

David R. Irvine (1621)
747 East South Temple Street, Ste. 130
Salt Lake City, UT 84102
Telephone: (801) 579-0802
Telecopier: (801) 579-0801
E-mail: Drirvine@aol.com

Attorney for Petitioner

BEFORE THE UTAH PUBLIC SERVICE COMMISSION

In the Matter of the Petition of)	
Beehive Telephone Co. Inc., for an)	Docket No. 13-051-01
Immediate Increase in Rates.)	
)	
)	

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 files its Petition Requesting an Immediate Increase in Rates, to be effective July 1, 2013. In support of the Petition, 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.

5. The FCC-mandated minimum rate is prescribed in the USF/ICC Transformational Order, issued November 18, 2011 (FCC 11-161). Unless Beehive’s rates are at the FCC target level by July 1, 2013, Beehive’s federal USF support will be reduced by the amount it would have received were the target rate in effect.

6. If Beehive cannot meet the CAF eligibility requirements, it will result in an annual loss or reduction to the Company of \$17,727, 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.

9. In support of this Petition, Beehive is providing Exhibits 1 (Notes to Revenue Requirement Calculation - 2012 Income Statement); 1.1 (Notes to Revenue Requirement Calculation - Revenue Adjustment and Rate of Return); 2 (Proposed Utah Local Tariff Rates); and 3 (Annual Financial Report for 2011 and 2012). These exhibits are proprietary and confidential, and are submitted with the Company's Motion for a Protective Order and draft Order. Exhibit 4 is the Company's proposed PSC Schedule 1, to be effective July 1, 2013.

10. Inasmuch as the FCC has directed the rate increase proposed herein, as a condition of Beehive's CAF participation, and because the Company will sustain a revenue loss in 2013 of \$17,727 if it cannot meet the CAF requirement, Beehive submits that the rates herein proposed are just, reasonable and in the public interest, and should be made effective as of July 1, 2013.

11. On May 31, 2013, Beehive provided notice to the Commission of its intention to seek an immediate rate increase in rates, to be effective July 1, 2013, and the same day provided notice to all its customers, as certified in the Proof of Customer Notice filed with the Commission on June 19, 2013.

DATED this 1st day of July, 2013.

David R. Irvine
Attorney for Beehive Telephone Co., Inc.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Petition for an Immediate Increase in Rates to be served this 1st day of July, 2013, via electronic mail, to the following:

Justin Jetter, Esq.
Assistant Attorney General
jjetter@utah.gov

Paul Proctor, Esq.
Assistant Attorney General
pproctor@utah.gov