

# Loretto Telephone Company, Inc.

P.O. BOX 130 • 136 SO. MAIN STREET  
LORETTO, TENNESSEE 38469

August 14, 2007

Ms. Darlene Standley, Chief  
Utilities Division  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RECEIVED  
2007 AUG 15 PM 3:19  
T.R.A. DOCKET ROOM

RE: DOCKET NO. 07-00170

Dear Ms. Standley:

Enclosed is our revised filing related to the 2007-2008 Property Tax Calculation to reflect Ad Valorem Tax Equity Payment Pursuant to Tenn. Code Ann. § 65-7-222. Our filing includes supporting calculations that true up our share of Equity Payments received for 2007, Rate Reductions passed through to the Customers for October 1, 2006 through September 30, 2007 and the accounting entries used to book the amounts to each account.

If you have any questions related to this filing, please contact Desda K. Hutchins at 931/853-4351.

Sincerely,



Louise Brown  
President

Enclosures

RECEIVED

AUG 15 2007

TN REGULATORY AUTHORITY  
UTILITIES DIVISION

**GENERAL SUBSCRIBER SERVICE TARIFF**

**PART III**

LORETTO TELEPHONE  
COMPANY, INC.  
TENNESSEE

ISSUED: August 3, 2007

8<sup>th</sup> Revised Sheet 1  
Replaces 7<sup>th</sup> Revised Sheet 1

EFFECTIVE: October 1, 2007

RE: TARIFF NUMBER 2006-0363

BY: PRESIDENT

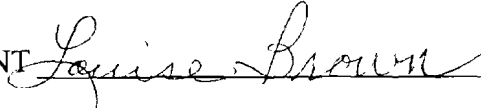


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**GENERAL SUBSCRIBER SERVICE TARIFF**

**PART III**

LORETTO TELEPHONE  
COMPANY, INC.  
TENNESSEE

ISSUED: August 3, 2007

8<sup>th</sup> Revised Sheet 3  
Replaces 7<sup>th</sup> Revised Sheet 3

EFFECTIVE: October 1, 2007

RE: TARIFF NUMBER: 2006-0363

BY: PRESIDENT Louise Brown

**ETHRIDGE, FIVE POINTS, LEOMA, LORETTO, ST. JOSEPH EXCHANGES**

1. General

- A. The rates quoted in this tariff are subject to orders entered in applicable cases by the Tennessee Regulatory Authority and in case of conflict the rates specifically approved by the commission shall cover. Unless otherwise specified, these rates are for periods of one month and are payable monthly in advance. They entitle the customer to exchange telephone service within the Ethridge, Five Points, Leoma, Loretto, and St. Joseph exchanges.
- B. The rates quoted herein also entitle the subscribers of Loretto Telephone Company, Inc. to call without additional charge any of the exchanges of Loretto Telephone Company, Inc. and the exchanges of Lawrenceburg and Summertown, Tennessee of BellSouth Telecommunications, Inc.

<u>Class of Service</u>	<u>Service Rate</u>	
Business 1 Party	\$29.95	
Property Tax Relief Bill	( 3.62)	(R)
Tariff Rate of Basic Business 1 Party	\$26.33	(R)
Residence 1 Party	13.35	
Paystation Access Line	See Part II SHEET 46	

No Extra Line Mileage or Zone Charges apply in these Exchanges.

**LORETTO TELEPHONE COMPANY, INC.**

**Revision of Business Rates to Reflect Ad Valorem Tax Equity Payment  
True-up Property Tax Savings and Pass Through Amount  
for implementation on October 1, 2007**

<b>Loretto Telephone Company, Inc. accrued the following entry for year end 2006</b>	ACCOUNT NUMBER	DEBIT	CREDIT
OTHER ACCTS RECEIVABLE/PROPERTY TAX	1190.04	\$ 54,722.03	
OPER. TAX/REAL PROPERTY	7240.01		\$ 54,722.03
TO RECOGNIZE STATE PROPERTY TAX RECOVERY DUE TO BUSINESS RATE REDUCTION TAX EQUITY RELIEF FOR 2006			
Note: Beginning balance \$80353.67 less received payment June 2006 for \$54722.03 + journal entry = ending balance \$90425.27			

<b>Loretto Telephone Company, Inc. captures the actual amount of pass through as follows: cumulative entries for 2006</b>	ACCOUNT NUMBER	DEBIT	CREDIT
PROPERTY TAX EQUITY RELIEF (CONTRA TO REVENUE ACCOUNT)	5001.01	\$11,127.83	
BASIC AREA REVENUES/SUBSCRIBER STATIONS	5001.		\$11,127.83
(Amount is captured by mutiplying the number of access lines times the amount of pass through credit each month)			

<b>Loretto Telephone Company, Inc. booked the June 2007 Tax Equity Payment as follows:</b>	ACCOUNT NUMBER	DEBIT	CREDIT
CASH GENERAL FUNDS/ 1ST FARMERS & MERCHANTS BANK	1130.05	\$ 37,015.21	
OTHER ACCTS RECEIVABLE/PROPERTY TAX	1190.04		\$ 37,015.21
TO RECORD RECEIPT OF FUNDS FROM STATE FOR PROPERTY TAX RELIEF			

LORETTO TELEPHONE COMPANY, INC.  
2007-2008 Property Tax Savings and Pass Through Amount  
for implementation on 10/1/07

Flow Through Amount for October 1, 2007 Through September 2008 (See attached 2007-2008 Property Tax Savings Calculation)	\$	34,677
Business Access Lines @ 08/01/07		798
Net Pass Through per Business Access Line	\$	43.46
Number of Months		12
Price Adjustment per Business Customer	\$	3.62
Proposed Monthly Business Customer Price Adjustment		\$3.62

LORETTO TELEPHONE COMPANY, INC.  
2007-2008 Property Tax Savings  
for implementation on 10/1/07

1. Total Equity Payment Received June 2007	\$ 37,015.21	
Subtotal		\$ 37,015.21
2. Jurisdictional Separations Impact (part 36/69). Line 1 * separations factor		\$ -
3. Impact to USF support, if applicable (include supporting calculations)		\$ -
4. Net Tax Savings to Company to be flowed through to business customers. (Line 1 less lines 2 and 3)		\$ 37,015.21
5. Total Rate Reduction from October 1, 2006 through September 30, 2007	\$ (46,678.24)	
2006-2007 flow through amount	\$ 44,340.13	
Subtotal		\$ (2,338.11)
6. Difference (Line 4 less Line 5)		<u>\$ 34,677.10</u>
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 Line 4, then the difference represents the amount by which existing rates may be increased.		

LORETTO TELEPHONE COMPANY, INC.  
PROPERTY TAX EQUITY RELIEF  
ACCOUNT # 5001.01

MONTH	2006 AMOUNT	2007 AMOUNT
JAN		\$3,747.38
FEB		\$3,995.88
MAR		\$3,976.00
APR		\$3,966.06
MAY		\$3,966.06
JUN		\$3,980.97
JUL		\$3,985.94
AUG		\$3,966.06
SEP		\$3,966.06 ESTIMATED
OCT	\$3,672.83	
NOV	\$3,707.62	
DEC	\$3,747.38	
YEARLY TOTALS	\$11,127.83	\$35,550.41
GRAND TOTAL	\$46,678.24	