

Before the
TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:)
)
BELLSOUTH TELECOMMUNICATIONS,) DOCKET NO. 10-00108
INC. DBA AT&T TENNESSEE PETITION)
TO EXTEND MARKET REGULATION TO)
RATE GROUPS 1 AND 2)

DIRECT TESTIMONY
OF
JOHN HUGHES

July 15, 2010

Before the
TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:)
)
BELLSOUTH TELECOMMUNICATIONS,) DOCKET NO. 10-00108
INC. DBA AT&T TENNESSEE PETITION)
TO EXTEND MARKET REGULATION TO)
RATE GROUPS 1 AND 2)

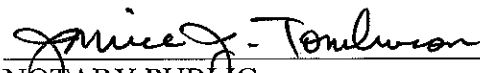
AFFIDAVIT

I, John Hughes, Regulatory Analyst, for the Consumer Advocate and Protection Division of the Attorney General's Office, hereby certify that the attached Direct Testimony represents my opinion in the above-referenced case and the opinion of the Consumer Advocate Division.



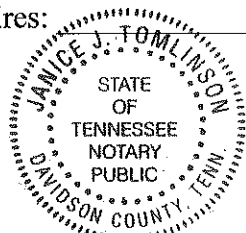
JOHN HUGHES

Sworn to and subscribed before me
this 15th day of July, 2010.



NOTARY PUBLIC

My commission expires: _____



My Commission Expires JULY 5, 2011

1 **INTRODUCTION**

2

3 **Q. Please state your name for the record.**

4 A. My name is John Hughes.

5

6 **Q. By whom are you employed and what is your position?**

7 A. I am employed by the Consumer Advocate and Protection
8 Division ("Consumer Advocate") in the Office of the Attorney
9 General of the State of Tennessee ("Office") as a Financial
10 Regulatory Analyst.

11

12 **Q. How long have you been employed in conjunction with the**
13 **financial accounting industry?**

14 A. Before my current employment with the Office, I was
15 employed in all phases of Public Accounting. I have practiced as a
16 CPA in Tennessee and Florida for eighteen years. I have performed
17 duties as a Staff Accountant, Auditor, Audit Manager, Accounting
18 Manager, Financial Planner and Analyst, Corporate Controller, and
19 Tax Consultant. My most in-depth area of concentration is corporate
20 accounting, audits and taxation.

21

22 **Q. What is your educational background?**

23 A. I have a Bachelors Degree in Business Administration from
24 the University of Pittsburgh, Pennsylvania, with a major in
25 Accounting. I also have a Master of Business Administration
26 Degree in Finance from Dowling College, Oakdale, New York. I am

1 a Tennessee Certified Public Accountant, a Florida Certified Public
2 Accountant, and I hold a license as a Certified Financial Planner
3 valid in all 50 states.
4

5 **Q. Would you briefly describe your responsibilities as a Financial**
6 **Regulatory Analyst with the Consumer Advocate?**

7 A. I review tariffs and prepare testimony and financial exhibits in
8 rate proceedings and various other proceedings before the Tennessee
9 Regulatory Authority ("TRA") as an employee of the Office.
10

11 **Q. What is the purpose of your testimony?**

12 A. The purpose of my testimony is present four points I believe
13 the TRA should consider when reviewing AT&T's Petition to extend
14 market regulation to Rate Groups 1 and 2 in sixty-nine exchanges
15 throughout Tennessee.

16 In its Petition, AT&T is seeking to extend market regulation to
17 Rate Groups 1 and 2 by applying for exemption from TRA
18 jurisdiction under Tenn. Code Ann. § 65-5-109(o)(1). This statute
19 states:

20 Upon petition by a market-regulated provider, the
21 authority may order that such services shall be subject
22 to the limitations on jurisdiction in subsection (n) by
23 showing that each exchange has at least two (2)
24 nonaffiliated telecommunications providers that offer
25 service to customers in each zone rate area of each
26 exchange." (Emphasis added.)

27 Because the standard outlined in subsection (o)(1) of Tenn.
28 Code Ann. § 65-5-109 is permissive, I have identified four areas of

1 concern that should be considered by the TRA in making their final
2 determination.

3 The four issues I wish to address are: (1) the unemployment
4 rates in the exchanges under consideration;(2) the percentage of
5 persons living below the poverty level in the exchanges under
6 consideration; (3) the per capita income of the persons in the
7 exchanges under consideration; and (4) the price increases that have
8 occurred in exchanges in Rate Groups 3, 4 and 5 since AT&T
9 elected market regulation in those Rate Groups.

10
11 **UNEMPLOYMENT RATES IN THE SIXTY-NINE**
12 **EXCHANGES IN THIS PROCEEDING**
13

14 **Q. Explain the unemployment situation in the sixty-nine exchange**
15 **areas in Rate Groups 1 and 2.**

16 **A.** I have analyzed the unemployment rates, as calculated by the
17 Tennessee Department of Labor and Workforce Development,
18 Employment Security Division, Research and Statistics Department.¹
19 This data is, as of May 2010, the most current data available at this
20 time.

21 As reported by the U.S. Commerce Department for May 2010,
22 the United States unemployment rate is 9.7%.

¹ CAPD Workpaper Demograph, pages 1-4, column 4.

1 The overall Tennessee State unemployment rate for the same
2 period is **10.4%**.²

3 While the overall Tennessee State unemployment rate is
4 10.4%, the average unemployment rate for only those counties in the
5 exchanges included in AT&T's Petition was **12.3%**. On a county by
6 county basis, **82.6%** of these counties had **higher** unemployment
7 rates than the Tennessee average rate of **10.4%**.

8 When compared to the U.S. average unemployment rate, **85.5**
9 **%** of the counties containing the exchanges under consideration had
10 unemployment rates **higher** than the national average.

11
12 **POVERTY LEVELS IN THE SIXTY-NINE EXCHANGES IN**
13 **THIS PROCEEDING**

14
15 **Q. Explain the number of persons living below the poverty level in**
16 **the sixty-nine exchange areas in Rate Groups 1 and 2.**

17 **A.**I have analyzed the persons living below the Tennessee
18 poverty level as calculated by the U.S. Census Bureau in 2008, the
19 latest census data available for Tennessee.³

20 The average poverty level rate for the State of Tennessee is
21 **15.5%**, as of 2008.

22 However, the poverty level rate for the exchanges included in
23 AT&T's Petition, by county, is **18.7%**. Of the counties, **84%** have

² CAPD Workpaper Demograph 1, pages 1-4, column 4.

³ CAPD Workpaper Demograph 1, pages 1-4, column 5.

1 an average poverty rate **significantly higher** than the Tennessee
2 state average poverty level rate.

3
4 **PER CAPITA INCOME IN THE SIXTY-NINE EXCHANGES**
5 **IN THIS PROCEEDING**
6

7 **Q. Explain the average per capita income level in the sixty-nine**
8 **exchanges in Rate Groups 1 and 2.**

9 **A.** I have analyzed the per capita income as calculated for the
10 exchange areas included in AT&T's Petition, by county, using U.S.
11 Census Bureau data as of 2008, the latest period available.⁴

12 The Census Bureau statistics show the average per capita
13 income throughout Tennessee is **\$17,584**. When comparing the
14 average per capita income in the exchange areas included in
15 AT&T's Petition, by county, the per capita income is **substantially**
16 **lower**, at only **\$14,846**. On a county by county basis, **all (100%)** of
17 the counties which contained in AT&T's Petition have per capita
18 income **below** the Tennessee average.

19
20
21
22
23

⁴ CAPD Workpaper Demograph 1, pages 1-4, column 6.

1 **PRICE CHANGES IN RATE GROUPS 3, 4 AND 5 AFTER**
2 **MARKET REGULATION**

3
4 **Q. Explain the price changes in Rate Groups 3, 4 and 5 from before**
5 **to after market regulation took effect in those Rate Groups.**

6 **A.**I have reviewed the data provided by AT&T in response to
7 Consumer Advocate Discovery Request No. 4. This data includes
8 information pertaining to rate changes occurring for Rate Groups 3,
9 4 and 5 both before and after AT&T elected market regulation,
10 specifically, the period between January 2009 and July 2010.⁵

11 During this period **all (100%) of AT&T's prices charged to**
12 **Rate Groups 3, 4, and 5 increased.** Taking into consideration the
13 the entire list of services provided by AT&T to these rate groups,
14 the across the board **price increases averaged 59.37%.**

15
16 **CONCLUSIONS OF THE CITED FOUR AREAS OF**
17 **CONCERN**

18
19 **Q. What is the conclusion to be drawn from the four areas of**
20 **research cited.**

21 **A.**My conclusion is that the 69 exchanges under consideration
22 for change to market regulation, **at the present time**, cannot afford
23 the possibility of price increases in this current economic climate.

⁵ CAPD Workpaper Rate Summary 1

The forces of high unemployment, high rates of persons living below the poverty line, and lower than average per capita income have left the communities in these exchange areas in a destabilized condition.

Because the rates charged for Rate Groups 3, 4 and 5 increased substantially after AT&T's election of market regulation, it can be assumed that AT&T is likely to increase rates for Rate Groups 1 and 2 should the TRA grant AT&T's petition to extend market regulation to those groups.

The relevant statute does not require the TRA to grant AT&T's petition upon a showing that each exchange has at least two (2) nonaffiliated telecommunications providers that offer service to customers in each zone rate area of each exchange. Rather, this statute is permissive and states that the TRA **may** grant AT&T's petition. I would urge the TRA to take these four issues into consideration and I recommend that AT&T's Petition to extend market regulation to Rate Groups 1 and 2 be denied at this time in light of the current economic climate.

**Before the
TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

IN RE:)	
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BELLSOUTH TELECOMMUNICATIONS,)	DOCKET NO. 10-00108
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TO EXTEND MARKET REGULATION TO)	
RATE GROUPS 1 AND 2)	

**WORK PAPERS
OF
JOHN HUGHES**

July 15, 2010

OFFICE OF THE ATTORNEY GENERAL – STATE OF TENNESSEE
 CONSUMER ADVOCATE & PROTECTION DIVISION
 DEMOGRAPHICS OF ALL EXCHANGES INCLUDED SUMMARY
 BELLSOUTH TELECOMMUNICATIONS, INC, dba AT&T TENNESSEE TRA DOCKET #10-00108
 FOR 2008 AND 2010

CAPD Workpaper: DEMOGRAPH
 Page 1

Exchange Name A/	Rate Grp A/	County	Unemp % B/	Poverty% C/	PC Inc\$ D/	TN Representative	TN Senator
Bells	1	Haywood	15.4	21.9%	\$12,687	Craig Fitzhugh	Dolores Gresham
Bethel Springs	2	McNairy	12.1	18.9%	\$14,076	Vance Dennis	Dolores Gresham
Big Sandy	2C	Benton	12.5	18.5%	\$14,209	Willie Borchert	Roy Herron
Blanche	2	Lincoln	6.6	16.0%	\$16,385	George Fraley	Bill Ketron
Bolivar	2	Hardeman	13.9	22.8%	\$14,268	Barrett Rich	Dolores Gresham
Brownsville	1	Haywood	15.4	21.9%	\$12,687	Jimmy Naifeh	Dolores Gresham
Camden	1	Benton	12.5	18.5%	\$14,209	Willie Borchert	Roy Herron
Carthage	1	Smith	10.5	12.9%	\$17,456	Terri Lynn Weaver	Mae Beavers
Cedar Grove	1C	Carroll	15.3	17.4%	\$14,913	Curtis Halford	Lowe Finney
Centerville	1	Hickman	13.2	18.0%	\$15,410	David Shepard	Doug Jackson
Copper Hill	2	Polk	11.3	17.2%	\$13,793	Eric Watson	Dewayne Bunch
Cumberland City	1	Stewart	11.3	14.9%	\$16,573	Willie Borchert	Roy Herron
Cumberland Gap	2	Claiborne	11.0	20.8%	\$12,849	Dennis Roach	Mike Faulk
Dover	1	Stewart	11.3	14.9%	\$16,573	Willie Borchert	Roy Herron
Dyer	2	Gibson	13.6	17.1%	\$15,253	Curtis Halford	Lowe Finney
Dyersburg	2	Dyer	12.2	17.7%	\$15,857	Craig Fitzhugh	Mark Norris
Elkton	2	Giles	13.5	16.3%	\$15,929	Eddie Bass	Doug Jackson
Fayetteville	2	Lincoln	6.6	16.0%	\$16,385	Pat Marsh	Bill Ketron

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 CONSUMER ADVOCATE & PROTECTION DIVISION
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 FOR 2008 AND 2010

CAPD Workpaper: DEMOGRAPH
 Page 2

Exchange Name	Rate Grp	County	Unemp %*	Poverty%**	PC Inc\$***	TN Representative	TN Senator
Flintville	2	Lincoln	6.6	16.0%	\$16,385	Pat Marsh	Bill Ketron
Gibson	2	Gibson	13.6	17.1%	\$15,262	Curtis Halford	Lowe Finney
Gleason	2	Weakley	10.8	21.0%	\$14,471	Mark Maddox	Roy Herron
Grand Junction	2	Hardeman, Fayette	13.9	22.8%	\$14,268	Barrett Rich	Dolores Gresham
Greenfield	2	Weakley	10.8	21.0%	\$14,471	Mark Maddox	Roy Herron
Halls	1	Lauderdale	15.9	23.6%	\$12,815	Craig Fitzhugh	Mark Norris
Hartsville	1	Trousdale	10.5	15.1%	\$15,297	Stratton Bone	Mae Beavers
Henderson	1	Chester	9.4	16.3%	\$15,390	Steve McDaniel	Dolores Gresham
Henning	1	Lauderdale	15.9	23.6%	\$12,815	Craig Fitzhugh	Mark Norris
Hohenwald	1	Lewis	14.7	19.6%	\$13,471	Joey Hensley	Doug Jackson
Hornbeak	2	Obion	9.7	16.7%	\$15,497	Judy Barker	Roy Herron
Humboldt	2	Madison	10.4	15.4%	\$17,336	Curtis Halford	Lowe Finney
Huntingdon	2	Carroll	15.3	17.4%	\$14,913	Curtis Halford	Lowe Finney
Huntland	2	Franklin	10.2	17.2%	\$16,290	George Fraley	Eric Stewart
Kenton	2	Obion	9.7	16.7%	\$15,497	Judy Barket	Roy Herron
La Follette	2	Campbell	12.2	22.8%	\$12,431	Chad Faulkner	Ken Yager
Lawrenceburg	2	Lawrence	14.6	15.5%	\$13,919	Joey Hensley	Doug Jackson
Lewisburg	2	Marshall	16.7	14.4%	\$16,076	Eddie Bass	Bill Ketron

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CAPD Workpaper: DEMOGRAPH
 Page 3

Exchange Name	Rate Grp	County	Unemp %*	Poverty%**	PC Inc\$***	TN Representative	TN Senator
Lexington	2	Henderson	15.6	16.6%	\$15,910	Steve McDaniel	Roy Herron
Lyles	2B	Hickman	13.2	18.0%	\$15,410	David Shepart	Doug Jackson
Lynchburg	1	Moore	10.1	11.6%	\$18,056	George Fraley	Jim Tracy
Lynnville	2	Giles	13.5	16.3%	\$15,929	Eddie Bass	Doug Jackson
Madisonville	2	Monroe	13.6	17.4%	\$14,626	Jimmy Matlock	Randy McNally
McEwen	1	Humphreys	11.2	14.1%	\$ 16,841	John Tidwell	Doug Jackson
McKenzie	2	Carroll	15.3	17.4%	\$14,913	Mark Maddox	Lowe Finney
Medina	2	Gibson	13.6	17.1%	\$15,253	Curtis Halford	Lowe Finney
Middleton	2	Hardeman	13.9	22.8%	\$14,268	Barrett Rich	Dolores Gresham
Milan	2	Gibson	13.6	17.1%	\$15,253	Curtis Halford	Lowe Finney
Newbern	2	Dyer	12.2	17.7%	\$15,857	Judy Barker	Mark Norris
Newport	2	Cocke	12.7	20.6%	\$12,683	Eddie Yokley	Steve Southerland
Paris	2	Henry	11.6	16.8%	\$15,519	Willie Borchert	Roy Herron
Pulaski	2	Giles	13.5	16.3%	\$15,929	Eddie Bass	Doug Jackson
Ridgely	1	Lake	10.7	37.8%	\$11,330	Judy Barker	Mark Norris
Ripley	1	Lauderdale	15.9	19.6%	\$13,471	Craig Fitzhugh	Mark Norris
Rogersville	2	Hawkins	9.4	20.3%	\$14,450	Mike Harrison	Mike Faulk
Savannah	2	Hardin	10.8	20.4%	\$14,043	Vance Dennis	Dolores Gresham

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 CONSUMER ADVOCATE & PROTECTION DIVISION
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 FOR 2008 AND 2010

CAPD Workpaper: DEMOGRAPH
 Page 4

Exchange Name	Rate Grp	County	Unemp %*	Poverty%**	PC Inc\$****	TN Representative	TN Senator
Selmer	2	McNairy	12.1	18.9%	\$14,076	Vance Dennis	Dolores Gresham
Sewanee	2	Franklin	10.2	17.2%	\$16,290	George Fraley	Eric Stewart
Shelbyville	2	Bedford	12.1	16.7%	\$14,670	Pat Marsh	Jim Tracy
Sneedville	1	Hancock	14.7	30.8%	\$9,884	Mike Harrison	Mike Faulk
Summertown	2D	Lawrence	14.6	15.5%	\$13,919	Joey Hensley	Doug Jackson
Surgoinsville	2	Hawkins	9.4	20.3%	\$14,450	Mike Harris	Mike Faulk
Sweetwater	2	Monroe, McMinn	13.6	17.4%	\$14,626	Jimmy Matlock	Randy McNally
Tiptonville	1	Lake	10.7	37.8%	\$11,330	Judy Barker	Roy Herron
Trenton	2	Gibson	13.6	17.1%	\$15,253	Curtis Halford	Lowe Finney
Troy	2	Obion	9.7	16.7%	\$15,497	Judy Barker	Roy Herron
Union City	2	Obion	9.7	16.7%	\$15,497	Judy Barket	Roy Herron
Wartrace	2	Bedford	12.1	16.7%	\$14,670	Pat Marsh	Jim Tracy
Waverly	1	Humphreys	11.2	14.1%	\$16,841	John Tidwell	Doug Jackson
Whiteville	2	Hardeman	13.9	22.8%	\$14,268	Barrett Rick	Dolores Gresham
Winchester	2	Franklin	10.2	17.2%	\$16,290	George Fraley	Eric Stewart

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CONSUMER ADVOCATE & PROTECTION DIVISION
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BELLSOUTH TELECOMMUNICATIONS, INC, dba AT&T TENNESSEE TRA DOCKET #10-00108

CAPD Workpaper: DEMOGRAPH
Page 5

- A/ Affidavit of David Weed in Support of Petition to Extend Market Regulation to Rate Groups 1 & 2 per Bellsouth Telecommunications, Inc. dba AT&T Tennessee dated May 26, 2010
- B/Tennessee Average Unemployment per County is 10.4% as of May, 2010, Tennessee Dept of Labor & Workforce Development- Security Division, Research & Statistics
- B/ U.S. Average Unemployment Rate is 9.7% as of May, 2010, U.S. Commerce Dept. Bureau of labor Statistics
- C/ Tennessee Average of Persons Living Below the Poverty Level is 15.5% as of 2008, Quick Facts: U.S. Census Bureau
- C/ Persons Living Below the Poverty Level by county 2008, Quick Facts: U.S. Census Bureau
- D/ Tennessee Average Per Capita Income is \$17,584, 2008, Quick Facts: U.S. Census Bureau
- D/ Average per capita income of persons by county, 2008, Quick Facts: U.S. Census Bureau

OFFICE OF THE ATTORNEY GENERAL - STATE OF TENNESSEE
 CONSUMER ADVOCATE & PROTECTION DIVISION
 RATE INCREASES IN RATE GROUPS 3-4-5 BEFORE & AFTER MARKET REGULATION
 BELL SOUTH TELECOMMUNICATIONS INC, dba AT&T TENNESSEE TRA DOCKET #10-00108
 FOR THE PERIOD 2 YEARS BEFORE MARKET RATE DEREGULATION AND IN THE PERIOD SINCE

RATE SUMMARY 1

LINE	INITIATIVE NAME	PRODUCT NAME	EFFECTIVE DATE	OLD PRICE	NEW PRICE	\$ CHANGE	% CHANGE
1	Local Toll-IntraLATA / Interstate	Switched IntraLT - Interstate	1/1/2009	\$0.52	\$0.57	0.05 A/	9.62%
2	Voice Mail	Messaging	4/2/2009	12.95	14.95	2.00 A/	15.44%
3	Designer Listing-Designer Line Bold	Verticals	6/1/2009	0.00	2.00	2.00 A/	200.00%
4	Designer Listing-Designer Line Script	Verticals	6/1/2009	0.00	3.00	3.00 A/	300.00%
5	Designer Listing-Designer Script Plus	Verticals	6/1/2009	0.00	3.00	3.00 A/	300.00%
6	Designer Listing-Bold	Verticals	6/1/2009	0.00	2.00	2.00 A/	200.00%
7	Designer Listing-Bold Plus	Verticals	6/1/2009	0.00	4.00	4.00 A/	400.00%
8	Designer Listing Line	Verticals	6/1/2009	0.00	3.00	3.00 A/	300.00%
9	Designer Listing Script	Verticals	6/1/2009	0.00	4.00	4.00 A/	400.00%
10	Local Toll - IntraLATA/ Interstate	Switched IntraLATA - Interstate	7/1/2009	0.57	0.61	0.04 A/	7.02%
11	Analog Private Line	Analog Private Line	10/5/2009	75.00	82.50	7.50 A/	10.00%
12	DSO	DSO/AND/DDS	10/5/2009	411.00	452.10	41.10 A/	10.00%
13	Call Forwarding (ESM)	Vertical Services	10/10/2009	7.00	8.00	1.00 A/	14.29%
14	Call Waiting	Vertical Services	10/10/2009	7.50	7.95	0.45 A/	6.00%
15	Caller ID Deluxe (w/ACR)	Vertical Services	10/10/2009	13.50	14.00	0.50 A/	3.70%
16	Caller ID Deluxe (w/o/ACR)	Vertical Services	10/10/2009	13.50	14.00	0.50 A/	3.70%
17	Inside Wire	IWM - Plans	10/10/2009	7.50	8.50	1.00 A/	13.33%
18	Lines & Trunks - SE	Access Lines	10/10/2009	41.39	43.04	1.65 A/	3.99%
19	SE Local Toll (MTS)	Switched IntraLATA - Interstate	10/10/2009	0.17	0.20	0.03 A/	17.65%
20	Speed Calling 30	Vertical Services	10/10/2009	6.00	7.00	1.00 A/	16.67%
21	Speed Calling 8	Vertical Services	10/10/2009	6.00	6.50	0.50 A/	8.33%
22	Three-Way Calling	Vertical Services	10/10/2009	6.82	7.50	0.68 A/	9.97%
23	Complete Choice Basic	Package	10/10/2009	21.00	23.00	2.00 A/	9.52%
24	Customized Code Restrictions - Option 1	Verticals	10/10/2009	5.00	6.00	1.00 A/	20.00%
25	Customized Code Restrictions - Option 3	Verticals	10/10/2009	5.00	6.00	1.00 A/	20.00%
26	Line Connection Charge	Access Lines	10/10/2009	41.50	45.00	3.50 A/	8.43%
27	Line Connection Charge - Additional Line	Access Lines	10/10/2009	18.00	30.00	12.00 A/	66.67%
28	Returned Check Charge	Late Payment	10/10/2009	20.00	30.00	10.00 A/	50.00%
29	Local Toll - IntraLATA/ Interstate	Switched IntraLATA - Interstate	1/1/2010	0.61	0.65	0.04 A/	6.56%
30	RCF-Per Additional Access Path	Vertical Services	1/1/2010	16.00	17.50	1.50 A/	9.38%
31	RCF-Per Feature Arranged for Non-Local	Vertical Services	1/1/2010	16.00	17.50	1.50 A/	9.38%
32	Designer Bold	Verticals	1/16/2010	2.00	3.00	1.00 A/	50.00%
33	Designer Bold Plus	Verticals	1/16/2010	3.00	4.00	1.00 A/	33.33%
34	Designer Line Bold	Verticals	1/16/2010	4.00	5.00	1.00 A/	25.00%
35	Designer Line Script	Verticals	1/16/2010	4.00	5.00	1.00 A/	25.00%
36	Designer Line Standard	Verticals	1/16/2010	3.00	4.00	1.00 A/	33.33%
37	Designer Script	Verticals	1/16/2010	2.00	3.00	1.00 A/	50.00%
38	Designer Script Plus	Verticals	1/16/2010	3.00	4.00	1.00 A/	33.33%
39	2-Pack	Package	3/5/2010	22.00	24.00	2.00 A/	9.09%
40	Area Plus	Package	3/5/2010	34.00	36.00	2.00 A/	5.88%
41	Area Plus w/CC	Package	3/5/2010	47.00	48.00	1.00 A/	2.13%
42	Complete Choice	Package	3/5/2010	33.00	35.00	2.00 A/	6.06%
43	Preferred Pack	Package	3/5/2010	26.00	28.00	2.00 A/	7.69%
44	Lines	Access Lines	4/4/2010	43.03	43.61	0.58 A/	1.35%
45	Call Waiting	Verticals	7/4/2010	6.95	8.50	1.55 A/	22.30%
46	Call Waiting Deluxe	Verticals	7/4/2010	7.95	9.50	1.55 A/	19.50%
47	Voice Mail	Verticals	7/4/2010	6.00	7.00	1.00 A/	16.67%

Average of all Rate Increases

59.37%

A/ AT&T TN Response to Consumer Advocate DR#4

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

Director Eddie Roberson
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Guy M. Hicks
Joelle Phillips
Attorneys for AT&T Tennessee
333 Commerce Street, Suite 2101
Nashville, TN 37201

This the 15 day of July, 2010.



Mary Leigh White