P.S.C. No. 1 - Telephone First Revised Leaf 25 Cancels Original Leaf 25

(N)

(N)

SECTION 3 - GENERAL RULES AND REGULATIONS, (Cont'd.)

3.7 Telephone Surcharges, (Cont'd.)

3.7.3 Village or Municipal Surcharge On Local Utility Gross Revenue Taxes

In certain cities and villages a municipal surcharge related to the Local Utility Gross Revenue Taxes applies to the recurring and nonrecurring rates and charges for all intrastate service except returned check charges, late payment charges and rates for local coin calls. The percentage rate of the surcharge in each locality where such a surcharge applies is listed on Statement 3 which is at the end of this section.

The surcharge statement shall be filed at least fifteen business days before the effective date. The effective date of the statement shall not be prior to the effective date of the surcharge and no sooner than the date when the tax enactment is filed with the Secretary of State. The surcharge shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the statement. If the tax enactment either ceases to be effective or is modified so as to reduce the tax rate, the surcharge will be changed accordingly within 5 business days. Introduction, cancellation, or modification of a surcharge will be effective on the date of the Customer's first bill rendered after the effective date of the change.

3.7.4 State Universal Service Fee Surcharge (SUSF)

On August 17, 2012, the New York State Public Service Commission allowed the Telephone Company's contribution to the New York State Universal Service Fund (NYUSF) to be recovered from the end-user, as Ordered in Case 09-M-0527. The applicable SUSF will be assessed by the Telephone Company through a monthly surcharge applied to the customer's bills for local services. The surcharge will not be applied to taxes or other surcharges. Annual fund amount assessments are determined by the Fund Administrator. If the Company has collected its annually assessed amount prior to the end of the calendar year, it will suspend collection of these surcharges for the remainder of that year, subject to any subsequent adjustment necessitated by PSC Order.

State Universal Service Fee Surcharge – 0.1515414%

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