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Attorneys for Applicant, Beehive Telephone Company, Inc., & Beehive Telecom, Inc.

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

IN THE MATTER OF THE PETITION OF BEEHIVE TELEPHONE CO. FOR AUTHORITY TO COMPETE AS A TELECOMMUNICATIONS CORPORATION AND TO OFFER PUBLIC TELECOMMUNICATIONS SERVICES	DOCKET NO. 06-051-01 STIPULATION BETWEEN PARTIES April 16, 2007
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STIPULATION

The Division of Public Utilities (“the Division”) and Beehive Telecom (“Beehive CLEC”), the competitive local exchange carrier applicant in this docket, and Beehive Telephone Company, Inc., (“Beehive ILEC”) have discussed certain issues raised by Beehive CLEC’s Application and its Amended Application and by the Division’s January 16, 2007, Memorandum to the Public Service Commission (“the Commission”). Beehive CLEC, Beehive ILEC, and the Division (“the Parties”) held a technical conference on March 27, 2007, before Judge Steve Goodwill. The Parties enter into this

STIPULATION which encompasses the full agreement between the Division, Beehive CLEC, and Beehive ILEC on the following issues:

On May 3, 2006, Beehive CLEC applied for a Certificate of Public Convenience and Necessity (“CPCN”) to provide telecommunications services throughout the State of Utah, pursuant to Utah Code Annotated § 54-8b-2.1 and R746-349 of the Commission’s Rules. On August 28, 2006, Beehive CLEC amended its application requesting a CPCN to provide telecommunications services as a CLEC in Qwest territories and in Beehive’s ILEC territory.

The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions, considered together as a whole, will produce fair, just and reasonable results. However, this Stipulation should not be construed as a finding by the Commission that it is in the public interest for Beehive CLEC to provide telecommunications services to customers in the Beehive ILEC service territory or constitute a finding by the Commission that the requirements under Section 251(f)(1)(B) have been met.

1. Beehive CLEC shall keep separate accounting records from Beehive ILEC and the Division shall have access to Beehive CLEC’s books and records.

2. The Division agrees that Beehive CLEC should be issued a CPCN to provide all public telecommunications services in all Qwest territories in the state of Utah.
3. In order to provide public telecommunication services within the Qwest territory Beehive CLEC should be issued a CPCN within the Beehive ILEC service territory. This Certificate is being issued for the sole purpose in order to allow Beehive CLEC to interconnect with, collocate in and to purchase wholesale facilities from Beehive ILECs such as UNE's and other wholesale facilities in facilitating Beehive CLEC's provisioning of service in Qwest's service territory. Beehive CLEC will purchase these facilities, enter into interconnection agreements and co-locate pursuant to Utah Code Annotated § 54-8b-2.2, R746-348 and R746-349-4 and other applicable federal and state laws.
4. Beehive CLEC will not provide retail telecommunication service to any customers in Beehive ILEC's service territory.
5. Pursuant to § 54-8b-2.2(1)(d) of the *Utah Code* Beehive CLEC and Beehive ILEC will file with the Commission its agreements, including the rates terms and conditions for interconnection, collocation and the purchase of any services or facilities of Beehive ILEC or Beehive CLEC.

In the event the Commission rejects any or all of this Stipulation, or imposes any additional material conditions on approval of this

Stipulation, or in the event the Commission's approval of this Stipulation is rejected or conditioned in whole or in part by an appellate court, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding delivered no later than five (5) business days after the issuance date of the applicable Commission or court order, to withdraw from this Stipulation. Prior to that election, Parties agree to meet and discuss the Commission's order or court's decision. In the event that no new agreement is reached, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to undertake any steps it deems appropriate.

No Party is bound by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgement by any Party of the validity or invalidity of any particular method, theory or principle of regulation or cost recovery, and no Party shall be deemed to have agreed that any method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future and shall not be deemed to constitute precedent nor prejudice the rights of any

party in future proceedings. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

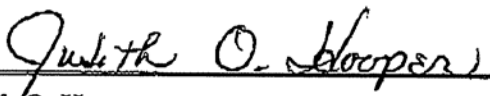
6. The Parties agree that their rights and obligations under this Stipulation are subject to the Commission's approval of this Stipulation.
7. The Parties recommend that the Commission approve and adopt this Stipulation in its entirety.

This Stipulation resolves the Application and Amended Application in this docket. However, Beehive CLEC, Beehive ILEC and the Division may continue to discuss other issues Beehive CLEC and Beehive ILEC believe are related which, if resolved, would be resolved in a separate docket.

Nothing in this Stipulation or closing of this docket will bar or preclude the parties from raising such issues on another docket.

Dated this 16th day of April, 2007.

BEEHIVE TELEPHONE COMPANY, INC.

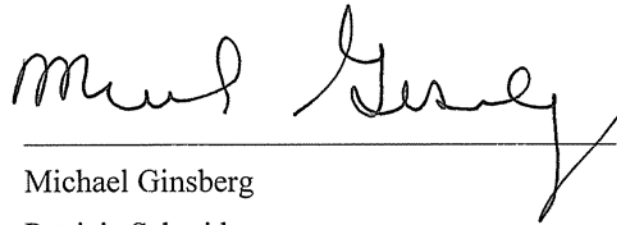


Judith O. Hooper
Executive Vice President & Chief Counsel

BEEHIVE TELECOM, INC.

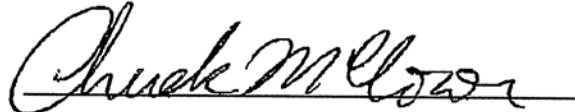
Chuck McCown
Chief Executive Officer

UTAH DIVISION OF PUBLIC UTILITIES

A handwritten signature in cursive script, appearing to read "Michael Ginsberg", written over a horizontal line.

Michael Ginsberg
Patricia Schmid
Assistant Attorney General

BEEHIVE TELECOM, INC.



Chuck McCown

Chief Executive Officer

UTAH DIVISION OF PUBLIC UTILITIES

Michael Ginsberg

Patricia Schmid

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