

David R. Irvine (1621)
747 East South Temple Street, Ste. 130
Salt Lake City, UT 84102
Telephone: (801) 579-0802
Telecopier: (801) 579-0801
E-mail: Drirvine@aol.com

Attorney for Petitioner

BEFORE THE UTAH PUBLIC SERVICE COMMISSION

In the Matter of the Petition of)	
Beehive Telephone Co. Inc., for an)	
Increase in Rates and Participation in)	Docket No. 14-051-01
the Universal Telecommunications)	
Service Support Fund.)	
)	
)	

In accordance with Utah Code § 54-7-12(8), and pursuant to R746-344-3, of the Commission's Rules, Beehive Telephone Company, Inc. ("Beehive" or "the Company" hereinafter), by and through its counsel, hereby files its Petition Requesting an Increase in Rates, to be effective December 1, 2014, and for participation in the Universal Telecommunications Service Support Fund. In support of the Petition, the Company represents as follows:

1. Beehive is the certificated provider of telecommunications services within twelve exchanges in nine Utah counties: Tooele, Box Elder, Juab, Millard, Iron, Washington, Garfield, Wayne, and Kane. Many of the Company's residential access line customers are situated in remote and isolated areas of rural Utah.

2. Beehive does not presently participate in the Utah Universal Telecommunications Service Support Fund, but it meets the statutory requirements for such participation. The Company participates in the federal Universal Service Fund ("USF" hereinafter) administered by the Federal Communications Commission ("FCC" hereinafter).

3. The FCC has established the Connect America Fund ("CAF" hereinafter) which will replace support which would otherwise be diminished through changes to the federal USF program. CAF allows Beehive to receive federal high-cost support at the same level it does currently, irrespective of USF reductions that will otherwise reduce Beehive's level of high-cost support. Beehive is a participant in the CAF program.

4. Beehive's participation in CAF is necessary in order for the Company to compensate for anticipated reductions in USF support and remain financially stable. As a condition of Beehive's CAF participation, it is required to increase its rates to the FCC-mandated floor, or target rate, which must be, by December 1, 2014, an amount equal to \$16.50 per access line.

5. The FCC-mandated minimum rate is prescribed in the USF/ICC Transformational Order, issued November 18, 2011 (FCC 11-161). Unless Beehive's rates are at the FCC target level by December 1, 2014, Beehive's federal USF support will be reduced by the amount it would have received were the target rate in effect.

6. The amount of the requested rate increase, per residential access line customer will be \$2.50 per month. Beehive also proposes to establish its business line rates, EAS rates, and other particular service charges as shown on the attached Utah Public Service Commission Schedule 1, to be effective December 1, 2014, which is submitted in support of this petition. The rates proposed by the Company meet its CAF requirement and the Commission's affordable base rate benchmarks of \$16.50 and \$26.00, respectively for R-1 and B-1 service, respectively.

7. The increase requested in residential rates, and Beehive's participation in CAF, will not result in new revenue to the Company. It will offset the reduction in Company revenues as a result of changes in the federal USF program.

8. Beehive has filed its motion for a protective order in this matter, and it will supplement this petition with appropriate exhibits to testimony, most of which are confidential and proprietary, upon issuance of a protective order.

9. Inasmuch as the FCC has directed the residential rate increase proposed herein, as a condition of Beehive's CAF participation, and because the Company will sustain a revenue loss in 2015 if it cannot meet the CAF requirement, Beehive submits that the rates herein proposed are just, reasonable and in the public interest, and should be made effective as of December 1, 2014.

10. On October 31, 2014, Beehive provided notice by first class mail to its customers of its intention to seek an immediate rate increase in rates, to be effective December 1, 2014, and a copy of this Notice is attached as Exhibit 1.

11. Beehive proposes that its request to participate in the Universal Telecommunications Service Support Fund be treated separately from the proceedings respecting the increase in rates.

DATED this 31st day of October, 2014.

/s/ _____
David R. Irvine
Attorney for Beehive Telephone Co., Inc.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Petition for an Immediate Increase in Rates to be served this 31st day of October, 2014, via electronic mail, to the following:

Justin Jetter, Esq.
Assistant Attorney General
jjetter@utah.gov

Rex Olsen, Esq.
Assistant Attorney General
rolsen@utah.gov

/s/ _____
David R. Irvine