

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

December 7, 2007

IN RE:)	
)	
UNITED TELEPHONE-SOUTHEAST INC. D/B/A)	DOCKET NO.
EMBARQ 2007 ANNUAL PRICE REGULATION)	07-00220
FILING)	

ORDER APPROVING PRICE REGULATION INDEX FILING

This matter came before Chairman Eddie Roberson, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 22, 2007 for consideration of the 2007 Annual Price Regulation Index Filing (the "Filing") filed by United Telephone-Southeast, Inc. d/b/a Embarq ("Embarq" or the "Company").

Embarq's Filing

On September 21, 2007, Embarq submitted its 2007 Annual Price Regulation Plan reflecting prices in effect June 1, 2007 for the Authority's review and approval.¹ This Filing contains Embarq's calculations of its 2007 Price Regulation Index (PRI) and Service Price Index ("SPI") pursuant to Tenn. Code Ann. § 65-5-109 (2004) and the price cap methodology approved by the Authority.² No rate changes are proposed in this Filing.

¹ This annual Filing covers the time period ending June 2007.

² See *In re: United Telephone Southeast Tariff No. 96-201 to reflect Annual Price Cap Adjustment*, Docket No. 96-01423, *Order Approving in Part and Denying in Part Tariff No. 96-201* (September 4, 1997) where at the Authority's request, UTSE and the Consumer Advocate Division of the Office of the Attorney General ("Consumer Advocate") filed a joint stipulation in which they agreed to a methodology and formula for use in calculating the amount of any price increases by UTSE under its price regulation plan, on January 27, 1997. The stipulation was signed by representatives of the Consumer Advocate and UTSE as well as Citizens Telecommunications of Tennessee, Inc., BellSouth Telecommunications, Inc., and AT&T of the South Central States, Inc.

Findings and Conclusions

Tenn. Code Ann. § 65-5-109 (2004) provides:

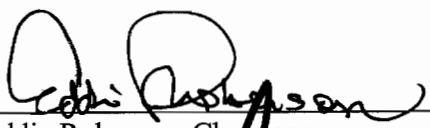
Rates for telecommunications services are just and reasonable when they are determined to be affordable as set forth in this section. Using the procedures established in this section, the Authority shall ensure that rates for all basic local exchange telephone services and non-basic services are affordable on the effective date of price regulation for each incumbent local exchange telephone company . . .

At a regularly scheduled Authority Conference held on October 22, 2007, the voting panel assigned to this docket considered Embarq's Filing pursuant to statutory requirements and voted unanimously to approve Embarq's Filing based on the following findings:


1. Embarq has properly separated its services into basic and non-basic categories in accordance with the provisions of Tenn. Code Ann. § 65-5-108 (2004).
2. The Company has correctly calculated its PRI and SPI.
3. Embarq's Filing demonstrates that its overall current prices and revenues are less than the maximum prices allowed under Tenn. Code Ann. § 65-5-109 (2004), and Embarq has headroom from which future rate increases may be made.
4. Embarq is not proposing any rate increases at this time.

IT IS THEREFORE ORDERED THAT:

The 2007 Annual Price Regulation Index Filing of United Telephone-Southeast, Inc. d/b/a Embarq reflecting prices in effect June 1, 2007 is approved.


Eddie Roberson, Chairman

 11-29-07
Pat Miller, Director


Sara Kyle, Director