



Chapel Hill, Tennessee 37034

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T.R.A. DOCKET ROOM

August 7, 2012

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

RE: Docket No. 12-00079

Dear Mr. Foster:

In response to the above-related docket, United Telephone Company is revising our calculation of property tax flow-thru to include an increase of \$2,302.31 to our existing tariff. We have enclosed the specified calculations and thirteen (13) copies of the proposed Tariff associated with this revision.

If you have any questions, please call Cindy Rothstein, Vice President of Finance, at 931/364-4321.

Sincerely,

A handwritten signature in black ink, appearing to read 'William H. Bradford', written over a horizontal line.

William H. Bradford
President & CEO

Enclosures

United Telephone Company
State of Tennessee - Docket No. 12-00079
Property Tax - Calculation of Net Pass Through Amount
11th Price Adjustment Effective 10/1/12
August 7, 2012

1.	Total Equity Payment Received June 2012	\$	140,924.51
2.	Jurisdictional Separations Impact (part 36/69). Line 1 * separations factor	\$	41,525.00
3.	Impact to USF support, if applicable (including supporting calculations)	\$	<u>79,890.00</u>
4.	Net Tax Savings to Company to be flowed through to business customers (Line 1 less lines 2 and 3)	\$	19,509.51
5.	Total Rate Reductions from October 1, 2011 through September 30, 2012	\$	<u>17,207.20</u>
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, the difference represents the amount by which existing rates may be increased.	\$	2,302.31
9.	Total B1, Key System and PBX customers as of July 2012		1570
10.	Existing discount per business customer for each month	\$	0.92
	Subtraction to existing business customer for each month	\$	<u>0.12</u>
	Amount of discount per business customer for each month	\$	<u><u>1.04</u></u>

United Telephone Company
2011 Ad Valorem Tax Adjustment
Interstate Property Tax Recovery Percentage

Total Company Operating Tax Revenue Requirement	\$980,025
Interstate Operating Tax Revenue Requirement	<u>\$288,774</u>
Percentage Interstate Recovery	<u><u>29.4660%</u></u>

Line 1	TRA Ad Valorem Tax Payment	\$140,925
Line 2	Jurisdictional Separations Impact	\$41,525
	Incremental USF Recovery % (over 150% of NACPL)	56.6896%
Line 3	Impact of USF Support	<u>\$79,890</u>
Line 4	Net Tax Savings to Company to be flowed through to Bus. Cus.	<u>\$19,510</u>

GENERAL EXCHANGE SERVICE TARIFFS
SECTION II
LOCAL EXCHANGE SERVICE TARIFF

UNITED TELEPHONE COMPANY
CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
17^h Revised Sheet 39

I. GENERAL

- A. 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 shall govern. Unless otherwise specified, these rates are for periods of one month and are payable in advance on a monthly basis.

II. RATES

A. MONTHLY EXCHANGE ACCESS CHARGES
NOLENVILLE EXCHANGE

Class of Service:	Per Line Access Charge
Business – One Party	\$22.69
Price Adjustment – Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$21.65 (I)
Residence – One Party	14.94
Semi-Public Coin Stations	27.00
PBX Trunk or Line	\$36.50
Price Adjustment-Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$35.46 (I)
Key System Line	\$36.50
Price Adjustment-Property Tax Flow-Thru	<u>1.04(R)</u>
	\$35.46 (I)

EFFECTIVE JANUARY 1, 2002

Per Tennessee Public Acts of 2001 Chapter 195, an annual adjustment will be applied to Business, PBX, and Key Access Charges. This amount is based upon an estimate of the Property (AdValorem) tax savings as provided by the Tennessee Comptroller of the Treasury, Office of State Assessed Properties.

ISSUED: 08-07-2012

BY: William H. Bradford

EFFECTIVE: 10-01-2012

William H. Bradford, President & CEO
UNITED TELEPHONE COMPANY

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CHAPEL HILL, TENNESSEE

TENNESSEE
REGULATORY AUTHORITY
10th Revised Sheet 39A

II. RATES (Continued)

A. MONTHLY EXCHANGE ACCESS CHARGES
ESTILL SPRINGS EXCHANGE

Class of Service:	Per Line Access Charge
Business – One Party	\$16.69
Price Adjustment-Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$15.65 (I)
Residence – One Party	11.44
Semi-Public Coin Stations	21.00
PBX Trunk or Line	\$27.50
Price Adjustment-Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$26.46 (I)
Key System Line	\$27.50
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TENNESSEE
REGULATORY AUTHORITY
17th Revised Sheet 40

II. RATES (Continued)

A. MONTHLY EXCHANGE ACCESS CHARGES

BELFAST, UNIONVILLE, FLAT CREEK, FOSTERVILLE, COLLEGE GROVE,
AND CHAPEL HILL EXCHANGES

Class of Service:	Per Line Access Charge
Business – One Party	\$14.69
Price Adjustment-Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$13.65 (I)
Residence – One Party	10.99
Semi-Public Coin Stations	19.00
PBX Trunk or Line	\$24.50
Price Adjustment-Property Tax Flow-Thru	<u>1.04 (R)</u>
	\$23.46 (I)
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William H. Bradford, President & CEO
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