

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

July 14, 2008

IN RE:

**AT&T TENNESSEE 2007 PRICE
REGULATION INDEX FILING**

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**DOCKET NO.
08-00092**

ORDER APPROVING PRICE REGULATION FILING

This matter came before Chairman Eddie Roberson, Director Tre Hargett and Director Sara Kyle of the Tennessee Regulatory Authority (“TRA” or the “Authority”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 23, 2008 for consideration of the 2007 Annual Price Regulation Index Filing filed on May 29, 2008 and amended on June 17, 2008 (the “Amended Filing”) by AT&T Tennessee, Inc. (“AT&T” or the “Company”).

AT&T’S AMENDED FILING

AT&T’s Amended Filing reflects prices in effect December 1, 2007 and contains the Company’s calculations of its 2007 Price Regulation Index (“PRI”) and Service Price Index (“SPI”). There are no rate changes being proposed in the Amended Filing.

FINDINGS AND CONCLUSIONS

Tenn. Code Ann § 65-5-109 (Supp. 2007) governs price regulation plans. The Authority reviewed AT&T’s Amended Filing pursuant to statutory requirements at its regularly scheduled Authority Conference held on June 23, 2008 and made the following findings:

1. AT&T has correctly calculated the PRI and SPI in accordance with Tenn. Code

Ann. § 65-5-109 (Supp. 2007) and the methodology approved by the Authority.

2. AT&T's Amended Filing demonstrates that its overall current prices and revenues are less than the maximum prices allowed under Tenn. Code Ann. § 65-5-109 (Supp. 2007), and AT&T has headroom from which future rate increases may be made.

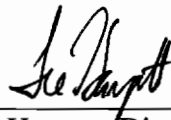
Based on these findings, the panel voted unanimously to approve AT&T's Amended Filing.

IT IS THEREFORE ORDERED THAT:

The 2007 Annual Price Regulation Index Filing of AT&T Tennessee, Inc., as amended on June 17, 2008, is approved for the period ending December 2007.



Eddie Roberson, Chairman



Tre Hargett, Director



Sara Kyle, Director