



September 7, 2006

2006 SEP 13 PM 1:05
T.R.A. COURT ROOM

Mr. Roger Knight
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

06-00181

RE: Peoples Telephone Company, Inc.
Tariff No. 2006-0345

Dear Mr. Knight,

I have enclosed *corrected* revised tariff pages on behalf of Peoples Telephone Company, Inc. These *corrected* revised tariff pages reflect the 2006 revision to the Ad Valorem Tax Equity Credit.

The following *corrected* revised tariff pages are enclosed:

Section 3	15th Revised Page 2
Section 7	6th Revised Page 19
Section 11	5th Revised Page 66

I have also enclosed *revised* worksheets showing the development of the new rates and the new price adjustment pursuant to 67-6-222.

Please use the enclosed revised tariff sheets to replace the original filing that was filed on August 4, 2006 with a proposed effective date of October 1, 2006. I appreciate your assistance in this matter.

If you should have any questions, please do not hesitate to contact me at 318/322-0015.

Sincerely,

Brenda Pace
Tariff Assistant

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Enclosures

cc: Peoples Telephone Company, Inc.
Consumer Advocate Division

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SEP 08 2006

TN REGULATORY AUTHORITY
UTILITIES DIVISION

1309 LOUISVILLE AVENUE
MONROE LA 71201
318 322 0015
FAX 318 323 2184

TEC Tennessee Telephone Companies
Revised True Up of Business Rates for Tennessee Ad Valorem Tax Equity Payments Received
For October 1, 2006

	<u>Crockett</u>	<u>Peoples</u>	<u>West Tennessee</u>
1 5th Price Adjustment Amount - (per Pass Thru W/S Ln 4)	6,188.66	6,677.85	8,783.87
2 4th Price Adjustment Amount - (per Pass Thru W/S Ln 5)	<u>14,241.88</u>	<u>28,182.29</u>	<u>11,442.04</u>
3 True-up amount (Ln 1 - Ln 2)	(8,053.22)	(21,504.45)	(2,658.17)
4 Monthly Revenue amount for rate adjustment (Ln 3 / 12)	<u>(671.10)</u>	<u>(1,792.04)</u>	<u>(221.51)</u>
5 May 2006 Business Customers	<u>915</u>	<u>1,008</u>	<u>623</u>
6 10/1/2006 Decrease (Increase) of Business Rates per Month (Ln 4 / Ln 5)	<u>(0.73)</u>	<u>(1.78)</u>	<u>(0.36)</u>
<u>June 2006 Business Customers</u>			
Bus-1 Pty Access Line - BRA	599	652	402
Key Access Line - BRA	195	130	78
PBX Access Trunk - BRA	8	18	60
Payphone Access Line - BRA	10	16	9
Payphone Access Line - Company E	5	0	1
ISDN/BRI 2B+D Bus	2	0	1
Trunk ISP	<u>96</u>	<u>192</u>	<u>72</u>
Total Business Customers	915	1,008	623
<u>Old Rates</u>			
Bus-1 Pty Access Line - BRA	19.14	7.96	5.46
Key Access Line - BRA	37.50	17.31	7.66
PBX Access Trunk - BRA	37.50	32.41	12.66
Payphone Access Line - BRA	31.21	14.44	10.69
Payphone Access Line - Company E	31.21	14.44	10.69
ISDN/BRI 2B+D Bus	55.00	55.00	55.00
Trunk ISP	19.14	7.96	5.46
<u>New Rates</u>			
Bus-1 Pty Access Line - BRA	19.87	9.74	5.82
Key Access Line - BRA	38.23	19.09	8.02
PBX Access Trunk - BRA	38.23	34.19	13.02
Payphone Access Line - BRA	31.94	16.22	11.05
Payphone Access Line - Company E	31.94	16.22	11.05
ISDN/BRI 2B+D Bus	55.73	56.78	55.36
Trunk ISP	19.87	9.74	5.82
New Price Adjustment Pursuant to 67-6-222	(0.73)	(1.78)	(0.36)

Summary of 2005 Accounting entries on books to accrue ad valorem tax equity refund payment

119020-0085 Other A/R From Non Affil Co	23,744	34,224	21,909
724001-0085 Operating Taxes-Property Ad Valorem Credits	(23,744)	(34,224)	(21,909)

TEC Tennessee Telephone Companies
Revised Property Tax Calculation - Net Pass Through Amount
5th Price Adjustment Effective October 1, 2006

	<u>Crockett</u>	<u>Peoples</u>	<u>West Tennessee</u>	<u>Total</u>
1. Total Equity Payment Received June/July 2006	27,262.21	39,250.46	24,495.85	91,008.52
2. Jurisdictional Separations Impact (Part 36/69).Ln 1 * Separations factor	6,815.55	9,812.62	3,061.98	19,690.15
3. Impact to USF support, if applicable (include supporting calculations)	<u>14,258.00</u>	<u>22,760.00</u>	<u>12,650.00</u>	<u>49,668.00</u>
Net Tax Savings to Company to be flowed through to business customers. (Line 1 less lines 2 and 3)	6,188.66	6,677.85	8,783.87	21,650.37
5. Total Excess Flow per Worksheet	<u>14,241.88</u>	<u>28,182.29</u>	<u>11,442.04</u>	<u>53,866.21</u>
6. Difference (Line 4 less Line 5) If Line 4 is greater than Line 5, then the difference represents the additional amount that existing rates need to be reduced. If Line 5 is greater than Line 4, then the difference represents the amount by which existing rates may be	<u>(8,053.22)</u>	<u>(21,504.45)</u>	<u>(2,658.17)</u>	<u>(32,215.84)</u>

USF Impact Schedule

USF Yearly Payment from USF Algorithm W/O Tax Equity Payment Received June/July 2005	449,959.00	1,150,611.00	353,153.00	1,953,723.00
USF Yearly Payment from USF Algorithm With Tax Equity Payment Received June/July 2005	<u>464,217.00</u>	<u>1,173,371.00</u>	<u>365,803.00</u>	<u>2,003,391.00</u>
Impact to USF support	<u>14,258.00</u>	<u>22,760.00</u>	<u>12,650.00</u>	<u>49,668.00</u>

TEC Tennessee Telephone Companies
Property Tax Reduction Excess Flow Worksheet
For October 1, 2006

		<u>CTC</u>		<u>PTC</u>		<u>WTC</u>	<u>Total</u>
Equity Payment Received 02-03		27,254		46,191		30,548	103,993
Jurisdictional Separations		(4,660)		(7,790)		0	(12,450)
Net		22,594		38,401		30,548	91,543
Equity Payment Received 04		26,062		38,990		24,711	89,763
Jurisdictional Separations		(6,515)		(9,747)		0	(16,262)
High Cost		0		(21,889)		0	(21,889)
Net		19,547		7,354		24,711	51,612
Equity Payment Received 05		23,744		34,224		21,909	79,877
Jurisdictional Separations		(5,936)		(8,556)		(2,739)	(17,231)
High Cost		(12,253)		(19,638)		(9,562)	(41,453)
Net		5,555		6,030		9,608	21,193
Equity Payment Received 06		27,262		39,250		24,496	91,008
Jurisdictional Separations		(6,816)		(9,813)		(3,062)	(19,691)
High Cost		(14,258)		(22,760)		(12,650)	(49,668)
Net		6,188		6,677		8,784	21,649
Total Net to Flow		53,884		58,462		73,651	185,997
Total Flowed		68,126		86,644		85,093	239,863
Excess Flow		(14,242)		(28,182)		(11,442)	(53,866)
Monthly Increase		(1,187)		(2,349)		(954)	(4,489)
Units	915	(1.30)	1008	(2.33)	623	(1.53)	
Monthly Increase		(1.30)		(2.33)		(1.53)	
<u>Property Tax Rate Reductions</u>							
02-03 Rate Decrease		1.56		2.79		2.88	
21 Months		32.76		58.59		60.48	
X units	995	32,596	932	54,606	852	51,529	138,731
03-04 Rate Decrease		0.44		0.93		0.21	
12 Months		5.28		11.16		2.52	
X units	914	4,826	878	9,798	808	2,036	16,660

GENERAL SERVICES TARIFF

Peoples Telephone Company, Inc.

TPSC Tariff 1

SECTION 3

Lera Roark

15th Revised Page 2

Vice President

Cancels 14th Revised Page 2

Issued: 8/4/06

Effective: 10/1/06

3. BASIC LOCAL EXCHANGE SERVICE

3.1 Monthly Exchange Rates

The rates specified herein, with zone charges when applicable to service furnished outside the base rate area of an exchange, entitle the subscriber to an unlimited number of messages to all stations bearing the designation of central offices within the serving exchange and additional exchanges as shown in Section 3.3, Local Calling Areas, of this tariff.

Exchanges of Erin, Tennessee Ridge & Henry

Business	Monthly Rate**	Price Adjustment Pursuant to 67-6-222*	Monthly Rate of Basic Business Telephone Service	
1-party access line	\$ 7.96	1.78	9.74	(I)
Key system lines	17.31	1.78	19.09	(I)
PBX trunks	32.41	1.78	34.19	(I)
PBX extensions	2.00	0.00	2.00	
Residence				
1-party access line	\$ 1.91	0.00	1.91	

*The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect until September 30, 2007. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax saving as a result of Section 67-6-222. (T)

**This service is amended pursuant to TRA Docket No. 99-00995 dated April 19, 2002.

GENERAL SERVICES TARIFF

Peoples Telephone Company, Inc.

TRA Tariff 1

Section 7

Lera Roark

4th Revised Page 19

Vice President

Cancels 3rd Revised Page 19

Issued: 9/16/04

Effective: 10/1/04

7. COIN TELEPHONE SERVICE

7.4 PAYPHONE ACCESS LINES (Continued)

C. RULES AND REGULATIONS (Continued)

10. The Company reserves the right to disconnect service when the customer does not comply with the FCC and state rules and regulations related to payphone access lines and equipment.
11. The Multiline Business Subscriber Line Charge, as found in the interstate access services tariff, is applicable to all payphone access lines.

D. RATES AND CHARGES

		Monthly Rate	Nonrecurring Charge	
1.	Payphone Access Line ¹	\$ 14.44		
	Price Adjustment			
	Pursuant to 67-6-222*	1.78		
	Adjusted Payphone Access Line	16.22		(I)
2.	Coin Supervision	2.21		
3.	Originating Line Screening (OLS)	--	\$7.95	

*The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect until September 30, 2005. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax saving as a result of Section 67-6-222. (T)

Note 1: Installation, moves and change charges will be those applicable to business service.

This service is amended pursuant to TRA Docket No. 99-00995 dated April 19, 2002.

GENERAL SERVICES TARIFF

Peoples Telephone Company, Inc.

TRA Tariff 1

SECTION 11

Lera Roark

5th Revised Page 66

Vice President

Cancels 4th Revised Page 66

Issued: 8/4/06

Effective: 10/1/06

11 MISCELLANEOUS SERVICE ARRANGEMENTS

11.12 INTEGRATED SERVICES DIGITAL NETWORK (ISDN) (Continued)

1. Business Service (IBS) (Continued)

E. Rates and Charges

1) Interface

a) Basic Rate DSL Access Arrangement/Business Service

	Installation Charge	Month to Month	Rate Stability Monthly Rate	
			24-59 Mos. Plan	60-120 Mos. Plan
- ISDN Access/ISDN with High Speed Packet Access	\$58.50	\$55.00*	\$55.00*	\$55.00*
Price Adjustment Pursuant to 67-6-222**		1.78	1.78	1.78
Adjusted ISDN Access		56.78*	56.78*	56.78*

(I)

b) Channels Activated

- B Channel (Maximum of 2) ¹				
- Circuit Switched Voice/Data, each				
- Flat Rate	\$24.00*	\$16.25	\$13.25	\$11.25
- Permanent High Speed Packet, each	\$24.00*	\$120.00	\$110.00	\$100.00
- D Channel (Maximum of 1)				
- Low Speed Packet as a single service				
- one only	\$24.00*	\$ 13.50	\$ 12.50	\$ 12.00
- Low Speed Packet with a B channel service, each	\$24.00*	\$ 13.50	\$ 12.50	\$ 12.00

* Does not apply at initial installation of ISDN Service Applicable only for subsequent changes

**The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect until September 30, 2007. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax savings as a result of Section 67-6-222.

(T)

Note 1 On-Demand High Speed Packet B channel requires both Circuit Switched Voice/Data and On-Demand High Speed Packet to indicate one activation.