

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

**TARIFF F.C.C. NO. 1**

**Transmittal No. 32  
March 17, 2006**

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**DESCRIPTION**

Beehive Telephone Company, Inc and Beehive Telephone Co., Inc Nevada ("Beehive") are revising their Tariff F.C.C. No. 1, effective on fifteen days notice, to clarify that they provide tandem switched transport service pursuant to the regulations, terms, and conditions set forth in Section 6 of the Access Service Tariff F.C.C. No. 5 of the National Exchange Carrier Association, Inc. ("NECA") Beehive is also adopting a new Tandem Switched Transport Termination rate that will be applied at each Beehive end office rather than the three (3) Tandem Switched Termination charges previously applied. No revisions to the Beehive interstate revenue requirement were required to develop the Tandem Switched Transport Termination rate. Beehive used the same 2003 and 2004 financial and demand data that was employed to develop its current switched access service rates, which were contained in its 2005 biennial tariff filing, and became effective July 1, 2005. Thus, the total Transport Termination revenue requirement of \$1,963,023 was again used to develop the new Tandem Switched Transport Termination rate of \$0.008163 per minute

Figures 1 and 2 are copies of materials provided by NECA that are consistent with its interpretation of § 6.1.3(A)(3) of its Tariff 5 as it applies when an intermediate tandem is employed. Only one termination charge is applied by the terminating carrier where the access tandem function is provided by another LEC. Facility charges apply for the mileage between the end office and the access tandem.

Beehive has an intermediate tandem switch at Wendover, Utah interconnected between Beehive's end offices and tandem switches owned by other incumbent local exchange carriers. A Nevada Bell access tandem at Reno, Nevada switches traffic originating from and terminating to Beehive end offices in Nevada; a Qwest access tandem at Salt Lake City, Utah switches traffic originating from or terminating to Beehive end offices in Utah. Beehive's intermediate tandem switch performs tandem switching for traffic originating and terminating to Beehive's subtending end offices, but is not designated as an access tandem. The facility termination equipment which drives the termination expense exists at three points for each call as follows: the RBOC side of the intermediate tandem, the end office side of the intermediate tandem, and at the end office switch. All termination expense has always been aggregated and simply divided by the number of facility termination points. This method, while providing appropriate cost recovery, adds unnecessary complexity to the billing process.

Interexchange carrier traffic is transported over common trunk groups between Beehive's intermediate tandem and the Nevada Bell or Qwest tandem. IXCs have not ordered direct trunks to the Beehive intermediate tandem. Tandem Switched Facility charges are applied based upon a meetpoint between Beehive's Wendover tandem and the Nevada Bell access tandem in Reno and the Qwest access tandem in Salt Lake City. On certain routes, Beehive's trunks are connected to a Frontier Communications meetpoint. Appropriate billing percentages have been developed between Beehive end offices, Frontier Communications, Nevada Bell, and Qwest, which are referenced in NECA's Tariff F.C.C. No. 4.

Because Beehive developed its new Tandem Switched Transport Termination rate on the basis of the same demand and revenue requirement used for its current rates, this tariff filing is essentially revenue neutral. Instead of dividing its revenue requirement (\$1,963,023) by its total minutes per-termination (708,052,373) as it did for its 2005 tariff filing, Beehive divided its revenue requirement by its total access minutes (240,492,316). Although its Tandem Switched Transport Termination rate will increase from \$0.002772 to \$0.008163 per-minute, Beehive will bill \$0.008163 per minute for all calls when it currently charges \$0.008316 (3 x \$0.002772) per minute for the vast majority of calls.

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**JUSTIFICATION**

This filing is being made pursuant to § 204(a)(3) of the Communications Act of 1934, as amended ("Act"), which provides that a "local exchange carrier *may* file with the Commission a new or revised charge . . . on a streamlined basis." 47 U.S.C. § 204(a)(3) (emphasis added). Thus, local exchange carriers are free to file revisions to their access rates "at any time." *Annual 1990 Access Tariff Filings*, 5 FCC Rcd 4177, 4236 (Com. Car. Bur. 1990).

**REGULATORY COMPLIANCE**

This filing is in compliance with the requirements of the Act, the Commission's Rules ("Rules"), and its 2001 rate-of-return access charge reform order. See *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap ILECs and IXC's*, 16 FCC Rcd 19613 (2001) ("MAG Access Order"). Beehive has opted not to provide documentation as prescribed by §61.39 of the Rules regarding companies with less than 50,000 access lines. However, Beehive will provide documentation if requested by the Commission.

**COST DEVELOPMENT**

Using 2003 and 2004 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 according to Part 69 rules 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 2003, Beehive Utah 2004, Beehive Nevada 2003, and Beehive Nevada 2004. The revenue requirements, calculated by rate element, for each of the studies were then added together to develop a total 2003/2004 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 costs associated with Line Ports that are now considered an NTS element.
2. Beehive billed \$0 in TIC revenues for the period July 1, 2000 through June 30, 2001. Therefore, there are no TIC revenues to allocate to the various access elements as prescribed by the *MAG Access Order*.

The adjusted revenue requirements were then divided by Beehive's access demand and composite miles, where applicable, to determine the filed access rates. Support for the above calculations can be found on Worksheet 2.

**RATE DEVELOPMENT**

Worksheets 1 and 2 describe the development of the Tandem Switched Transport Termination rate. To calculate the rate, Transport Termination revenue requirement of \$1,963,023 was divided by total 2003/2004 total access minutes

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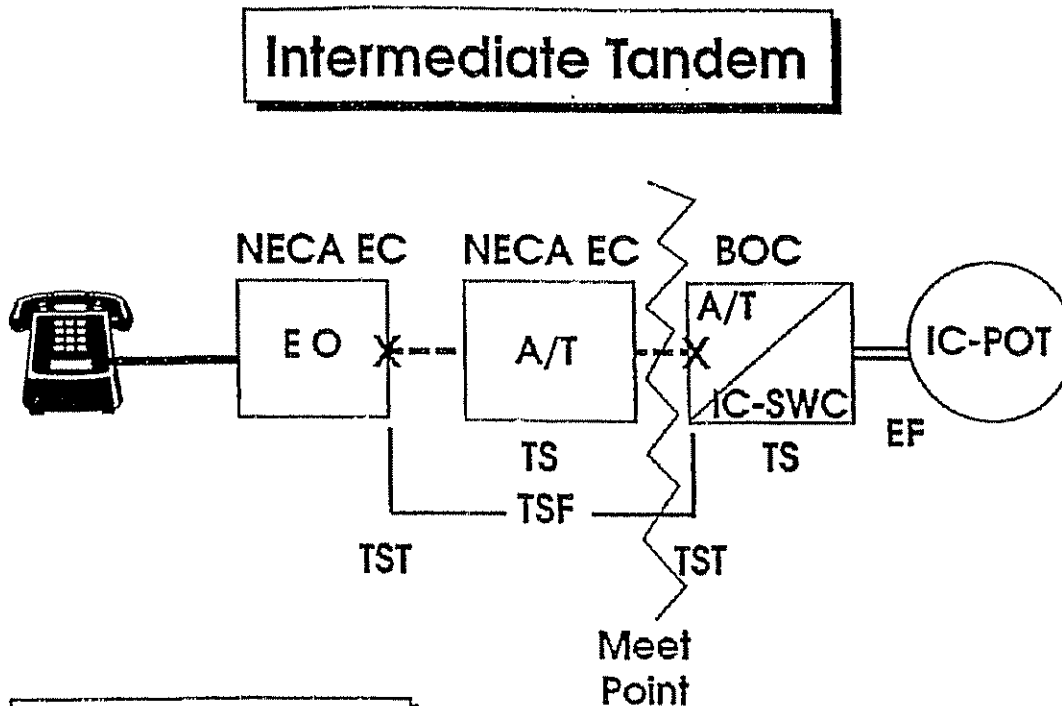
(240,492,316). Revenue requirements reflecting revenue shifts per the *MAG Access Order* can be found on Worksheet 2. All information set forth in Worksheet 2 is the same as shown in Worksheet 3 of the Description and Justification, dated June 28, 2005, that supported Transmittal No. 28, except the minutes used in the development of the new Tandem Switched Transport Termination rate.

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FIGURE 1



**Tandem Switching**

- ☐ TS is charged at NECA Access Tandem
- ☐ BOC could also charge TS at their Access Tandem

**Tandem Switching Facility**

- ☐ TSF is measured from the NECA EO to the BOC Access Tandem/IC-SWC
- ☐ Meet Point Billing Percentage is applied

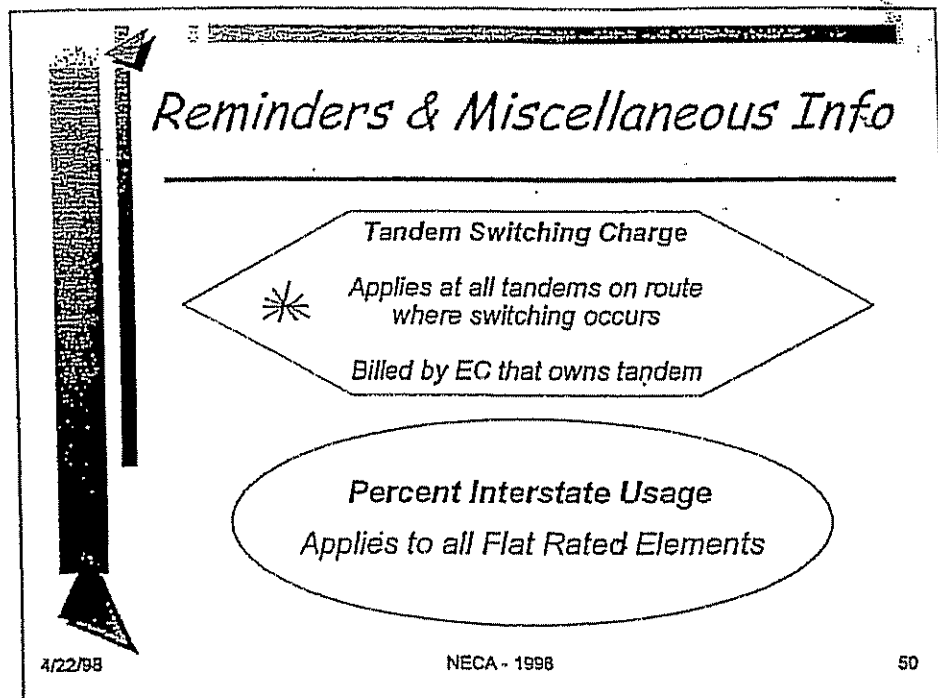
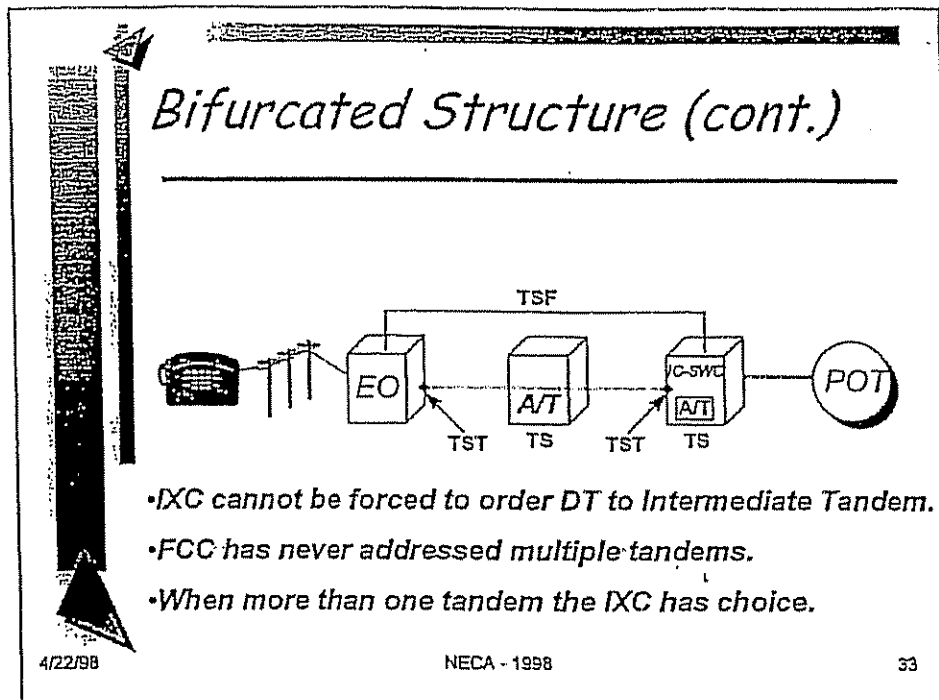
**Tandem Switching Termination**

- ☐ One TST is charged at the NECA EO & IC-SWC (if applicable)

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FIGURE 2



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**WORKSHEET 1**

**Section 8 Rates and Charges**

**Section 8.1 Switched Access Service**

**Section 8.1.1 Tandem Transport**

**Section 8.1.1.1 Premium Access**

1	Total Transport Termination Revenue Requirement (Source: Worksheet 2)	\$1,963,023
2	Total Access Minutes (Source: Worksheet 2)	240,492,316
3	Tandem Switched Transport Termination Rate Per Minute (Line 1 / Line 2)	\$0.008163

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**WORKSHEET 2**

<b>REVENUE REQUIREMENT</b>	<b>LOCAL SWITCHING</b>	<b>TANDEM SWITCHING</b>	<b>TRANSPORT FACILITY</b>	<b>TRANSPORT TERMINATION</b>	<b>TOTAL</b>
2004 - Utah	1,797,125	199,842	791,221	625,386	3,413,574
2004 – Nevada	330,440	308,147	1,452,666	538,181	2,629,434
2003 – Utah	1,349,462	150,997	798,417	409,496	2,708,372
2003 – Nevada	204,983	191,955	1,026,053	389,960	1,812,951
Total	3,682,010	850,941	4,068,357	1,963,023	10,564,331
Less: LLS Support	(185,772)				(185,772)
Less: 30% to Common Line	(1,048,871)				(1,048,871)
REVENUE REQUIREMENT	2,447,367	850,941	4,068,357	1,963,023	9,329,688
DEMAND/ACCESS MINUTES	240,492,316	239,935,994	240,492,316	240,492,316	
COMPOSITE MILES			119.6		
RATES	0.010176	0.003547	0.000141	0.008163	