

# Loretto Telephone Company, Inc.

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

August 6, 2010

Filed in the Docket Office 8/10/10

Mr. David Foster  
Chief, Telecommunications Division  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: DOCKET NO. 10-00136

Dear Mr. Foster:

Enclosed are the General Subscriber Service Tariff pages necessary for the completion of the Ad Valorem Tax Reduction Act filing.

If you have any questions, please contact Desda K. Hutchins at 931/853-5000 Ext. 128.

Sincerely,



Louise Brown  
President

Enclosures

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AUG 10 2010

TN REGULATORY AUTHORITY  
UTILITIES DIVISION

LORETTO TELEPHONE COMPANY, INC.  
2010-2011 Property Tax Savings  
for implementation on 10/1/10

1. Total Equity Payment Received June 2010	\$ 22,191.73	
Subtotal		\$ 22,191.73
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)		\$ 22,191.73
5. Total Rate Reduction from October 1, 2009 through September 30, 2010	\$ (61,953.38)	
2009-2010 flow through amount	\$ 61,834.50	
Subtotal		\$ (118.88)
6. Difference (Line 4 less Line 5)		<u>\$ 22,072.85</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.  
2010-2011 Property Tax Savings and Pass Through Amount  
for implementation on 10/1/10

Flow Through Amount for October 1, 2010 Through September 2011 (See attached Property Tax Savings Calculation)	\$	22,073	line 6 on 2010 schedule
Business Access Lines @ 08/01/10		756	
Net Pass Through per Business Access Line	\$	29.20	
Number of Months		12	
Price Adjustment per Business Customer	\$	2.43	
Proposed Monthly Business Customer Price Adjustment		\$2.43	

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

MONTH	2009 AMOUNT	2010 AMOUNT
JAN		\$5,087.02
FEB		\$5,087.02
MAR		\$5,100.90
APR		\$5,198.06
MAY		\$5,225.82
JUN		\$5,239.70
JUL		\$5,253.58
AUG		\$5,246.64
SEP		\$5,246.64 ESTIMATED
OCT	\$5,093.96	
NOV	\$5,066.20	
DEC	\$5,107.84	
YEARLY TOTALS	\$15,268.00	\$46,685.38
GRAND TOTAL	\$61,953.38	

**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, 2010**

Loretto Telephone Company, Inc. captures the actual amount of pass through as follows:			
cumulative entries for 2009			
	ACCOUNT NUMBER	DEBIT	CREDIT
PROPERTY TAX EQUITY RELIEF (CONTRA TO REVENUE ACCOUNT)	5001.01	\$61,953.38	
BASIC AREA REVENUES/SUBSCRIBER STATIONS	5001.		\$61,953.38
(Amount is captured by multiplying the number of access lines times the amount of pass through credit each month)			

grand total from tab 5001.01

Loretto Telephone Company, Inc. booked the June 2010 Tax Equity Payment as follows:			
	ACCOUNT NUMBER	DEBIT	CREDIT
CASH GENERAL FUNDS/ 1ST FARMERS & MERCHANTS BANK	1130.05	\$22,191.73	
OTHER TAX/REAL PROPERTY	7240.01		\$22,191.73
TO RECORD RECEIPT OF FUNDS FROM STATE FOR PROPERTY TAX RELIEF			