SPENCER J. COX
Governor

DEIDRE M. HENDERS ON
Lieutenant Governor



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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Abdinasir Abdulle, Utility Technical Consultant Supervisor

Gary Smith, Utility Technical Consultant

Annette Orton, Utility Analyst

Date: September 2, 2025

Re: Docket No. 25-051-010, Review of 2024 Annual Report for Beehive Telephone

Company, Inc. and Recommendations for 2026 Utah Universal Service Fund

assistance.

Recommendation (Approve)

The Utah Division of Public Utilities ("Division" or "DPU") recommends the Public Service Commission of Utah ("Commission" or "PSC") adjust the annual Utah Universal Service Fund ("UUSF") amount payable to Beehive Telephone Company, Inc. ("Beehive" or "Company") to annually, or monthly, effective January 1, 2026. This is an increase of from the prior year's recommendation.

Issue

PSC Rule R746-8-401 requires the DPU to make annual recommendations to the PSC for adjustments to the monthly UUSF distribution to each provider based on an established FCC rate of return and the provider's financial information from its last Annual Report filed with the Commission. On April 15, 2025, the Company filed its annual report of operations in compliance with this rule. The Commission issued an Action Request on April 15, 2025, for the Division to review the filing and make recommendations by September 2, 2025. This memo is the Division's response to the Commission's Action Request. Included with this



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memo is a comprehensive audit report with details of the Company's 2024 operations and recommended changes to the UUSF distribution for Beehive.

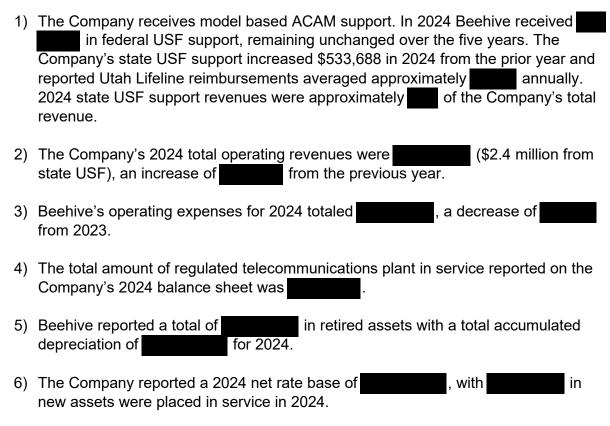
Background

The Division has reviewed the annual report of Beehive received on April 14, 2025. Pursuant to PSC Rule R746-8-401(4), the Division has calculated the amount of UUSF eligibility to be \$2,579,638 annually. This is an increase of \$76,543 from the amount currently approved by the Commission.

Discussion

in its areas.

In calculating the UUSF eligibility for Beehive, the Division noted the following:



exchanges statewide. The Company reported that it only provides voice only service

7) The Company provides service to residential and business customers in

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- 8) The Company's access connections were charged at rates at the minimum set by the Commission, resulting in \$0 imputed revenues.
- 9) The Company had no Accumulated Deferred Income Tax (ADIT) and no Excess Deferred Income Tax (EDIT).

Conclusion

The DPU recommends adjusting the 2026 Utah USF distribution for Beehive Communications Co., Inc. to annually, or monthly, effective January 1, 2026.

cc: Cameron Francis – Beehive Telephone Company, Inc.

Larry Mason – Beehive Telephone Company, Inc.