

Beehive Telephone Company Rate Increase

Beehive Telephone Company has filed an application for a rate increase and a request for Utah Universal Service Funds. Beehive is proposing to increase the rates for R-1 residential service from \$14.00 to \$16.50 and the rates for B-1 business service from \$16.00 to \$26.00. At the same time, however, Beehive is proposing a decrease in the extended area service (EAS) rate for Rush Valley and Vernon from \$1.00 to \$0.50 per month. The EAS rate for Cedar Highlands is proposed to decrease from \$3.15 to \$0.65 per month.

The proposed R-1 and B-1 rates are the Base Affordable Rates for local residential and business services which are set by the Utah Public Service Commission in connection with its determination of a local telephone company's eligibility for Utah Universal Service Fund distribution. The Federal Communications Commission (FCC) has directed another rate increase for telephone companies across the country. The rate increase last year to \$14.00 for residential rates was the result of an FCC directive to raise local rates. Beehive's proposed local rates will be in compliance with the new FCC established target rates for basic telephone service effective December 1, 2014.

Beehive established its local rates in 1999. The first increase in the local residential rate occurred last year on July 1, 2013 as directed by the FCC. The FCC has directed another rate increase to be effective December 1, 2014 which is the reason for this rate increase. In an effort to provide some savings to customers, the Company is proposing that service areas with EAS pay a lower rate thus experience some savings.

The rules of the Commission provide that the Company provide 30 day notice to the customer of the increase. If you have any questions they may be directed to the Commission or the Division of Public Utilities at 801-530-6652 or 800-874-0904 or by mail to the **Utah Division of Public Utilities, P.O. Box 146751, Salt Lake City, UT 84114-6751**