

STATE OF TENNESSEE

Office of the Attorney General



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REGULATORY AUTH.

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Reply to:
Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, TN 37202

March 5, 2002

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

**RE: Tariff of Loretto Telephone Company
to Provide Rate Reductions to Offset a
Portion of the 2002 Tax Credit
Docket No.: 02-00137**

Dear Mr. Waddell:

Enclosed is an original and thirteen copies of a Complaint and Petition to Intervene by the Consumer Advocate and Protection Division of the State of Tennessee's Office of the Attorney General in the above-referenced matter. We request that this be filed with the Tennessee Regulatory Authority. We have served copies on all parties of record. If you have any questions, kindly contact me at (615) 532-3382. Thank you.

Sincerely,

Shilina B. Chatterjee
Assistant Attorney General

Enclosures
53213

POSTED
3/6/02

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE: TARIFF OF LORETTO	) DOCKET NO. 02-00137
TELEPHONE COMPANY TO PROVIDE	)
RATE REDUCTIONS TO OFFSET A	)
PORTION OF THE 2002 TAX CREDIT	)
	)

COMPLAINT AND PETITION TO INTERVENE

Comes Paul G. Summers, the Attorney General & Reporter, through the Consumer Advocate and Protection Division of the Office of Attorney General (hereinafter "Attorney General"), pursuant to Tenn. Code Ann. § 65-4-118 and Rule 1220-1-2-.02 of the Tennessee Regulatory Authority and respectfully complains and petitions to intervene in this case on behalf of the public interest since consumers may be affected by actions taken in this docket. The Attorney General complains and petitions as follows:

1. The Attorney General has a duty and the authority under Tenn. Code Ann. § 65-4-118(c)(2)(A) to represent the interests of Tennessee consumers of public utilities services.
2. Additionally, under Tenn. Code Ann. § 8-6-109, the Attorney General has the duty and authority to attend to all business of the state.
3. The Attorney General is authorized by Tenn. Code Ann. §§ 65-4-118 and 65-5-210(b) to initiate, participate or intervene in proceedings to represent the public interest in

accordance with the Uniform Administrative Procedures Act ("UAPA").

4. Loretto Telephone Company ("Loretto") is a telecommunications utility regulated by the Tennessee Regulatory Authority ("TRA") pursuant to Tenn. Code Ann. §§ 65-4-101 and 65-4-104. Its usual address for service is P.O. Box 130, Loretto, Tennessee 38469.

5. Loretto filed a tariff to provide reductions to offset a portion of the 2002 Tax Credit in order to comply with Tennessee Code Annotated § 67-6-222. However, Loretto has failed to divide the annual savings over an twelve period as opposed to their filed eighteen month period which results in understated reduction in rates to business customers.

6. Loretto filed a tariff to provide reductions to offset a portion of the 2002 tax credit in order to comply with Tennessee Code Annotated § 67-6-222, however, they have not complied with the statute. Tennessee Code Annotated § 67-6-222 indicates that any net tax savings are to be passed onto business customer in the form of a price reduction.

7. If the tariff allowing the rate reduction to offset a portion of the 2002 tax credit becomes effective, it would result in understated rate reductions to business customers contrary to the intent of Tennessee Code Annotated § 67-6-222.

8. In addition, Loretto has included estimated costs for complying with Tennessee Code Annotated compliance costs § 67-6-222.

9. Tennessee Code Annotated § 67-6-222(5)(c) specifically states that any net tax savings "shall inure to the benefit of business customers" through an adjustment in prices in a rate reduction.

10. Only by participating and/or intervening in this proceeding can the Attorney General accomplish the purposes set forth by the General Assembly thereby representing and

protecting the interests of Tennessee consumers in public utility services.

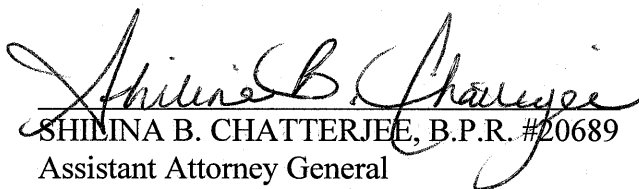
WHEREFORE, the Consumer Advocate and Protection Division of the Office of the Attorney General prays that Loretto's tariff is denied or in the alternative that the Authority convene a contested case for the purpose of evaluating the issues in this matter.

Respectfully submitted,

PAUL G. SUMMERS, B.P.R. # 6285
Tennessee Attorney General

Handwritten signature of Timothy C. Phillips in black ink, appearing as a stylized 'T' followed by 'CPhillips'.

TIMOTHY C. PHILLIPS, B.P.R. #012751
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 741-3533

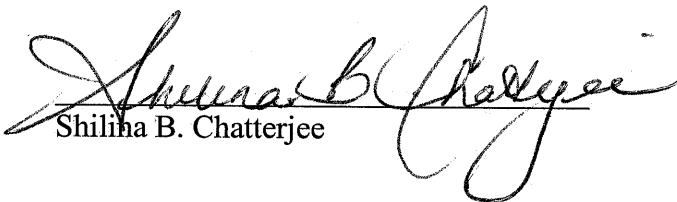
Handwritten signature of Shilina B. Chatterjee in black ink, appearing as a stylized 'S' followed by 'B. Chatterjee'.

SHILINA B. CHATTERJEE, B.P.R. #20689
Assistant Attorney General
State of Tennessee
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 532-3382

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Complaint and Petition to Intervene was served on parties below via facsimile and U.S. Mail, postage prepaid, on March 5, 2002.

Loretto Telephone Company, Inc.
P.O. Box 130
Loretto, TN 38469
Fax: (931) 853-4329


Shilina B. Chatterjee

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