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June 1, 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 now petitions to withdraw request.**

Beehive Telephone Company (Beehive) requested an increase in its basic residential telephone rate to the then 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 Beehive requested to increase by \$2.00 to \$20.00. The FCC has since frozen the rate floor at \$18.00 and accordingly, Beehive is **requesting to withdraw its previous rate increase.**

**RECOMMENDATION:**

The FCC requires that the companies participating in the Connect America Fund (CAF), such as Beehive Telephone, bring their rate levels to the CAF-mandated floor each year as a condition of continued participation. The FCC rate floor is now frozen at \$18.00 for residential subscribers. Beehive now wishes to withdraw its request for an increase to \$20.00

This proposed withdrawal is in agreement with the Public Service Commission's Notice of Intent to Amend Utah Administrative Code R746-360-6 and its notice to Grant a Temporary Deviation from that Rule issued May 24, 2017 in Docket No 17-R360-02.

The Division agrees with Beehive's request and recommends that the Commission withdraw Beehive's previous request for a rate increase in Docket No. 17-051-T01 that was to become effective July 1, 2017.

**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