

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 21, 2007

IN RE:

**AT&T TENNESSEE 2006 PRICE
REGULATION INDEX FILING**

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**DOCKET NO.
07-00145**

ORDER APPROVING PRICE REGULATION FILING

This matter came before Chairman Eddie Roberson, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority ("TRA" or the "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on July 9, 2007 for consideration of the 2006 Annual Price Regulation Index Filing (the "Filing") filed on May 31, 2007 by AT&T Tennessee, Inc. ("AT&T" or the "Company").

AT&T'S FILING

AT&T's Filing reflects prices in effect December 1, 2006 and contains the Company's calculations of its 2006 Price Regulation Index ("PRI") and Service Price Index ("SPI"). There are no rate changes being proposed in the Filing.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann § 65-5-109 (Supp. 2007) governs price regulation plans. The Authority reviewed AT&T's Filing pursuant to statutory requirements at its regularly scheduled Authority Conference held on July 9, 2007 and made the following findings:

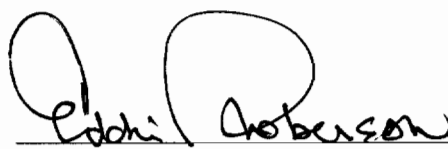
1. AT&T has correctly calculated the PRI and SPI in accordance with Tenn. Code Ann. § 65-5-109 (Supp. 2007) and the methodology approved by the Authority.

2. AT&T's Filing demonstrates that its overall current prices and revenues are less than the maximum prices allowed under Tenn. Code Ann. § 65-5-109 (Supp. 2007), and AT&T has headroom from which future rate increases may be made.

Based on these findings, the panel voted unanimously to approve AT&T's Filing.

IT IS THEREFORE ORDERED THAT:

The 2006 Annual Price Regulation Index Filing of AT&T Tennessee, Inc. for the period ending December 2006 is approved.


Eddie Roberson, Chairman

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Pat Miller, Director¹



Ron Jones, Director

¹ Director Miller voted in agreement with the other directors but resigned his position as Director before the issuance of this order.