

**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF F.C.C. NO. 1

Transmittal No. 22

December 17, 2001

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**BEEHIVE TELEPHONE COMPANY, INC.
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SECTION 1

DESCRIPTION and JUSTIFICATION

DESCRIPTION

The accompanying tariff material, issued on behalf of Beehive Telephone Company, Inc. and Beehive Telephone Co., Inc. Nevada ("Beehive"), and bearing Tariff F.C.C. No. 1, effective January 1, 2002 is being provided to support new access rates filed as an ILEC subject to rate-of-return regulation pursuant to the MAG Order. As required by the Order, all calculations in this filing are based on the demand data used in the last annual tariff filing made by Beehive, i.e. 1999 and 2000 financial and demand data.

JUSTIFICATION

This filing is being made in compliance with the December 17, 2001 MAG Access Charge Tariff Filings, CCB/CPD 01-23.

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SECTION 2

COMPLIANCE WITH COMMISSION RULES

This filing is in compliance with the requirements of the December 17, 2001 MAG Access Charge Tariff Filings, CCB/CPD 01-23. As required by the Commission, this filing is based on the 1999 and 2000 financial and demand data as this data was used in Beehive's last tariff filing. Based on the Commission's request that cost support be provided with the tariff filing, Beehive has included a summary of that support with this filing. A copy of the original support data was provided to the Commission with Beehive's last tariff filing effective July 1, 2001. However, if requested, Beehive will provide the Commission with another copy.

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SECTION 3

COST DEVELOPMENT

This tariff filing is made pursuant to the MAG Access Order which requires this tariff filing to be a revenue neutral filing. Therefore, all calculations are based on the financial and demand data used in the last annual tariff filing made by Beehive.

Pursuant to the MAG Access Order, Beehive made the following changes to the costs developed in its last tariff filing effective July 1, 2001:

1. Costs, provided by NECA, associated with Line Ports were shifted from the Local Switching Revenue Requirement to the Common Line Revenue Requirement. Since Beehive's tariff is based on two years' data, the line port costs provided by NECA were doubled in order to correctly calculate rates.
2. As required in the December 11, 2001 Declaratory Ruling, Beehive compared the TIC revenues billed for the period of July 1, 2000 through June 30, 2001 to the TIC Revenue Requirement calculated in its last tariff filing to determine the revenue amount to allocate among the various access elements. Beehive billed \$0 in TIC for that period and therefore allocated \$0 among all the access categories. The TIC revenue requirement of \$392,453 calculated in the last tariff filing was added back to the Tandem Switching Revenue Requirement. As indicated in the last tariff filing the TIC Revenue Requirement was calculated as 30% of the Tandem Switching Revenue Requirement.

Support for the above can be found on Worksheet 3. To facilitate review, Worksheet 4 provides the revenue requirements and Worksheet 5 provides demand data as filed in Beehive's last tariff filing effective July 1, 2001. Worksheet 6 describes the flow of information used in the development of rates.

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SECTION 4

RATE DEVELOPMENT

Worksheets 1 and 2 describe the development of Local Switching and Transport Rates. The worksheets indicate the step by step calculation of these rates by rate element. Revenue requirements, by rate element, were divided by total 1999/2000 demand as well as miles where appropriate. Revenue requirements reflecting revenue shifts per the MAG Access Order can be found on Worksheet 3. Again, to facilitate review, the Original Revenue Requirements and demand data filed in Beehive's tariff filing effective July 1, 2001, are included in Worksheets 4 and 5 respectively.

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SECTION 5

HIGHLIGHTED INFORMATION

As required by the MAG Access Charge Tariff Filing Order, Beehive highlights the following information:

1. the revenues for the period January 1, 2002 to June 30, 2002 resulting from the increase to the SLC caps, with residential and single-line business and multi-line business revenues separately stated;

Beehive is a member of the NECA Common Line Pool. NECA has indicated to Beehive that it is including Beehive's information regarding SLC increases in its tariff filing. Beehive estimates a \$7,317 increase in revenues due to the \$1.50 increase in residential SLC charges, a \$2,817 increase in revenues due to the \$1.50 increase in single-line SLC charges, and a \$1,498 increase in revenues due to the \$3.20 increase in multi-line SLC charges. The total estimated increase in SLC revenues for the period of January 1, 2002 to June 30, 2002 is \$11,632.

2. the revenue requirement shifted from Local switching to the common line category;

Beehive shifted \$182,036 from the Local switching revenue requirement to the Common Line revenue requirement. Beehive concurred with NECA's calculation of the line port costs. NECA's estimate of \$91,018 had to be doubled for Beehive's tariff filing as it is based on two years' data rather than one year. Beehive has notified NECA that it agrees with NECA's calculation.

3. the revenue requirement shifted from the transport interconnection charge (TIC) to the common line category;

Beehive shifted \$0 from the TIC to the common line access element. Beehive billed \$0 in Transport Interconnection Charges for the period of July 1, 2000 through June 30, 2001. The TIC revenue requirement developed in the last tariff filing as 30% of the Tandem Switching Revenue Requirement was added back to Tandem Switching Revenue Requirement for purposes of this filing. NECA has been notified.

4. the net change (increase or decrease) in the carrier common line revenue requirement;

As a result of the MAG Order requirements, the common line revenue requirement increased by \$182,036 due to the shift of line port cost from local switching (\$182,036) and the allocation of TIC revenues (\$0). However, \$11,632 more of the Common Line Revenue Requirement will be recovered through the SLC Charges rather than access rates and the NECA Pool due to the increased SLC rates.

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SECTION 6

TRENDING

Below is a comparison of rates calculated pursuant to the MAG Access Order to Beehive's current rates as filed in its tariff effective July 1, 2001. All shifts are due to the Order's requirements and as such this tariff is revenue neutral.

	Rates Per MAG Access Order January 1, 2002	Rates Per Tariff Filing July 1, 2001	Percent Change
Local Switching	.042467	.045898	-7.48%
Tandem Switching	.032572	.022805	42.83%
Transport Facility	.000292	.000292	0%
Transport Termination	.010750	.010750	0%
Transport Interconnection (TIC)	XXXX	.007400	-100%

The decrease in Local Switching rates is due to the shift of cost associated with line ports to the common line element. The increase in Tandem rate is due to the TIC revenue requirement of \$392,453 calculated in the last tariff filing being added back to the Tandem Switching Revenue Requirement. *See* Section 3 of the Description and Justification for further explanation. As required by the Order, the TIC Rate has been eliminated.

**BEEHIVE TELEPHONE COMPANY, INC.
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Section 8 **Rates and Charges**

Section 8.1 **Switched Access Service**

Section 8.1.2 **End Office**

Section 8.1.2.1 **LOCAL SWITCHING**

1. Total Local Switching Revenue Requirement (Source: Worksheet 3)		\$2,252,130
2. Total Minutes (Source: Worksheet 5)	53,034,166	
3. Local Switching Premium Rate Per Min. (Line 1 / Line 2)		0.042467

WORKSHEET 2

BEEHIVE TELEPHONE COMPANY, INC. BEEHIVE TELEPHONE CO., INC. NEVADA

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Section 8.1.1 TRANSPORT

Section 8.1.1.1 Premium Access

1	Total Transport Termination Revenue Requirement (Source: Worksheet 3)	\$570,115
2	Total Minutes (Source: Worksheet 5)	53,034,166
3	Transport Termination Rate per Minute per Termination (Line 1 / Line 2)	0.010750
4	Total Transport Facility Revenue Requirement (Source: Worksheet 3)	\$1,374,000
5	Total Minutes (Source: Worksheet 5)	53,034,166
6	Total Composite Miles	88.77
7	Transport Facility Rate per Minute per Mile (Line 4 / Line 5 / Line 6)	0.000292
8	Total Transport Tandem Switching Revenue Requirement (Source: Worksheet 3)	\$1,308,177
9	Tandem Switched Minutes (Source: Worksheet 5)	40,155,031
10	Tandem Switching Rate per Minute per Access Tandem (Line 8 / Line 9)	0.032578

WORKSHEET 3**BEEHIVE TELEPHONE COMPANY, INC.
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	<u>Revenue Requirement Per Last Tariff Filing</u>	<u>Shift 30% Local Switching Rev. Req.</u>	<u>Rev. Req. After 30% Loc. Sw. Shift</u>	<u>Allocation of TIC</u>	<u>Difference Between TIC Revenues Billed and TIC Revenue Requirement</u>	<u>Rev. Req. per MAG Order</u>
Common Line	684,242	182,036 ¹⁾	866,278			866,278
Local Switching	2,434,166	(182,036) ¹⁾	2,252,130			2,252,130
Tandem Switching	915,724		915,724		392,453	1,308,177
Transport Facility	1,374,000		1,374,000			1,374,000
Transport Termination	570,115		570,115			570,115
TIC	392,453		392,453		(392,453)	XXXX
TOTAL	6,370,700	0	6,370,700	0		6,370,700
TOTAL EXCL. TIC			5,978,247			

¹⁾ Provided by NECA

WORKSHEET 4

BEEHIVE TELEPHONE COMPANY
REVENUE REQUIREMENT
2001 TARIFF FILING
EFFECTIVE JULY 1, 2001

		LOCAL SWITCHING	TANDEM SWITCHING	TRANSPORT FACILITY	TRANSPORT TERMINATION	TOTAL
UTAH	1999	928,836	518,459	410,478	183,338	2,041,111
NEVADA	1999	281,689	131,861	316,277	83,890	813,717
UTAH	2000	912,657	512,309	316,813	191,687	1,933,466
NEVADA	2000	<u>310,984</u>	<u>145,548</u>	<u>330,432</u>	<u>111,200</u>	<u>898,164</u>
TOTAL		2,434,166	1,308,177	1,374,000	570,115	5,686,458

Note: These Revenue Requirements were calculated in Beehive's Original tariff Filing effective July 1, 2001. The Tandem Switching Revenue Requirement includes the TIC revenues of \$392,453.

BEEHIVE TELEPHONE COMPANY
ACCESS MINUTES
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		<u>TOTAL</u>	<u>TANDEM MINUTES</u>
UTAH	1999	21,389,661	20,113,178
NEVADA	1999	5,647,436	0
UTAH	2000	21,511,018	20,041,853
NEVADA	2000	<u>4,486,051</u>	<u>0</u>
TOTAL		53,034,166	40,155,031

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