

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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 In the Matter: the )  
 Application of Beehive )  
 Telephone Co., Inc. for a ) Docket No. 06-051-01  
 Certificate of Public )  
 Convenience and Necessity ) TRANSCRIPT OF  
 to Provide Local Exchange ) PROCEEDINGS  
 Services within the State )  
 of Utah )  
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April 19, 2007 \* 1:31 p.m.

Location: Public Service Commission  
 160 East 300 South, Hearing Room 451  
 Salt Lake City, Utah

Steve Goodwill,  
 Administrative Law Judge

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A P P E A R A N C E S

FOR BEEHIVE TELECOM, INC. and BEEHIVE TELEPHONE  
COMPANY:

JUDITH O. HOOPER, ESQ.  
2000 Sunset Road  
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(801) 250-6639  
(801) 250-4420 - Fax

FOR THE DIVISION OF PUBLIC UTILITIES:

Patricia E. Schmid, Assistant Attorney  
General  
160 East 300 South  
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ALSO PRESENT:

Steve Mecham, Esq. - Intervener  
Utah Rural Telecom Association

Christopher Luras, Division of Public  
Utilities

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I N D E X

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1 P R O C E E D I N G S

2 JUDGE GOODWILL: This is the Public  
3 Service Commission hearing in the matter of the  
4 application of Beehive Telephone Company,  
5 Incorporated for a Certificate of Public Convenience  
6 and Necessity to provide local exchange services  
7 within the State of Utah. Public Service Commission  
8 Docket Number 06-051-01.

9 I am Steve Goodwill, the Administrative  
10 Law Judge for the Commission. And I have been  
11 assigned by the Commission to hear this matter.

12 Notice of this hearing was issued by the  
13 Commission on April 13th, 2007. And on April 17th,  
14 2007 an amendment was issued notifying interested  
15 persons that the hearing will consider the  
16 stipulation filed that same day, April 17th, 2007, by  
17 the Division of Public Utilities, Beehive Telecom and  
18 Beehive Telephone.

19 At this point, I would like to go ahead  
20 and take appearances.

21 We'll start with the applicant, Beehive  
22 Telephone.

23 MS. HOOPER: Judith Hooper, for Beehive.

24 MS. SCHMID: Patricia E. Schmid, from the  
25 Attorney General's office, representing the Division

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1 of Public Utilities.

2 MR. MECHAM: Steve Mecham, representing  
3 Utah Rural Telecom Association.

4 JUDGE GOODWILL: Okay. Ms. Hooper, just  
5 so we're clear, you represent both Beehive Telephone  
6 and Beehive Telecom in this matter?

7 MS. HOOPER: That's correct.

8 JUDGE GOODWILL: And it's my understanding  
9 that although the applicant is Beehive Telephone  
10 Company, any certificate that would issue in this  
11 matter would be issued to Beehive Telecom as the  
12 CLEC?

13 MS. HOOPER: That's correct.

14 JUDGE GOODWILL: With that, I guess it  
15 makes most sense to turn to the Division.

16 MS. SCHMID: Okay. The Division has a  
17 witness in support of the stipulation which has been  
18 filed with the Commission.

19 Could the Division witness, Mr.  
20 Christopher Lucas -- Luras, please be sworn?

21 JUDGE GOODWILL: Sure.

22 Could you please stand and raise your  
23 right hand.

24 CHRISTOPHER LURAS,  
25 called as a witness, being first duly sworn,

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1           was examined and testified as follows:

2           JUDGE GOODWILL: Thank you. Please be  
3 seated.

4           Ms. Schmid.

5 BY MS. SCHMID:

6           Q.     Could you please state your full name and  
7 spell your last name for the record.

8           A.     Christopher James Luras, L-U-R-A-S.

9           Q.     By whom are you employed and in what  
10 capacity?

11          A.     The Utah Division of Public Utilities, as  
12 a technical consultant.

13          Q.     Could you please provide this hearing with  
14 your business address?

15          A.     160 East 300 South, Salt Lake City, Utah  
16 84111.

17          Q.     Thank you.

18                 Mr. Luras, have you been involved on  
19 behalf of the Division in this docket?

20          A.     I have.

21          Q.     Were you involved in the preparation of a  
22 memorandum, dated January 16th, 2007, filed with the  
23 Commission?

24          A.     I was.

25                 MS. SCHMID: The Commission -- the  
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1 Division would like to move the admission of this  
2 memorandum, which has been pre-marked for  
3 identification as DPU Exhibit 1.

4 And I would like to apologize because I  
5 neglected to staple the copies.

6 JUDGE GOODWILL: I'm sorry. Did you go  
7 ahead and move this into admission?

8 MS. SCHMID: I did. Please.

9 JUDGE GOODWILL: Any objections?

10 MS. HOOPER: No objections.

11 JUDGE GOODWILL: All right. We'll admit  
12 it.

13 (DPU EXHIBIT-1 WAS ADMITTED.)

14 Q. (By Ms. Schmid) Mr. Luras, do you have a  
15 summary in support of the stipulation that you would  
16 like to present?

17 A. I do.

18 Q. Please proceed.

19 A. Through correspondence and several  
20 meetings with Beehive, the Division has developed a  
21 good understanding of their intentions of their  
22 application.

23 Initially we had concerns over whether  
24 Behhive CLEC was going to be providing retail service  
25 in Beehive's ILEC service territory. However, as

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1 detailed in the stipulation, Beehive CLEC will not be  
2 providing retail service in Beehive's ILEC service  
3 territory.

4 We therefore find no reason to oppose the  
5 application.

6 The stipulation, we believe, is in the  
7 public interest. We believe that it will enhance  
8 competition in Tooele. It will grant Beehive  
9 flexibility. And it will also allow the Commission  
10 regulatory oversight of the arrangement detailed in  
11 the stipulation.

12 Q. Thank you.

13 MS. SCHMID: Mr. Luras is now available  
14 for cross-examination.

15 And one thing before then, would the  
16 Administrative Law Judge like the stipulation to be  
17 offered as an exhibit?

18 JUDGE GOODWILL: Might as well, if you've  
19 got a copy.

20 MS. SCHMID: I have one copy.

21 JUDGE GOODWILL: I believe all the parties  
22 have copies of the stipulation.

23 MS. SCHMID: So the DPU will then offer  
24 what we'll mark for identification as DPU Exhibit 2,  
25 which is the stipulation between Beehive Telecom, the  
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1 Utah Division of Public Utilities and Beehive  
2 Telephone Company. It consists of multiple pages, a  
3 total of seven because of signature pages.

4 And I'll just give that to the court  
5 reporter.

6 JUDGE GOODWILL: That will be great.  
7 Thanks.

8 Any objection to its admission?

9 MS. HOOPER: No.

10 MR. MECHAM: No.

11 JUDGE GOODWILL: Okay. We'll go ahead and  
12 admit it as DPU Exhibit 2.

13 (DPU EXHIBIT-2 WAS ADMITTED.)

14 JUDGE GOODWILL: Ms. Hooper, I take it you  
15 don't have any questions of Mr. Luras?

16 MS. HOOPER: I do not.

17 JUDGE GOODWILL: Mr. Mecham?

18 MR. MECHAM: None.

19 JUDGE GOODWILL: I have just a couple.

20 Mr. Larus, regarding the memorandum that  
21 we've now entered as DPU Exhibit 1, Division  
22 memorandum of January 16th of this year, I take it  
23 then it's the Division's position, given the  
24 stipulation and the nature of the certificate that  
25 would issue, that the issues that were addressed in

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1 that memorandum are mooted or no longer at issue?

2 THE WITNESS: Correct.

3 JUDGE GOODWILL: Specifically, it's my  
4 understanding from reading the stipulation that there  
5 would be no impact currently on USFs?

6 THE WITNESS: There would not.

7 JUDGE GOODWILL: Okay. Now given that --  
8 again, I'll just ask the question to make sure we're  
9 all clear. I know at the technical conference a few  
10 weeks ago there was some discussion of Beehive's  
11 desire at some point to offer services through its  
12 CLEC in the boundary area between Beehive Telephone  
13 and Qwest. According to the stipulation, Beehive  
14 Telecom will not be offering any retail services  
15 within that service area.

16 Is that your understanding and the  
17 Division's understanding?

18 THE WITNESS: Yeah. My understanding is  
19 that that area is not part of the stipulation. That  
20 is a separate issue.

21 The area outside of Beehive's ILEC  
22 territory, is that what you're --

23 JUDGE GOODWILL: Well, I guess there was  
24 some issue about just where that territory ended and  
25 Qwest's territory begins. So there is an issue as to

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1 where Beehive's CLEC may be entitled to serve.

2 THE WITNESS: According to the  
3 stipulation, they are not entitled to serve in their  
4 ILEC's territory.

5 If it is determined that some of that area  
6 is Qwest's territory, then they would be allowed to  
7 serve in that territory. But I don't believe we have  
8 the boundaries of that.

9 But that's a separate issue and it's not  
10 within the scope of the stipulation.

11 JUDGE GOODWILL: Okay. Any other  
12 questioning of Mr. Larus?

13 MR. MECHAM: None from me.

14 MS. HOOPER: None.

15 JUDGE GOODWILL: Anything further, Ms.  
16 Schmid?

17 MS. SCHMID: Nothing from the Division.

18 JUDGE GOODWILL: A lot shorter than it  
19 appeared it would be six months ago.

20 MS. SCHMID: Testament to the settlement  
21 and stipulation process.

22 JUDGE GOODWILL: Again, you may have  
23 mentioned this, Mr. Larus, in your summary, but just  
24 to make sure we have it on the record, I take it it's  
25 the Division's position then, as stated in the

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1 stipulation at issue, a certificate, as agreed to in  
2 the stipulation, would be in the public interest?

3 THE WITNESS: Yes. It would.

4 JUDGE GOODWILL: Okay. I guess that's all  
5 I have.

6 If there is nothing further, we'll go  
7 ahead and adjourn.

8 Thanks.

9 (Matter concluded at 1:40 p.m.)

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REPORTER'S HEARING CERTIFICATE

STATE OF UTAH                    )  
  :  ss.  
COUNTY OF SALT LAKE         )

I, Kelly Fine-Jensen, Registered Professional Reporter and Notary Public in and for the State of Utah, do hereby certify:

That prior to being examined, the witnesses were duly sworn to tell the truth, the whole truth, and nothing but the truth;

That said proceeding was taken down by me in stenotype on April 19, 2007, at the place therein named, and was thereafter transcribed, and that a true and correct transcription of said testimony is set forth in the preceding pages;

I further certify that I am not kin or otherwise associated with any of the parties to said cause of action and that I am not interested in the outcome thereof.

WITNESS MY HAND AND OFFICIAL SEAL this 25th day of April, 2007.

\_\_\_\_\_  
Kelly Fine-Jensen, RPR  
Notary Public  
Residing in Salt Lake County