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Division of Public Utilities

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April 26, 2017

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. 17-051-T01, In the Matter of the Petition of Beehive Telephone Co. Inc., for an Increase in the residential rate to the current FCC mandated level for participating CAF companies.

Beehive Telephone Company (Beehive) is requesting an increase in its basic residential telephone rate to the current FCC mandated level for participating CAF companies as required in FCC Public Notice DA 17-167A1 which was released February 14, 2017. Beehive's current monthly rate for Residence (1FR) is \$18.00 which will increase by \$2.00 to \$20.00. Its current monthly rate for Business (1FB) will not change and remain at \$27.50.

RECOMMENDATION:

The FCC requires that the companies participating in the Connect America Fund (CAF), such as Beehive Telephone bring its rate levels to the CAF-mandated floor each year as a condition of continued participation. The 2016 FCC rate floor is \$20.00 for residential subscribers. This increase will not cause Beehive to over earn based on the Division of Public Utilities analysis.

Since the requested residential rate increase is mandated by the FCC for Beehive's continued CAF participation and it does not cause Beehive to over earn, the Division recommends that the Commission approve the new updated tariff sheet for Docket No. 17-051-T01 effective July 1, 2017 as required.

CC: Jacob Warner, President/General Manager 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