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June 7, 2016

State of Utah  
Department of Commerce  
Division of Public Utilities

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*Director, Division of Public Utilities*

**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. 16-054-T01, In the Matter of the Petition of Union Telephone Co., for an Increase in Rates to the current Commission approved Affordable Base Rate. Correction: Replaced "Beehive Telephone" with "Union" in second paragraph of previous memo on this Docket.**

**ISSUE:**

Union Telephone Company (Union) is requesting an increase in its basic business and residential telephone rates to the current Commission approved "Affordable Base Rate." Union's current monthly rate for Business is \$21.60 which will increase by \$5.90 to \$27.50. The current monthly rate for Residence is \$12.95 which will increase by \$5.05 to \$18.00.

**RECOMMENDATION:**

The FCC requires that the companies participating in the Connect America Fund (CAF), such as **Union** bring its rate levels to the CAF-mandated floor each year as a condition of continued participation. For 2016, the FCC rate floor is \$18.00 for residential subscribers.

Since the requested residential rate increase is mandated by the FCC for Beehive's continued CAF participation, the Division recommends that the Commission approve the new updated tariff sheet for Docket No. 16-054-T01 effective June 1, 2016 as requested.

**CC:** Cris Reno, Union Telephone Company  
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office  
Marialie Wright, Manager, Customer Service, Utah Division of Public Utilities  
Cheryl Murray, Office of Consumer Services  
Bruce S. Asay, Attorney, Union Telephone