiline Business End User Common Line charges is compliant with applicable Commission rules and otherwise reasonable in all respects.