



Regulatory Compliance
100 CTE Drive
Dallas, PA 18612
www.Frontier.com

August 17, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED

AUG 17 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Secretary McNulty:

Pursuant to the provisions of Title 52, Section 69-52, Exhibit A, State Tax Adjustment Procedure of the Pennsylvania Code, **Commonwealth Telephone Company dba Frontier Communications Commonwealth Telephone Company** submits the required State Tax Adjustment Surcharge filing.

The supporting documentation, which includes the rate development model as well as the supporting tax documents, is attached. Also, tariff changes have been separately filed.

In an effort to reduce the time and costs associated with preparing and submitting two (2) State Tax Adjustment surcharge filings during the course of the year, we are proposing that this current filing be in effect from September 1, 2010 through August 31, 2011. Accordingly, please accept this letter as our request to waive the regulation at Chapter 52, Section 69.52, Exhibit A, State Tax Adjustment Procedure requiring the April 2011 filing.

Please contact me at 570-631-5003 or Michael Sharry at 570-631-5366 with any questions or concerns regarding this filing.

Sincerely,

Jessica Matushek
Sr. Manager, Regulatory Compliance

cc: Michael Sharry – Frontier Communications
Christine Hoover – Office of Consumer Advocate
Stephen Grey, Esq. – Office of Small Business Advocate
Norm Kennard, Esq. – Thomas, Long, Niesen & Kennard
Office of Trial Staff

1010007231

ACCOUNT ID 1739253
TAX YEAR END 12312007 NAME COMMONWEALTH TELEPHONE COM
RCT-101 PAGE 2 OF 6 PA CORPORATE TAX REPORT 2007

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	01012003	12312003	69855921	Investment in LLC	XX	N
YEAR 2	01012004	12312004	60303370	Holding Company	XX	N
YEAR 3	01012005	01012005	63041276	Family Farm	XX	N
YEAR 4	01012006	01012006	86882573			
YEAR 5	01012007	03082007	-1863138			
YEAR 6			0			
YEAR 7			0			
CUR YR	03092007	12312007	-43037			

WHOLE DOLLARS ONLY

- 2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total) 2 278176965
- 3. DIVISOR (in years and in part years, rounded to three decimal places) See Instructions 3 5.000
- 4. Divide Line (2) by Line (3) 4 55635393
- 5. AVERAGE BOOK INCOME - Enter Line (4) or if Line (4) is less than zero enter "0" 5 55635393
- 6. Divide Line (5) by 0.085 6 585635716
- 7. Shareholders' equity at the END of the current period 7 217776177
- 8. Shareholders' equity at the BEGINNING of the current period 8 203628460
- 9. If Line (7) is more than twice as great or less than half as much as Line (8), add Lines (7) and (8) and divide by 2. Otherwise enter Line (7). 9 217776177
- 10. NET WORTH - Enter Line (9) or if Line (9) is less than zero enter "0" 10 217776177
- 11. Multiply Line (10) by 0.75 11 163332133
- 12. Add Lines (6) and (11) 12 748967849
- 13. Divide Line (12) by 2 13 374483925
- 14. \$150,000 valuation deduction 14 -150000
- 15. CAPITAL STOCK VALUE - Line (13) less Line (14) but not less than "0". If 100% Taxable, enter Line (15) on Line (17). 15 374333925
- 16. Proportion of taxable assets or apportionment proportion (From Schedule A-1, Line 5) 16 1.000000
- 17. TAXABLE VALUE - Multiply Line (15) by Line (16). If less than zero, enter "0". 17 374333925
- 18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line (17) by 0.00389. 18 1184875

Total Beginning of Taxable Year Assets 521459711 Balance @ 3/9/08

Total End of Taxable Year Assets 473891698

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August 1, 2010

COMMONWEALTH TELEPHONE CO
100 CTE DRIVE

DALLAS, PA 18612

**Re: 2009 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2009. This notice is based on information provided by your county tax assessor's office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Payments and correspondence relevant to the PURTA tax or this notice should be mailed directly to the above address.



Thank you for your attention to this matter.

1998 - 2009 NOTICES:

Sincerely,

Department of Revenue
Bureau of Corporation Taxes

2009 Liability:	\$341,710.00
2008 Liability Adjustment:	(\$137.00)
2007 Liability Adjustment:	(\$111.00)
2006 Liability Adjustment:	(\$159.00)
2005 Liability Adjustment:	(\$747.00)
2004 Liability Adjustment:	(\$541.00)
2003 Liability Adjustment:	\$24.00
2002 Liability Adjustment:	\$76.00
2001 Liability Adjustment:	(\$156.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$44.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	\$18.00
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$128.00
1998 Transition Credit Adjustment:	\$0.00

**PLEASE SEE PAGE 2
FOR DETAIL**

Account ID: 3506723



Name: COMMONWEALTH TELEPHONE CO

Account Id: 3506723

Details

Tax Year	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<u>Adjusted Totals</u>					
1) Total Realty Tax Equivalent (RTE):	\$ 31,149,371	\$ 30,546,853	\$ 28,842,193	\$ 30,509,857	\$ 30,621,117	\$ 29,315,054
2) Total State Taxable Value (STV) for all utilities:	\$ 1,533,511,613	\$ 1,622,792,458	\$ 1,648,266,055	\$ 1,618,581,012	\$ 1,520,760,104	\$ 1,422,730,920
3) PURTA Millage Rate, including 7.6 mills for PTA:	27.9124 mills	26.4236 mills	25.0985 mills	26.4498 mills	27.7354 mills	28.2048 mills
	<u>Utility Adjustment</u>					
4) Utility STV:	\$12,242,216	\$13,101,309	\$22,623,377	\$20,212,244	\$18,180,730	\$17,654,424
5) Liability (Line 3 x Line 4):	\$341,710	\$346,184	\$567,813	\$534,610	\$504,250	\$497,939
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	N/A	(\$137)	(\$111)	(\$159)	(\$747)	(\$541)
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
	<u>Adjusted Totals</u>					
1) Total Realty Tax Equivalent (RTE):	\$ 29,296,630	\$ 28,985,844	\$ 29,067,764	\$ 28,030,058	\$ 39,317,500	\$ 133,200,000
2) Total State Taxable Value (STV) for all utilities:	\$ 1,358,740,634	\$ 1,352,482,511	\$ 1,326,151,353	\$ 1,347,765,959	\$ 2,077,384,403	\$ 2,088,976,315
3) PURTA Millage Rate, including 7.6 mills for PTA:	29.1616 mills	29.0316 mills	29.5189 mills	28.3974 mills	26.5264 mills	70.6561 mills
	<u>Utility Adjustment</u>					
4) Utility STV:	\$15,519,330	\$15,978,982	\$15,908,408	\$22,997,178	\$23,553,798	\$23,398,624
5) Liability (Line 3 x Line 4):	\$452,568	\$463,895	\$469,599	\$653,060	\$624,797	\$1,653,255
6) Utility Transition Credit:	N/A	N/A	\$0	\$0	\$0	\$100,000
7) Utility Liability Adjustment:	\$24	\$76	(\$156)	\$44	\$18	\$128
8) Utility Transition Credit Adjustment:	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2009 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.

**CONFIDENTIAL/PROPRIETARY
MATERIAL FOLLOWS:**

NO SCANNED IMAGE AVAILABLE

**ACTUAL DOCUMENT IN
CONFIDENTIAL FILE FOLDER**