



August 17, 2012

Via Electronic and First Class Mail

Dr. Kenneth Hill, Chairman
c/o Sharla Dillon, Dockets and Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Docket No. 12-00091

Re: Application of Peoples Telephone Company to Enter Price Regulation

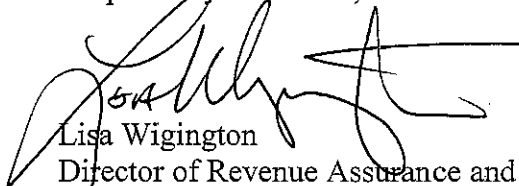
Dear Chairman Hill:

Enclosed are an original and four (4) copies of the Application of Peoples Telephone Company to enter price regulation.

Our check in the amount of \$25.00 is enclosed to cover the filing fee.

Please contact me if you have any questions.

Respectfully submitted,



Lisa Wigington
Director of Revenue Assurance and
Regulatory Compliance

enclosures

cc: David Foster, Chief, Utilities Division - Tennessee Regulatory Authority (via e-mail)
Sharla Dillon, Dockets Manager - Tennessee Regulatory Authority (via e-mail)
Norman Kennard, Esquire

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

In re:

Application of Peoples Telephone Company :
for Approval to Enter Price Regulation

: Docket No.: _____

APPLICATION

Pursuant to TCA § 65-5-109, Peoples Telephone Company ("Peoples") hereby applies to the Tennessee Regulatory Authority ("Authority") for approval to enter price regulation. In support of this Application, Peoples states as follows:

1. Peoples elects to adopt price regulation as the form of regulation applicable to it effective upon approval by the Authority.
2. Peoples's initial tariff rates under price regulation will be the same as those currently in place today for all basic local exchange telephone services and non-basic services as defined in TCA § 65-5-108. These rates were in effect as of January 1, 2009 and increased pursuant to the Uniform Access Reduction Act" (TCA 65-5-301, *et seq.*).
3. Peoples's level of tariffed rate for residential basic local exchange telephone service were increased from their January 1, 2009 level effective on April 1, 2012 pursuant to the "Uniform Access Reduction Act" (TCA 65-5-301, *et seq.*) in a revenue neutral fashion at the same time as intrastate switched access reductions were implemented and, therefore, are deemed affordable in accordance with TCA 65-5-109(c) and (s).
4. Peoples's tariffed rate for business basic local exchange telephone service were increased from their January 1, 2009 level effective on April 1, 2012 pursuant to the "Uniform Access Reduction Act" (TCA 65-5-301, *et seq.*) in a revenue neutral fashion

at the same time as intrastate switched access reductions were implemented and, therefore, are deemed affordable in accordance with TCA 65-5-109(c) and (s).

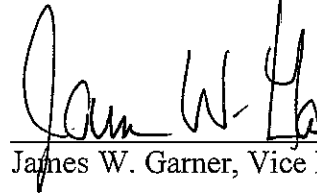
5. As a price regulated company, Peoples will maintain affordable basic and non-basic rates in accordance with TCA §§ 65-5-109(e) and 67-6-222(c).
6. Peoples will comply with the rate cap for initial basic local exchange telephone service set forth in TCA § 65-5-109(f) applicable to price regulated companies.
7. Peoples will comply with the maximum rates for interconnection services set forth in TCA § 65-5-109(g).
8. Peoples respectfully submits that continued commitment to the FYI Tennessee master plan as described in TCA § 65-5-109(k) is no longer applicable because Peoples has completed funded requirements.
9. Upon receiving approval to operate pursuant to price regulation, Peoples will comply with all statutes, rules and regulations applicable to price regulated companies.

CONCLUSION

WHEREFORE, for the reasons stated above, Peoples respectfully requests that the Authority issue an order approving this Application in accordance with TCA § 65-5-109(c).

Respectfully submitted,

Peoples Telephone Company

A handwritten signature in black ink, appearing to read "James W. Garner", is written over a horizontal line.

James W. Garner, Vice President of Operations

Date: August 17, 2012