

BASS, BERRY & SIMS PLC

A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

R. DALE GRIMES
TEL: (615) 742-6244
FAX: (615) 742-2744
dgrimes@bassberry.com

AM SOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

www.bassberry.com

OTHER OFFICES:

NASHVILLE MUSIC ROW
KNOXVILLE
MEMPHIS

February 26, 2002

VIA HAND DELIVERY

Mr. David Foster
Manager Telecommunications
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

02-00145

Re: *Tariff Filings of United Telephone Company Required by 2001 Tenn. Pub. Acts 195 and December 20, 2001 Letter from K. David Waddell, Executive Secretary of the Tennessee Regulatory Authority*

Dear Mr. Foster

Enclosed for filing with respect to the above-referenced matter are the original and five (5) copies of the following:

1. General Exchange Service Tariffs, Section II, 7th Revised Sheet 40;
2. Supporting Financial Schedules identifying the total tax savings and pass through amount; and
3. Proposed Wording for Credit and Bill Message.

As requested by Joe Shirley, we have revised the proposed tariff to reflect an effective date of March 13, 2002. Also, the monthly credit has been revised to allow payment of the total credit over fifteen months, beginning in April.

Should you have any questions or comments regarding this filing, please do not hesitate to contact me at the telephone number listed above.

Very truly yours,



R. Dale Grimes

RDG/gci
Enclosures

GENERAL EXCHANGE SERVICE TARIFFS
SECTION II
LOCAL EXCHANGE SERVICE TARIFF

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
7th Revised Sheet 40

II. RATES (Continued)

A. MONTHLY EXCHANGE ACCESS CHARGES

BELFAST, UNIONVILLE, FLAT CREEK, FOSTERVILLE, COLLEGE GROVE,
AND CHAPEL HILL EXCHANGES

Class of Service:	Per Line Access Charge
Business – One Party	\$17.44
Residence – One Party	10.44
Business – Four Party	15.69
Residence – Four Party	8.19
Semi-Public Coin Stations	19.00
PBX Trunk or Line	28.50
Key System Line	28.50

EFFECTIVE APRIL 1, 1992

A TEMPORARY CREDIT OF 2.00 WILL BE APPLIED TO THE
RESIDENTIAL ACCESS CHARGE. A CREDIT OF 4.00 WILL BE
APPLIED TO BUSINESS, PBX AND KEY ACCESS CHARGES.

EFFECTIVE JANUARY 1, 2002

Per Tennessee Public Acts of 2001 Chapter 195, a credit in the amount of
\$6.63 will be applied to Business, PBX, and Key Access Charges. This amount
is based upon an estimate of the Property (AdValorem) tax savings as provided
by the Tennessee Comptroller of the Treasury, Office of State Assessed

(A)

(A)

ISSUED: 02-07-2002

EFFECTIVE: 03-13-2002

BY:

Herbert R. Bivens

HERBERT R. BIVENS, General Mgr
UNITED TELEPHONE COMPANY

By RDG

State of Tennessee - House Bill 864
Property Tax Savings and Pass-Through

2001 TELEPHONE COMPANIES

DRAFT - DISCUSSION PURPOSES ONLY

Values from Comptroller of the Treasury, Office of State Assessed properties, 2001 Public Utility Ad Valorem Property Tax Assessments.

Section 3(c) - payment equal to 27.27% (real) and 45.45% (personal) taxes paid

Applies to Cost based companies only. No adjustment for Average Schedule companies.

L.n.	Company	2001 Assessed Property Value (a)	ILEC Only (b)	Assessment % To Total (c)	Ad Valorem Tax Equity Payment (Section 3.a) (d)	Ad Valorem Tax Reduction Fund (e)	Tax Reduction Shortfall (f)	Pass Through Amount		Net Pass Through (g-h)
								Pass Through use lower of (d) or (e) (g)	Impact (Section 4) (h)	
1	Adelphia Bus Solutions of Nashville, LP	C \$ 10,500,000	\$	0.00%						
2	American Comm. Serv. Of Chatt. Inc.	C 463,000		0.00%						
3	Ardmore Telephone Co., Inc.	I 4,000,000	4,000,000	0.24%	35,829	30,536	(5,293)	30,536		30,536
4	Ben Lomand Telephone	C 1,324,000		0.00%						
5	Ben Lomand Telephone	Coop 31,000,000	31,000,000	1.85%	277,678	236,656	(41,022)	236,656		236,656
6	Birch Telecom of the South, Inc.	C 402,000		0.00%						
7	Bledsoe Telephone	C 13,794,000	13,794,000	0.82%	123,558	105,304	(18,254)	105,304		105,304
8	Broadriver Communication, Corp.	C 6,750		0.00%						
9	Broadlate Networks of TN, Inc.	C 307,480		0.00%						
10	Century Telephone of Adamsville, Inc.	I 8,500,000	8,500,000	0.51%	76,138	64,890	(11,248)	64,890		64,890
11	Century Telephone of Claborn, Inc.	I 8,500,000	8,500,000	0.51%	76,138	64,890	(11,248)	64,890		64,890
12	Century Telephone of Ooltewah-Collegedale, Inc.	I 5,800,000	5,800,000	0.35%	51,953	44,278	(7,675)	44,278		44,278
13	Citizens Telecomm. Company of Tennessee	I 48,000,000	48,000,000	2.87%	429,954	366,435	(63,518)	366,435		366,435
14	Citizens Telecomm. Co. of the Vol. State LLC	I 9,400,000	9,400,000	0.56%	84,199	71,760	(12,439)	71,760		71,760
15	Concord Telephone Exchange	I 11,700,000	11,700,000	0.70%	104,801	89,319	(15,483)	89,319	0	89,319
16	Crockett Telephone Company, Inc.	I 2,500,000	2,500,000	0.15%	22,393	19,085	(3,308)	19,085		19,085
17	DTC Communications	Coop 21,500,000	21,500,000	1.28%	192,583	164,132	(28,451)	164,132		164,132
18	Gabriel Comm. OF TN, Inc.*	C 100,000		0.00%						
19	Highland Telephone	Coop 19,507,000	19,507,000	1.16%	174,731	148,918	(25,814)	148,918	(3,339)	148,918
20	Humphreys County Telephone Company	I 1,560,000	1,560,000	0.09%	13,973	11,909	(2,064)	11,909		8,570
21	ICG Telecom Group, Inc.	C 2,433,000		0.00%						
22	KMC Telecom III, Inc.	C 14,010,000		0.00%						
23	MCMetro Access Transmission Serv. Inc.	C 13,000,000		0.00%						
24	Loretto Telephone Company, Inc.	I 5,100,000	5,100,000	0.30%	45,683	38,934	(6,749)	38,934		38,934
25	Millington Telephone Company, Inc.	I 18,000,000	18,000,000	1.07%	161,233	137,413	(23,819)	137,413		137,413
26	Mpower Communications Corp.	C 953,000		0.00%						
27	New South Communications, Corp.	C 5,681,000		0.00%						
28	North Central Telephone	Coop 15,958,000	15,958,000	0.95%	142,942	121,824	(21,117)	121,824		121,824
29	Peoples Telephone Company, Inc.	I 4,140,000	4,140,000	0.25%	37,084	31,605	(5,478)	31,605		31,605
30	SBC Telecom, Inc.	C 10,000		0.00%		366	(64)	366		366
31	Scott County	Coop 48,000	48,000	0.00%	430					
32	TCG Mid South, Inc.	C 25,900,000		0.00%						
33	BellSouth Telecommunications Company	I 1,219,400,000	1,219,400,000	72.82%	10,922,615	9,308,981	(1,613,634)	9,308,981		9,308,981
34	Teligent Services, Inc.	C 606,000		0.00%						
35	Tellico Telephone Company	I 5,530,000	5,530,000	0.33%	49,534	42,216	(7,318)	42,216	(12,081)	30,136
36	Tennessee Telephone Company	I 30,610,000	30,610,000	1.83%	274,185	233,679	(40,506)	233,679	(59,183)	174,496
37	Time Warner Commun. Of the Mid-South, LP	C 17,387,000		0.00%						
38	Trivergent Communications	C 2,891,000		0.00%						
39	Twin Lakes Telephone	Coop 30,232,000	30,232,000	1.81%	270,799	230,793	(40,006)	230,793		230,793
40	United Telephone Company	I 21,830,000	21,830,000	1.30%	195,539	166,652	(28,887)	166,652		166,652
41	United Telephone-Southeast, Inc.	I 126,500,000	126,500,000	7.55%	1,133,107	965,709	(167,398)	965,709		965,709
42	US Lec of Tennessee, Inc.	C 6,423,000		0.00%						
43	Verizon Select Services, Inc.	C 184,000		0.00%						
44	West Tennessee Telephone Company, Inc.	I 3,910,000	3,910,000	0.23%	35,023	29,849	(5,174)	29,849		29,849
45	West Kentucky	Coop 3,400,000	3,400,000	0.20%	30,455	25,956	(4,499)	25,956		25,956
46	Williams Network, Inc.	C 6,010,000		0.00%						
47	XO Communications, Inc.	C 32,800,000		0.00%						
48	Yorkville Telephone	Coop 4,180,000	4,180,000	0.25%	37,442	31,910	(5,531)	31,910		31,910
49	Total Assessment	\$ 1,815,990,230	\$ 1,674,599,000	100.00%	\$ 15,000,000	\$ 12,784,000	\$ (2,216,000)	\$ 12,784,000	\$ (74,602)	\$ 12,709,398
50	CLECS assessment	\$ 141,391,230								
51	Total Assessment excluding CLECS	\$ 1,674,599,000			\$ 15,000,000	\$ 12,784,000	\$ (2,216,000)	\$ 12,784,000	\$ (74,602)	\$ 12,709,398
52	Estimated AVTR Fund Amount *	\$ 12,784,000								

* Amount from Comptroller of the Treasury, Office of State Assessed properties.

United Telephone Company
State of Tennessee - House Bill 864
2002 Property Tax Savings and 2001 Pass-Through Amount

1. Estimated Property Tax Savings & Pass through Amount	\$ 166,652
2. Less:	
Cost of Compliance with HB 864	(5,000)
3. Net Pass Through Amount	<u>\$ 161,652</u>
4. Business Access Lines as of December 31, 2001	1625
5. Annual Credit per Business Access Line	\$ 99.48
6. Monthly Tax Savings Credit per Business Access Line	<u>\$ 6.63</u>

United Telephone Company Tariff Rates

	Single Line				Key/PBX		
7. Business Rates	\$ 17.44	\$ 19.44	\$ 25.44	\$ 28.50	\$ 31.50	\$ 40.50	
8. Less:							
Existing Credit	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	
Tax Credit	(6.63)	(6.63)	(6.63)	(6.63)	(6.63)	(6.63)	
9. Net Business Rate	<u>\$ 6.81</u>	<u>\$ 8.81</u>	<u>\$ 14.81</u>	<u>\$ 17.87</u>	<u>\$ 20.87</u>	<u>\$ 29.87</u>	

Resident Rates are

Higher than Business \$ 8.44 \$ 10.44 \$ 13.94

United Telephone Company
Proposed Wording for Credit and Bill Message
For
Tennessee Public Acts of 2001 Chapter 195

1. Message description to appear on business customer's monthly bill. Proposed to appear upon implementation and any new business customers bill for three consecutive months.

The Tennessee Legislature enacted a bill within the Tennessee Public Acts of 2001 Chapter 195 to render a reduction in property tax to companies engaged in the business of providing telecommunications services. As a result of this reduction in tax equity payments, companies are required to pass this benefit (savings) onto business customers.

2. Detail line on business customer's monthly bill.

Tennessee Public Acts Tax Credit