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Attorney for Petitioner

BEFORE THE UTAH PUBLIC SERVICE COMMISSION

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In the Matter of the Petition of	)	
Beehive Telephone Co. Inc., for an	)	Docket No. 13-051-01
Immediate Increase in Rates; and	)	
Notice to the Commission and the	)	PROOF OF CUSTOMER NOTICE
Company's Subscribers.	)	

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Comes now WAYNE McCULLEY, who, being duly sworn, testifies under oath as follows:

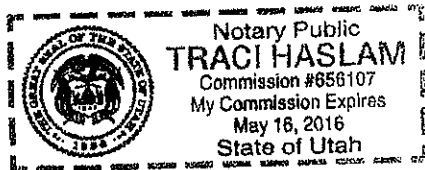
1. I am the Chief Financial Officer for Beehive Telephone Co., Inc.
2. On May 31, 2013, I caused a true and correct copy of the attached Notice of proposed rate increase to be mailed to all of Beehive's subscribers, via First-Class Mail, postage prepaid.

DATED this 17<sup>th</sup> day of June, 2013.

  
WAYNE McCULLEY

STATE OF UTAH            )  
  : ss  
COUNTY OF TOOELE    )

On this 17th day of June, 2013, personally appeared before me, WAYNE McCULLEY, who signed the preceding Proof of Customer Notice, and who swore to me that his signature is voluntary, and the document is truthful.



Traci Haslam  
NOTARY PUBLIC

**Beehive Telephone Company Rate Increase**

The Federal Communications Commission (FCC) has established a target rate of \$14.00 for basic telephone service effective July 1, 2013. Beehive Telephone Company (BTC) established its current residential local rate in 1999. BTC has filed with the Utah Public Service Commission (Commission) to increase its basic local rate by \$2.33 to the FCC target rate of \$14.00 effective July 1, 2013.

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**

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Docket No. 13-051-01

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 notifies the Commission and the Company's subscribers that Beehive will be filing, within 30 days, a petition requesting an immediate

increase in rates, to be effective July 1, 2013. Beehive will be requesting that the Commission waive a hearing on the rate increase, unless requested by 10% of the Company's subscribers.

In support of the Petition to be filed, 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 participate in the Utah Universal Service Fund, but it does participate in the federal Universal Service Fund ("USF" hereinafter) administered by the Federal Communications Commission ("FCC" hereinafter).

3. The FCC is changing the way USF support will be structured, and the FCC has established the Connect America Fund ("CAF" hereinafter) which will replace support which would otherwise be diminished through changes to the USF program. CAF will allow 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 has applied for participation 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. Beehive expects to receive CAF support in 2013, but that support is contingent on Beehive's rates meeting the FCC-mandated floor, or target rate, which must be, by July 1, 2013, an amount equal to \$14 per access line.

6. If Beehive cannot meet the CAF eligibility requirements, it will result in an annual loss or reduction to the Company of \$212,720, which will otherwise have to be collected in the Company's rates.

7. The amount of the requested rate increase, per residential access line customer will be \$2.33 per month. No change will be made in other rates.

8. The increase to be requested in 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.

10. Beehive subscribers who desire an investigation and hearing may submit a written request for agency action to the Secretary of the Utah Public Service Commission, Heber Wells Building, 4<sup>th</sup> Floor, 160 East 300 South, Salt Lake City, UT 84111, not later than June 30, 2013.

DATED this 31st day of May, 2013.

/s/ Dave Irvine

David R. Irvine

Attorney for Beehive Telephone Co., Inc.