

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

TARIFF F.C.C. NO. 1

Transmittal No. 24

June 4, 2002

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SECTION 1

DESCRIPTION and JUSTIFICATION

DESCRIPTION

The accompanying 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 July 1, 2002 is being provided to support new access rates. Beehive requests that these rates be effective for one year. Beehive will then file a tariff as required by §69.3 (f) effective July 1, 2003.

This filing is required due to increased demand. For this study, Beehive used 2000 and 2001 financial and demand data to calculate revenues and develop the new rates.

JUSTIFICATION

Due to increased demand, Beehive is making this filing in order to adjust Interstate access rates to reflect Beehive's revenue requirement.

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SECTION 2

COMPLIANCE WITH COMMISSION RULES

This filing is in compliance with the requirements of the Communication Act of 1934, as amended. In addition, this filing is in compliance with the requirements of the December 17, 2001 MAG Access Charge Tariff Filings. Rather than using the revenue requirements from the previous filing, Beehive has updated revenue requirements and demand to reflect the most recent two years, 2000 and 2001.

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SECTION 3

COST DEVELOPMENT

This tariff filing is based on data from the last two years for calculating revenues and demand. Using 2000 and 2001 audited financials, Beehive excluded all non-regulated and non-operating costs, and allocated the remaining investments, reserves and expenses to the proper jurisdiction according to Part 36 rules. The resulting Interstate amounts were then allocated to the appropriate Part 69 rate element based on Part 69 rules. Beehive specifically identified in the Part 69 the investment dollars associated with local switching, tandem switching, tandem switched termination, and tandem switched facility. As a result all costs were allocated to the appropriate rate element. To determine revenue requirements, each Interstate rate element's net investment was multiplied by an 11.25% rate of return resulting in a return on investment. That amount, plus the jurisdictional state and federal taxes and expenses resulted in the revenue requirement. This process was completed for Beehive Utah 2000, Beehive Utah 2001, Beehive Nevada 2000, and Beehive Nevada 2001. The revenue requirements, calculated by rate element, for each of the studies were then added together to develop a total 2000/2001 revenue requirement by rate element.

Pursuant to the MAG Access Order, Beehive made the following changes to the revenue requirements developed above:

1. 30% of the Local Switching Revenue Requirement calculated after subtracting Local Switching Support was excluded from the local switching element and transferred to the Common Line element. These are the cost associated with Line Ports that are now considered a NTS element.
2. Beehive billed no TIC revenues for the period July 1, 2000 through June 30, 2001. Therefore, there are no TIC revenues to allocate as prescribed by the MAG Order.

The adjusted revenue requirements were then divided by Beehive's access demand and composite miles, where applicable, to determine the filed access rates. A summary of demand can be found on Worksheet 4.

Support for the above calculations are on Worksheet 3. Worksheet 5 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. To calculate rates, revenue requirements, by rate element, were divided by total 2000/2001 demand as well as miles where appropriate. Revenue requirements reflecting revenue shifts per the MAG Access Order as well as the demand used are on Worksheet 3.

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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 July 1, 2002 to June 30, 2003 resulting from the increase to the residential and single-line SLC caps

Beehive is a member of the NECA Common Line Pool. NECA has indicated that it is including Beehive's information regarding SLC increases in its tariff filing. Beehive estimates a \$13,512 increase in revenues due to the \$1.00 increase in residential and single-line business SLC rates for the period July 1, 2002 through June 30, 2003.

As stated in Beehive's December 17, 2001 Description and Justification, Beehive estimated 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. These increases resulted in an estimated increase in SLC revenues of \$11,632 for the period of January 1, 2002 to June 30, 2002.

Therefore, as a result of the MAG Access Order SLC rate increases, Beehive's SLC charges will increase approximately \$36,776 for the period July 1, 2002 through June 30, 2003.

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

Beehive shifted \$637,040 from the Local switching revenue requirement to the Common Line revenue requirement. This revenue requirement is based on data for two years, the \$637,040 reflects a two-year period.

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.

4. 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 \$637,040 due to the shift of line port cost from local switching (\$637,040) and the allocation of TIC revenues (\$0). However, \$36,776 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 for Beehive tariff effective July 1, 2002 to Beehive's current rates as filed in its tariff effective December 17, 2001. The decrease in all rates is due to an increase in demand..

	Rates Per MAG Access Order January 1, 2002	Rates Per Tariff Filing July 1, 2002	Percent Change
End Office			
Local Switching (Per Access Minute Per Switch)	\$.042467	\$.020271	-52.27%
Tandem Switched Transport			
Tandem Switching (Per Access Minute Per Tandem)	\$.032572	\$.017367	-46.68%
Tandem Switched Facility (Per Access Minute Per Mile)	\$.000292	\$.000194	-33.56%
Tandem Switched Termination (Per Access Minute Per Termination)	\$.010750	\$.003493	-67.51%

**BEEHIVE TELEPHONE COMPANY, INC.
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June 4, 2002 Rate Development

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)		\$1,486,426
2.	Total Minutes (Source: Worksheet 5)	73,328,629	
3.	Local Switching Premium Rate Per Min. (Line 1 / Line 2)		0.020271

WORKSHEET 2**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA****TARIFF FCC No. 1****June 4, 2002 Rate Development**Section 8.1.1 **TRANSPORT**Section 8.1.1.1 **Premium Access**

1 Total Transport Termination Revenue Requirement (Source: Worksheet 3)		\$750,664
2 Total Minutes (Source: Worksheet 5)	214,933,805	
3 Transport Termination Rate per Minute per Termination (Line 1 / Line 2)		0.003493
4 Total Transport Facility Revenue Requirement (Source: Worksheet 3)		\$1,414,499
5 Total Minutes (Source: Worksheet 5)	73,328,629	
6 Total Composite Miles	99.3	
7 Transport Facility Rate per Minute per Mile (Line 4 / Line 5 / Line 6)		0.000194
8 Total Transport Tandem Switching Revenue Requirement (Source: Worksheet 3)		\$1,270,543
9 Tandem Switched Minutes (Source: Worksheet 5)	73,159,716	
10 Tandem Switching Rate per Minute per Access Tandem (Line 8 / Line 9)		0.017367

WORKSHEET 3**BEEHIVE TELEPHONE COMPANY, INC.
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REVENUE REQUIREMENT	COMMON LINE	LOCAL SWITCHING	TANDEM SWITCHING	TRANSPORT FACILITY	TRANSPORT TERMINATION	TOTAL
2001 Beehive - Utah	453,702	927,977	520,825	478,490	264,890	2,645,884
2001 Beehive - Nevada	1,507,153	196,295	91,861	288,764	182,887	2,266,960
2000 Beehive - Utah	325,586	912,657	512,309	316,813	191,687	2,259,052
2000 Beehive - Nevada	52,048	310,984	145,548	330,432	111,200	950,212
TOTAL	2,338,489	2,347,913	1,270,543	1,414,499	750,664	8,122,108
Less: LSS Support		(224,448)				(224,448)
Less: 30% shift to Common Line	637,040	(637,040)				0
Revenue Requirement for Rate Development	2,975,529	1,486,426	1,270,543	1,414,499	750,664	7,897,660
DEMAND/ACCESS MINUTES		73,328,629	73,159,716	73,328,629	214,933,805	
COMPOSITE MILES				99.3		
RATES		0.020271	0.017367	0.000194	0.003493	

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		<u>TOTAL</u>	<u>TANDEM MINUTES</u>	<u>TERMINATION MINUTES</u>
UTAH	2000	21,511,018	21,425,365	62,233,846
NEVADA	2000	4,486,051	4,486,051	13,218,643
UTAH	2001	23,470,977	23,387,717	68,044,389
NEVADA	2001	<u>23,860,583</u>	<u>23,860,583</u>	<u>71,436,927</u>
TOTAL		73,328,629	73,159,716	214,933,805

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Cost Development**

