

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Petition of Beehive Telephone Co., Inc., for an Increase in Rates and Participation in the Universal Telecommunications Service Support Fund)
) DOCKET NO. 14-051-01
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In the Matter of Beehive Telephone Co., Inc.'s Application for Tariff Approval)
) DOCKET NO. 14-051-T03
) REPORT AND ORDER
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)

ISSUED: April 23, 2015

SYNOPSIS

The Commission approves the settlement stipulation between the parties.

BACKGROUND

1. On October 31, 2014, Beehive filed a petition for a rate increase and a request to participate in the Utah Telecommunications Service Support Fund (UUSF).
2. The Commission addressed Beehive's petition for a rate increase separately from its request for UUSF in this docket. On December 9, 2014, the Commission issued a report and order authorizing an interim \$2.50 monthly increase per residential access line and a \$10.00 monthly increase per business access line, effective December 1, 2014. The interim rates were conditioned upon a final order of the Commission on the pending UUSF portion of this docket.
3. On December 18, 2014, the Commission held a scheduling conference on the UUSF portion of this docket, and on this same date a scheduling order was issued.

4. On March 20, 2015, the Division of Public Utilities (Division) filed a motion to suspend testimony in this docket because a settlement agreement was imminent, and the Commission issued an order suspending the scheduling order.

5. On April 3, 2015, Beehive filed a settlement stipulation signed by Beehive, the Division, and the Office of Consumer Services (Office).

6. The stipulation provides, in part, as follows:

TERMS AND CONDITIONS

12. ...[T]he Parties hereby agree that the Company's interim rates, in effect on December 1, 2014[,] as approved in the November 25, 2014[,] bench ruling and confirmed by the Commission's December 9, 2014[,] Order may be made final.

13. The Parties further agree to eliminate the Cedar Highlands to Cedar City monthly EAS charge (\$3.15).

14. Beehive hereby agrees that the Commission may enter an Order dismissing the balance of the current proceedings as to the Company's eligibility to participate in the UUSF, without prejudice.

15. The parties agree that Beehive may file a new application for UUSF participation on a timeline it may choose anytime in the future. Beehive agrees to base any such filing on 2014 or later actual financial statements.

7. The Parties agree that the terms of the stipulation are just and reasonable in result and should be approved by the Commission.

8. On April 15, 2015, the Commission held a hearing on the stipulation and a public witness hearing on finalization of the rate increase.

9. At the April 15, 2015, hearing on the stipulation, Beehive, the Division, and the Office provided testimony on whether the proposed stipulation is just and reasonable and in the public interest.¹ David Irvine appeared on behalf of Beehive, along with Ray Hendershot, Jake Warner, and Brian Barrow.² Justin Jetter represented the Division, and was accompanied by Bill Duncan, telecommunications manager for the Division.³ Robert Moore appeared on behalf of the Office, along with Michele Beck, director of the Office.⁴

10. All parties testified that the stipulation is just and reasonable in result, and in the public interest.⁵

11. The Division testified that it is recommending eliminating the Cedar Highlands to Cedar City monthly EAS charge of \$3.15 because it found that CenturyLink agreed not to charge Beehive for transporting calls from Cedar Highlands to Cedar City, thus eliminating the need for the EAS charge.⁶ The Division further testified that eliminating the EAS charge is consistent with the Commission rule on cost recovery for EAS.⁷ The Office testified that it concurred with the Division's testimony on these points.⁸

12. Beehive stated that it intends to file a compliance tariff that reflects the elimination of the \$3.15 EAS charge if the stipulation is approved.⁹

¹ See Notices of Hearing on Settlement Stipulation and Public Witness Hearing, issued April 3, 2015.

² Hr'g Tr. 4:15-16, 20-22, April 15, 2015 (hearing on stipulation).

³ Hr'g Tr. 4:25; 5:1-3, April 15, 2015 (hearing on stipulation).

⁴ Hr'g Tr. 5:4-7, April 15, 2015 (hearing on stipulation).

⁵ Hr'g Tr. 17:17-20, April 15, 2015 (hearing on stipulation; testimony of Ray Hendershot); *see also* Hr'g Tr. 20:23-25, April 15, 2015 (hearing on stipulation; testimony of Bill Duncan); and Hr'g Tr. 25:6-9, April 15, 2015 (hearing on stipulation; testimony of Michele Beck).

⁶ Hr'g Tr. 21:20-25; 22:1-22, April 15, 2015 (hearing on stipulation; testimony of Bill Duncan).

⁷ Hr'g Tr. 23:1-8, April 15, 2015 (hearing on stipulation; testimony of Bill Duncan).

⁸ Hr'g Tr. 26:4-12, April 15, 2015 (hearing on stipulation; testimony of Michele Beck).

⁹ Hr'g Tr. 16:12-15, April 15, 2015 (hearing on stipulation; Mr. Irvine responding).

13. No one appeared in opposition of the stipulation, and no one appeared at the public witness hearing.¹⁰

DISCUSSION, FINDINGS AND CONCLUSIONS

As set forth by statute and as previously noted by the Commission in other orders, settlements of matters before the Commission are encouraged at any stage of the proceedings.¹¹ The Commission may approve a settlement proposal after considering the interests of the public and other affected persons, if it finds the settlement proposal in the public interest.¹² In addition, the Commission may adopt a settlement stipulation if the Commission finds that the settlement proposal is just and reasonable in result, and the evidence contained in the record supports a finding that the settlement proposal is just and reasonable in result.¹³

Given that the stipulation is uncontested and that the parties to the stipulation each testified that it is just and reasonable, and in the public interest, the Commission finds the stipulation just and reasonable in result and approves the stipulation. Further, the Commission finds the evidence, contained in the record, supports a finding that the stipulation is just and reasonable in result.

ORDER

Therefore, we approve the stipulation, filed April 3, 2015, and order:

1. The interim rates set forth in the December 9, 2014, report and order in this docket are final.

¹⁰ Hr'g Tr. 4:3-4, 10-12, April 15, 2015 (public witness hearing).

¹¹ See Utah Code Ann. § 54-7-1 (LexisNexis 2010).

¹² See Utah Code Ann. § 54-7-1(2)(a).

¹³ See Utah Code Ann. § 54-7-1(3)(d)(i)(A)-(B).

2. Beehive shall eliminate its Cedar Highlands to Cedar City monthly EAS charge of \$3.15 and file a conforming tariff revision.
3. Beehive's application for UUSF is dismissed and Beehive may refile its request consistent with the terms of the stipulation.

DATED at Salt Lake City, Utah this 23rd day of April, 2015.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#265721

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 23rd day of April, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

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DOCKET NOS. 14-051-01 and 14-051-T03

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