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**NEW APPLICATION
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**AZ CORP COMMISSION
DOCUMENT CONTROL**

Arizona Corporation Commission
DOCKETED

NOV - 8 2004

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November 4, 2004
Via Overnight Delivery

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

T-03589A-04-0800

**Re: Z-Tel Communications, Inc.
Revision to Arizona Tariff No. 1 (Interexchange)**

Docket Control:

Enclosed for filing are the original and thirteen (13) copies of a revision to Arizona Tariff No. 1 (Interexchange) filed on behalf of Z-Tel Communications, Inc. This filing increases the maximum rate and residential current rate of the Public Telephone Surcharge. This increase is required as a result of the FCC's increase in the payphone compensation rate which is being passed through to the Company by its underlying carrier. The Company does not expect to derive any increased revenues due to this rate increase. Customers have been notified of the increase through a bill message, a copy of which is enclosed with this filing. Also enclosed is an Affidavit of Notification for the customer notice. The Company respectfully requests an effective date of January 1, 2005 for this filing.

The following revised tariff pages are included:

27th Revised Page 2
4th Revised Page 17.2
Current Price List
9th Revised Page 19.1

Updates Check Sheet
Increases Public Telephone Surcharge Maximum Rate
Increases Public Telephone Surcharge

Please acknowledge receipt of this filing by date stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided. Any questions you may have pertaining to this filing may be directed to me at (407) 740-8575 or via email at mbyrnes@tminc.com. Thank you for your assistance.

Sincerely,

Monique Byrnes,
Consultant to
Z-Tel Communications, Inc.

MB/sp

cc: B. Sullins - Z-Tel
file: Z-Tel - AZ IXC
tms: 5516AZi0412

AZ Bill Message Draft for Payphone Surcharge Rate Increase

Z-Tel is proposing the following changes to its rates and charges:

An increase in the Public Telephone Surcharge. This charge, which is specific to calls originating from public pay phones over the Company's network, is tariffed with a maximum of \$0.45 and a current charge of \$0.45. Due to the pressure of increasing costs associated with these types of calls from the owners of those facilities, we are proposing to increase the maximum rate to \$0.95 and the current Public Telephone Surcharge to \$0.60 per call.

This change may increase your total charges. This change will be voted on for approval at a future Open Meeting of the Arizona Corporation Commission. This change will become effective only upon approval by the Commission.

If you have any questions, please contact Z-Tel's Customer Care at 1-877-ASK-ZTEL (1-877-275-9835). You also have the right to contact the Consumer Services Section of the Commission at 602-542-4251 or 1-800-222-7000 or you may go to its website at <http://www.cc.state.az.us>. Again, please do not hesitate to contact us if you have further questions.

CHECK SHEET

Pages listed below, inclusive of this tariff, are effective as of the date shown at the bottom of the respective page(s). Original and revised pages are named below and comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

Page	Revision		Page	Revision
Title	Original		17.6	Original
1	Original		17.7	Original
2	27 th	*	17.8	Original
3	Original		17.9	1 st
4	Original		17.9.1	Original
5	Original		17.10	Original
6	Original		17.11	2 nd
7	Original		17.12	Original
8	Original		17.13	Original
9	Original		17.14	Original
10	Original		17.15	Original
11	Original		18	Original
12	Original		19	6 th
13	2 nd		19.1	9 th *
14	Original		19.2	1 st
15	Original		19.3	1 st
16	Original		19.4	1 st
17	7 th		20	Original
17.1	3 rd		21	1 st
17.2	4 th	*	21.1	Original
17.3	Original		22	1 st
17.4	Original		23	2 nd
17.5	Original		24	Original

*included in this filing

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Effective: January 31, 2005

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 Vice President - Regulatory Affairs
 601 South Harbour Island Boulevard, Suite 220
 Tampa, Florida 33602

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SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.9 Public Telephone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all intrastate calls that originate from any pay telephone, not presubscribed to the Company, used to access Company provided services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with service, applies for the use of the instrument used to access Company provided service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (e.g., using the "#" symbol). The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

	<u>Maximum Rate</u>
Rate Per Call:	\$0.95 (I)

3.10 Reserved For Future Use

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SECTION 5 - CURRENT PRICE LIST

5.4 Directory Assistance

Up to two requests may be made on each call to Directory Assistance.

	Residential	Business
Per Call Rate:	\$1.25	\$1.10

5.5 Public Telephone Surcharge

	Residential	Business
Rate Per Call	\$0.60 (I)	\$0.30

5.6 Reserved For Future Use

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