



Chapel Hill, Tennessee 37034

August 3, 2006

T.R.A. Docket Room

Mr. Ron Jones, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No. 06-00181

Dear Mr. Jones:

In response to the above related docket, United Telephone Company has a flow-thru of property taxes in the amount of \$43,715.00.

If you have any questions, please call Cindy Rothstein, Accounting Manager at (931) 364-4321.

Sincerely,

A handwritten signature in black ink that reads "Terry M. Wales". The signature is written in a cursive, flowing style.

Terry M. Wales
General Manager

Enclosures

United Telephone Company
State of Tennessee - House Bill 864
Property Tax - Calculation of Net pass through amount
4th Price Adjustment Effective 10/1/06

1) Total Equity payment received June/July 2006	262,673
2) Jurisdictional Separations Impact (Part 36/69)	73,759
3) Impact to USF Support	<u>145,199</u>
4) Net Tax savings to Company to be flowed through to business customers	<u><u>43,715</u></u>
5) Total Rate Reduction from October 1, 2005 through September 30, 2006	<u><u>-</u></u>
6) Difference	<u><u>43,715</u></u>

United Telephone Company, Inc.
USF and LSS TRA Equity Payment Impact
12/31/2005

USF	
Original	\$ 2,135,881
Revised	<u>1,997,053</u>
Net Impact	\$ 138,828

LSS	
Original	\$ 547,040
Revised	<u>540,669</u>
Net Impact	\$ 6,371

Total Impact	<u><u>\$ 145,199</u></u>
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