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August 4, 2011

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Mr. David Foster

Chief, Telecommunications
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: Peoples Telephone Company
Docket 11-00107**

Dear Mr. Foster:

I have enclosed revised tariff sheets on behalf of Peoples Telephone Company. These tariff pages reflect a revision to the Ad Valorem Tax Equity Credit.

The following tariff pages are enclosed:

Section 3 21st Revised Page 2

Section 7 5th Revised Page 4

Section 11 10th Revised Page 66

I have also enclosed worksheets showing the development of the new rates and the new price adjustment pursuant to 67-6-222.

Please accept this filing with a proposed effective date of October 1, 2011. I appreciate your bringing this to the attention of the Tennessee Regulatory Authority.



If you should have questions, please do not hesitate to contact me at 601-354-9070.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Wigington", written over the typed name.

Lisa Wigington
Director of Operations
and Revenue Assurance

Enclosures (13)

cc: Peoples Telephone Company
Consumer Advocate Division

GENERAL SERVICES TARIFF

Peoples Telephone Company

James Garner
Vice President
Issued: 8/12/11

TRA Tariff 1
SECTION 3
21st Revised Page 2
Cancels 20th Revised Page 2
Effective: 10/01/11

3. BASIC LOCAL EXCHANGE SERVICE

3.1. Monthly Exchange Rates

The rates specified herein, entitle the subscriber to an unlimited number of messages to all stations bearing the designation of central offices within the serving exchange and additional exchanges as shown in Section 3.2, Local Calling Areas, of this tariff.

Exchanges of Erin, Tennessee Ridge & Henry

Business	Monthly Rate**	Price Adjustment Pursuant to 67-6-222*	Monthly Rate of Basic Business Telephone Service	
1-party access line	\$ 7.96	.41 (D)	7.55 (D)	(T)
Key system lines	17.31	.41 (D)	16.90 (D)	(T)
PBX trunks	32.41	.41 (D)	32.00 (D)	(T)
PBX extensions	2.00		2.00	
Residence				
1-party access line	\$ 1.91	0.00	1.91	

*The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect through September 30, 2012. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax saving as a result of Section 67-6-222. (T)

GENERAL SERVICES TARIFF

Peoples Telephone Company

James Garner
Vice President
Issued: 8/12/11

TRA Tariff 1
Section 7
5th Revised Page 4
Cancels 4th Revised Page 4
Effective: 10/01/11

7. COIN TELEPHONE SERVICE

7.4. Payphone Access Lines (Continued)

D. Rates and Charges

	Monthly Rate	Nonrecurring Charge
(1) Payphone Access Line ¹	\$ 14.44	
Price Adjustment		
Pursuant to 67-6-222*	.41	(D)
Adjusted Payphone Access Line	14.03	(D)
(2) Coin Supervision	2.21	
(3) Originating Line Screening (OLS)		\$7.95

* The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect through September 30, 2012. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax saving as a result of Section 67-6-222. (T)

Note 1: Installation, moves and change charges will be those applicable to business service.

GENERAL SERVICES TARIFF

Peoples Telephone Company

James Garner
Vice President
Issued: 8/12/11

TRA Tariff 1
SECTION 11
10th Revised Page 66
Cancels 9th Revised Page 66
Effective: 10/01/11

11. MISCELLANEOUS SERVICE ARRANGEMENTS

11.12. Integrated Services Digital Network (ISDN) (Continued)

1. Business Service (IBS) (Continued)

E. Rates and Charges

1) Interface

a. Basic Rate DSL Access Arrangement/Business Service

	Installation Charge	Month to Month	Rate Stability Monthly Rate		
			24-59 Mos. Plan	60-120 Mos. Plan	
- ISDN Access/ISDN with High Speed Packet Access	\$58.50	\$55.00*	\$55.00*	\$55.00*	
Price Adjustment Pursuant to 67-6-222**		.41	.41	.41	(D)
Adjusted ISDN Access		54.59*	54.59*	54.59*	(D)

b. Channels Activated

- B Channel (Maximum of 2) ¹					
- Circuit Switched Voice/Data, each					
- Flat Rate	\$24.00*	\$16.25	\$13.25	\$11.25	
- Permanent High Speed Packet, each	\$24.00*	\$120.00	\$110.00	\$100.00	
- D Channel (Maximum of 1)					
- Low Speed Packet as a single service					
- one only	\$24.00*	\$ 13.50	\$ 12.50	\$ 12.00	
- Low Speed Packet with a B channel service, each	\$24.00*	\$ 13.50	\$ 12.50	\$ 12.00	

* Does not apply at initial installation of ISDN Service. Applicable only for subsequent changes.

** The Ad Valorem Tax Equity Credit per Section 67-6-222 of the Tennessee Code Annotated applies to Business Customers only. The Ad Valorem Tax Equity Credit amount will be in effect through September 30, 2012. This reflects a true up of the rate adjustment to reflect the Company's actual level of property tax savings as a result of Section 67-6-222. (T)

Note 1: On-Demand High Speed Packet B channel requires both Circuit Switched Voice/Data and On-Demand High Speed Packet to indicate one activation.

TEC Tennessee Telephone Companies
Revised True Up of Business Rates for Tennessee Ad Valorem Tax Equity Payments Received
For October 1, 2011

	<u>Peoples</u>
1 10th Price Adjustment Amount - (per Pass Thru W/S Ln 4)	3,042.96
2 9th Price Adjustment Amount - (per Pass Thru W/S Ln 5)	<u>(526.10)</u>
3 True-up amount (Ln 1 - Ln 2)	3,569.06
4 Monthly Revenue amount for rate adjustment (Ln 3 / 12)	<u>297.42</u>
5 June 2011 Business Customers	<u>727</u>
6 10/1/2011 Decrease (Increase) of Business Rates per Month (Ln 4 / Ln 5)	<u>0.41</u>

June 2011 Business Customers

Bus-1 Pty Access Line - BRA	592
Key Access Line - BRA	113
PBX Access Trunk - BRA	9
Payphone Access Line - BRA	0
Payphone Access Line - Company E	0
ISDN/BRI 2B+D Bus	0
Trunk ISP	<u>13</u>
Total Business Customers	727

Old Rates

Bus-1 Pty Access Line - BRA	7.96
Key Access Line - BRA	17.31
PBX Access Trunk - BRA	32.41
Payphone Access Line - BRA	14.44
Payphone Access Line - Company E	14.44
ISDN/BRI 2B+D Bus	55.00
Trunk ISP	7.96

New Rates

Bus-1 Pty Access Line - BRA	7.55
Key Access Line - BRA	16.90
PBX Access Trunk - BRA	32.00
Payphone Access Line - BRA	14.03
Payphone Access Line - Company E	14.03
ISDN/BRI 2B+D Bus	54.59
Trunk ISP	7.55

New Price Adjustment Pursuant to 67-6-222	0.41
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Summary of 2010 Accounting entries on books to accrue ad valorem tax equity refund payment

119020-0085 Other A/R From Non Affil Co	8,605
724001-0085 Operating Taxes-Property Ad Valorem Credits	(8,605)

TEC Tennessee Telephone Companies
Revised Property Tax Calculation - Net Pass Through Amount
10th Price Adjustment Effective October 1, 2011

Peoples

12,187.95

1. Total Equity Payment Received June/July 2011

3,046.99

2. Jurisdictional Separations Impact (Part 36/69). Ln 1 * Separations factor

6,098.00

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)

3,042.96

5. Total Excess Flow per Worksheet (526.10)

6. Difference (Line 4 less Line 5) 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 than Line 4, then the difference represents the amount by which existing rates may be increased.

3,569.06

USF Impact Schedule

USF Yearly Payment from USF Algorithm W/O Tax Equity Payment Received June/July 2011

375,777.00

USF Yearly Payment from USF Algorithm With Tax Equity Payment Received June/July 2011

381,875.00

Impact to USF support

6,098.00

TEC Tennessee Telephone Companies
Property Tax Reduction Excess Flow Worksheet
For October 1, 2011

<u>PTC</u>			
Equity Payment Received 02-03		46,191	
Jurisdictional Separations		(7,790)	
Net		38,401	
Equity Payment Received 04		38,990	
Jurisdictional Separations		(9,747)	
High Cost		(21,889)	
Net		7,354	
Equity Payment Received 05		34,224	
Jurisdictional Separations		(8,556)	
High Cost		(19,638)	
Net		6,030	
Equity Payment Received 06		39,250	
Jurisdictional Separations		(9,813)	
High Cost		(22,760)	
Net		6,677	
Equity Payment Received 07		32,708	
Jurisdictional Separations		(8,177)	
High Cost		(19,235)	
Net		5,296	
Equity Payment Received 08		29,918	
Jurisdictional Separations		(7,480)	
High Cost		(17,634)	
Net		4,804	
Equity Payment Received 09		48,731	
Jurisdictional Separations		(12,183)	
High Cost		(29,003)	
Net		7,545	
Equity Payment Received 10		14,599	
Jurisdictional Separations		(3,650)	
High Cost		(8,443)	
Net		2,506	
Equity Payment Received 11		12,188	
Jurisdictional Separations		(3,047)	
High Cost		(6,098)	
Net		3,043	
Total Net to Flow		81,656	
Total Flowed		81,130	
Excess Flow		526	
Monthly Increase		44	
Units	735 727	0.06 459	
Monthly Increase		0.06	
<u>Property Tax Rate Reductions</u>			
02-03 Rate Decrease		2.79	
21 Months		58.59	
X units	995 932	54,806 852	
03-04 Rate Decrease		0.93	
12 Months		11.16	
X units	914 878	9,798 808	
04-05 Rate Decrease		-0.71	
12 Months		-8.52	
X units	955 1035	(8,818) 641	
05-06 Rate Decrease		2.53	
12 Months		30.36	
X units	945 1023	31,058 623	
06-07 Rate Decrease		-1.78	
12 Months		-21.36	
X units	915 1008	(21,531) 623	
07-08 Rate Decrease		0.31	
12 Months		3.72	
X units	891 1023	3,806 597	
08-09 Rate Decrease		0.31	
X 12		3.72	
X Units	876 929	3,456 543	
09-10 Rate Decrease		1.06	
X 12		12.72	
X Units	854 888	11,295 509	
10-11 Rate Decrease		(0.24)	
X 12		-2.88	
X Units	825 882	(2,540) 517	
Total Reductions		81,130	