



State of Utah
Department of Commerce
Division of Public Utilities

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January 23, 2015

TO: PUBLIC SERVICE COMMISSION

FROM: DIVISION OF PUBLIC UTILITIES
Chris Parker, Director
Bill Duncan, Manager, Telecommunications and Water
Paul M. Anderson, Utility Technical Consultant

Re: Utah Docket No. 14-051-T03, In the Matter of the Petition of Beehive Telephone Co. Inc., for an Increase in Rates.

ISSUE:

Beehive Telephone Company (Beehive) is petitioning the Commission to increase its residential basic service rate R-1 from \$14.00 to \$16.50 and its business basic service rate B-1 from \$16.00 to \$26.00 effective December 1, 2014.

On November 21, 2014, the Company filed a settlement stipulation signed by Beehive, the Division, and the Office. The settlement stipulation provides the following key provisions:

3. On October 31, 2014, the Company filed an application with exhibits, prefiled testimony, and a new rate schedule requesting authority to increase rates to \$16.50 per month for residential subscribers, set a companywide base rate of \$26.00 per month for business subscribers, and to participate in the [UUSF]. The Company's current business subscriber rate is \$16.00 per month in all exchanges except for Ticaboo, where the current rate is \$27.50 per month. The FCC requires participating CAF companies, such as Beehive, to bring their rate levels to the CAF-mandated floor each year as a condition of continued participation. For 2015, the FCC floor is \$16.00 for residential access subscribers, and that rate has to be effective as of December 1, 2014. The increase to \$16.50 for residential subscribers will put Beehive's rates at the current Commission approved Affordable Base Rate that has been

used in similar cases to determine [UUSF] distribution. Thus, an increase to \$16.50 for residential customers will satisfy both the FCC and the Commission requirements.

...

7. ...[T]he parties . . . agree that the Company's proposed interim increase in rates may be made effective as of December 1, 2014, and that final determination of the rate increase and determination of the [U]USF distribution request shall proceed on a schedule to be set at a [subsequent] scheduling conference.

...

10. ...The parties agree that this Stipulation is just and reasonable in result, and is in the public interest.

On November 25, 2014, the Commission held a hearing in this docket. At the end of the hearing, the ALJ ruled from the bench and approved the rates to become effective December 1, 2014.

The Commission approved the stipulation and the increase in rates and UUSF provisions stated therein. A Report and Order (Docket No.14-051-01) was issued December 9, 2013 documenting this approval.

The tariff sheet was inadvertently not filed officially following the Order. Therefore, the Division recommends that it now be filed.

RECOMMENDATION:

The Division recommends that the Commission file the new residential and business rates as approved.

CC: Jake Warner, Beehive Telephone Company-Utah
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office
Marialie Martinez, Manager, Customer Service, Utah Division of Public Utilities
Cheryl Murray, Office of Consumer Services
Ray Hendershot, Beehive Telephone