(Decision No. C90-932)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

AMENDMENTS TO RULES UNDER § 40-15-108, C.R.S. PRESCRIBING COST-ALLOCATION METHODS FOR SEGREGATION OF INVESTMENTS AND EXPENSES OF TELECOMMUNICATIONS PROVIDERS, (COLORADO UNIVERSAL SERVICE FACTOR), 4 CCR 723-27.	DOCKET NO. 89R-608T COMMISSION DECISION ADOPTING RULES

July 11, 1990

STATEMENT, FINDINGS, AND CONCLUSIONS

BY THE COMMISSION:

The basis and purpose for Rules 15 through 20 are to prescribe intrastate cost apportionment methods for small local exchange providers in order to promote a competitive telecommunications marketplace, to establish fair, just and reasonable charges for access services provided by small local exchange providers and to guarantee the affordability of basic telephone service. Rules 15 through 20 establish the policies and requirements for apportioning the intrastate investments and expenses of small local exchange providers. Small local exchange providers are defined as telecommunication service providers, who furnish 50,000 or fewer access lines and who have opted to have their access charges regulated by the Commission in accordance with Part 2 of Article 15, Title 40, C.R.S. as stated in § 40-15-105(2), C.R.S., hereafter referred to as "small LECs".

The statutory authority for Rules 15 through 20 is §§ 24-4-103, 40-2-108, 40-3-101, 40-3-110, 40-4-111, 40-15-101, 40-15-106, 40-15-107, and 40-15-108 C.R.S.

With the addition of Rules 15 through 20 to the what are now titled the Rules under § 40-15-108, C.R.S. Prescribing Cost-Allocation Methods for Segregation of Investments and Expenses of Telecommunications Providers found at 4 CCR 723-27, and since the rules are broader than the present title, the title of all of the rules should be modified to be:

COST-ALLOCATION RULES FOR TELECOMMUNICATIONS
SERVICE PROVIDERS AND TELEPHONE UTILITIES

In addition, the rules should be divided into three parts to reflect the nature of each part and for clarity, as follows:

> PART 1 - Rules under §40-15-108, C.R.S. Prescribing Cost-Allocation Methods for Segregation of Investments and Expenses of Telecommunications Providers
>
> PART 2 - Rules Prescribing the Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes, and Reserves for Access Charges of Small Exchange Telecommunications Service Providers and the Colorado High Cost Fund
>
> PART 3 - Waivers from Rules and Incorporation of Rules of the Federal Communications Commission by Reference

In order to implement the stated purpose of Rules 15 through 20, Rules 15 through 20 shall be universally applicable to all small LECs. These rules shall be applicable to small LECs which have not yet filed for expanded local calling areas and to small LECs which do not choose to draw upon the Colorado High Cost Fund (CHCF). All local exchange providers, as defined in § 40-15-102(18), C.R.S., shall participate in funding half of the CHCF by the assessment of a statewide uniform surcharge per access line.

The Task Force established in Docket No. 89M-083T shall review the calling patterns of those small LECs which have not filed for expanded local calling areas. Within 60 days, the Task Force shall submit a report concerning small LECs which may be providing Expanded Area Service (EAS) already. The Task Force should advise whether small LECs providing EAS should be certified as providing a level of local exchange service which meets the Commission's community of interest standard recognized in Docket Nos. 1766, 90S-053T through 90S-072T.

The Commission will not include in these rules a mandatory rate of return as requested by several commentators. Instead, each small LEC shall file with the Commission a company-specific rate of return based upon the small LEC's own capital structure, return on equity, and cost of debt, as part of its "CICP" filing required by Decision No. C90-503 in Dockets 89S-053T through 89S-073T for Commission approval.

Certain commentators have requested an extension of the 30-day filing requirement contained in Ordering Paragraph 2 of Commission Decision C90-503 in Dockets 89S-053T through 89S-073T. The Commission finds that this request is reasonable and will by appropriate orders in those dockets extend the time for a total period of 90 days.

Notice of these rules was filed with the Office of Regulatory Reform at least ten days prior to the publication of the Notice of these proposed rules in compliance with § 24-4-103.5, C.R.S. Notice of these rules was provided in the Colorado Register by the Secretary of State as required by § 24-4-103, C.R.S., on December 10, 1989. There were no requests for a regulatory analysis of these rules. The public hearing on these rules was held on January 19, 1990. Less than 180 days have elapsed since the date of hearing and the date these rules are adopted.

The Commission finds that Rules 15 through 20 as found in Appendix A to this decision should be adopted by the Commission as final rules. The Commission further finds that the title of all of the rules found at 4 CCR 723-27 should be modified as stated earlier in this decision and that the rules should be divided into three parts as stated earlier in this decision. For purposes of clarity, the relevant pages of the existing rules are included in Appendix A indicating the placement of the new title and the titles of the three parts. In all other respects, Rules 1 through 14, 21 and 22 remain the same.

By adopting these rules, the Commission is amending its rules found at 4 CCR 723-27, which were adopted in Docket No. 89R-599T, and which were effective on April 30, 1990, by adding Rules 15 through 20, by modifying the title of all of the rules, and by dividing the rules into three parts. These rules and modifications are clear and simple and can be understood by the persons expected to comply with them. They do not conflict with any provision of law and are enacted in compliance with the statutory authority cited in the rules. There is no duplication or overlapping of the rules. The Commission has complied with the procedures established in Title 40 and Title 24 of the Colorado Revised Statutes for the enactment of these rules and the rules as adopted are consistent with the subject matter stated in the notice published in the Colorado Register on December 10, 1989.

These rules should be submitted to the Office of the Attorney General for its opinion for legality and constitutionality as required by statute.

THEREFORE THE COMMISSION ORDERS THAT:

1. The title of the rules presently found at 4 CCR 723-27 shall be amended to be "Cost-Allocation Rules for Telecommunications Service Providers and Telephone Utilities". The Cost-Allocation Rules for Telecommunications Service Providers and Telephone Utilities shall be divided into three parts as identified in this decision. The amended title of these rules, the titles and location of the three parts to these rules, and Rules 15 through 20 attached to this decision in Appendix A are adopted as amendments to what are now titled the Rules under § 40-15-108, C.R.S. Prescribing Cost-Allocation Methods for Segregation of Investments and Expenses of Telecommunications Providers.

2. The amendments to the rules found in Appendix A to this decision shall be effective 20 days after publication by Secretary of State.

3. An opinion of the Attorney General of the State of Colorado will be promptly sought regarding the constitutionality and legality of the amendments to the rules found in Appendix A to this decision.

4. The Commission Secretary shall file with the Office of the Secretary of the State of Colorado, for publication in The Colorado Register, a copy of the amendments to the rules found in Appendix A, adopted by this decision, and when obtained, a copy of the opinion of the Attorney General of the State of Colorado regarding the constitutionality and legality of these rules.

5. The rules amendments to the rules found in Appendix A shall be submitted by the Commission Secretary to the appropriate committee of reference of the Colorado General Assembly, if the General Assembly is in session at the time this Order becomes effective, or to the Committee on Legal Services, if the General Assembly is not in session, for its opinion as to whether the adopted rules conform with § 24-4-103, C.R.S.

6. The 20-day period to file applications for reconsideration, rehearing, and reargument begin on the date this decision is served or mailed, whichever occurs first.

This Decision is effective immediately.

DONE IN OPEN MEETING July 11, 1990.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Arnold H. Cook

Ronald L. Lehr

Gary L. Nakarado

Commissioners

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BASIS, PURPOSE, AND STATUTORY AUTHORITY

The basis and purpose for Rules 15 through 20 are to prescribe intrastate cost apportionment methods for small local exchange providers in order to promote a competitive telecommunications marketplace, to establish fair, just and reasonable charges for access services provided by small local exchange providers and to guarantee the affordability of basic telephone service. Rules 15 through 20 establish the policies and requirements for apportioning the intrastate investments and expenses of small local exchange providers. Small local exchange providers are defined as telecommunication service providers, who furnish 50,000 or fewer access lines and who have opted to have their access charges regulated by the Commission in accordance with Part 2 of Article 15, Title 40, C.R.S. as stated in § 40-15-105(2), C.R.S., hereafter referred to as "small LECs".

The statutory authority for Rules 15 through 20 is §§ 24-4-103, 40-2-108, 40-3-101, 40-3-110, 40-4-111, 40-15-101, 40-15-106, 40-15-107, and 40-15-108 C.R.S.

With the addition of Rules 15 through 20 to the what are now titled the Rules under § 40-15-108, C.R.S. Prescribing Cost-Allocation Methods for Segregation of Investments and Expenses of Telecommunications Providers found at 4 CCR 723-27, and since the rules are broader than the present title, the title of all of the rules should be modified to be:

<u>COST-ALLOCATION RULES FOR TELECOMMUNICATIONS SERVICE PROVIDERS AND TELEPHONE UTILITIES</u>

In addition, the rules should be divided into three parts for to reflect the nature of each part and for clarity, as follows:

<u>PART 1</u> - Rules under §40-15-108, C.R.S. Prescribing Cost-Allocation Methods for Segregation of Investments and Expenses of Telecommunications Providers

<u>PART 2</u> - Rules Prescribing the Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, Taxes, and Reserves for Access Charges of Small Exchange Telecommunications Service Providers and the Colorado High Cost Fund

<u>PART 3</u> - Waivers from Rules and Incorporation of Rules of the Federal Communications Commission by Reference

COST ALLOCATION RULES FOR TELECOMMUNICATIONS SERVICE PROVIDERS AND TELEPHONE UTILITIES

Rule 1: APPLICABILITY AND PURPOSE FOR RULES

1.1

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1.2

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PART 1

RULES UNDER §40-15-108, C.R.S. PRESCRIBING COST-ALLOCATION METHODS FOR SEGREGATION OF INVESTMENTS AND EXPENSES OF TELECOMMUNICATIONS PROVIDERS

RULE 2: DEFINITIONS

* * *

RULE 14: AFFILIATE TRANSACTIONS – INTEREXCHANGE PROVIDERS

* * *

PART 2

RULES PRESCRIBING THE STANDARD PROCEDURES FOR SEPARATING TELECOMMUNICATIONS PROPERTY COSTS, REVENUES, EXPENSES, TAXES AND RESERVES FOR ACCESS CHARGES OF SMALL EXCHANGE TELECOMMUNICATION SERVICE PROVIDERS AND THE COLORADO HIGH COST FUND

RULE 15: APPLICABILITY

Rules 16 through 18 are applicable to Small LECs who are not average schedule companies as defined in 47 CFR 69.605 to 69.610, (average schedule small LEC) except as otherwise specifically noted. Rule 19 and 20 are applicable to all small LECs.

RULE 16: GENERAL

16.1 The Colorado High Cost Fund (CHCF) shall be coordinated with the Federal Communications Commission (FCC) Universal Service Factor, (USF) found at 47 CFR 36.601 to 36.641 so as to guarantee the affordability of basic local telephone service.

16.2 The CHCF shall promote competition and guarantee the affordability of basic telephone service by providing assistance for three components of the cost of basic local service: 1) high loop costs, 2) high local switching costs, and 3) high exchange trunk costs.

RULE 17: CALCULATION OF AVERAGE LOOP, LOCAL SWITCHING, AND EXCHANGE TRUNK COSTS FOR FUND SUPPORT

17.1 The CHCF support will be computed on the basis of data for the preceding calendar year which may be updated at the option of the Small LEC pursuant to 47 CFR 36.612(a).

17.2 Each local exchange provider shall calculate and report its average unseparated loop cost per study area per working loop as prescribed by 47 CFR 36.621, and 36.622.

17.3 The national average unseparated loop cost per working loop shall be as calculated by the National Exchange Carrier Association, as prescribed by 47 CFR 36.622(a)(1).

17.4 Each small LEC shall calculate and report its unseparated investment per study area for local switching equipment (Central Office Equipment, Category 3, 47 CFR 36.125), and its average number of working loops.

17.5 Each small LEC shall calculate and report its unseparated investment per study area for exchange trunk equipment [Cable and Wire Facilities, Category 2, Exchange Trunk, 47 CFR 36.155, and Category 4.12, Exchange Trunk Circuit Equipment 47 CFR 36.126(c)(2)].

17.6 The state average unseparated local switching equipment investment per working loop shall be calculated by dividing the sum of the local switching equipment investments in the state as reported pursuant to Rule 17.4 and for all LECs except small LECs as determined by the Staff of the Commission by the sum of the working loops in the state as reported in Rule 17.4 and for all LECs except small LECS as determined by the Staff of the Commission. The state average unseparated exchange trunk equipment investment per working loop shall be calculated by dividing the sum of the exchange trunk equipment investments in the state as reported pursuant to Rule 17.5 and for all LECs except small LECS as determined by the Staff of the Commission, by the sum of the working loops in the state as reported in Rule 17.4 and for all LECs except small LECS as determined by the Staff of the Commission.

RULE 18: COLORADO INTRASTATE ACCESS COSTS SHALL BE SEPARATED

18.1 Pursuant to §40-15-108(1) C.R.S., each small LEC which provides facilities or equipment for use by interstate users or providers of telecommunications services shall separate all investments and expenses associated therewith according to applicable federal separations procedures and agreements. Prior to separating intrastate costs, each provider shall segregate its intrastate investments and expenses in accordance with Sections 1 through 14 of these Rules.

18.2 Colorado Intrastate Access Costs shall be separated from other jurisdictional costs using the separation procedures of 47 CFR 36, with the following exceptions:

COMMON LINE ALLOCATION

18.2.1 Except as provided in Rules 18.2.1.1 and 18.2.1.2, the lesser of 26.5 percent or twice the subscriber line usage (SLU) (as measured by the ratio of intrastate interexchange holding time minutes of use to total holding time minutes of use applicable to traffic originating and terminating in the study area, as defined in 47 CFR 36) shall be allocated to Colorado switched access and this allocation factor shall be known as the "basic allocation factor". The basic allocation factor, as modified shall be used for allocating Subcategory 1.3 of Exchange Line Cable and Wire Facilities, Category 4.13 of Exchange Line Circuit Equipment Excluding Wideband, and Category 1 of Other Information Origination/Termination Equipment.

18.2.1.1 The basic allocation factor specified in Rule 18.2.1 shall be modified by multiplying it by a weighting factor which results in the "Colorado basic allocation factor".

18.2.1.1.1 For small LECs reporting an average unseparated loop cost per working loop less than or equal to 115 percent of the national average for this cost, the weighting factor shall be: one (1).

18.2.1.1.2 For small LECs reporting an average unseparated loop cost per working loop in excess of 115 percent of the national average for this cost, the weighting factor shall be: 115 percent of the national average unseparated loop cost per working loop divided by the small LEC's average unseparated loop cost per working loop.

18.2.1.2 The Colorado basic allocation factor of Rule 18.2.1.1 will be phased in. The transition shall be accomplished in equal steps over the next three years. For the years 1991 through 1993 the Colorado intrastate switched allocation factor shall be as follows:

18.2.1.2.1 1991-One half the difference between the Colorado basic allocation factor and the 1989 allocation factor used by the small LEC, added to the 1989 allocation factor used by the small LEC.

18.2.1.2.2 1992-Three quarters of the difference between the Colorado basic allocation factor and the 1989 allocation factor used by the small LEC, added to the 1989 like allocation factor used by the small LEC.

18.2.1.2.3 1993-The Colorado basic allocation factor of Rule 18.2.1.1 shall be used.

LOCAL SWITCHING ALLOCATION

18.2.2 Except as provided in Rule 18.2.2.1, the allocation of Category 3 of Local Switching Equipment shall follow 47 CFR 36.125 using Colorado relative dial equipment minutes of use (DEM),(which are the minutes of holding time of the originating and terminating local switching equipment, as defined in 47 CFR 36) for InterLATA and IntraLATA switched access. The Colorado DEM factors shall be weighted by a factor of 1.5.

18.2.2.1 In no event shall the sum of all the Interstate and the Intrastate allocation factors be greater than 0.85. If the arithmetic sum exceeds 0.85, the Intrastate allocation factor(s) shall be reduced accordingly.

18.2.2.2 During the 1991-1992 phase-in period, the "B Component", (the sum of the interstate and the intrastate DEM factors, including the weighting factor if appropriate) shall not be greater than 0.85. If the arithmetic sum exceeds 0.85, the intrastate allocation factor(s) of the "B component" shall be reduced accordingly prior to summing with the "A component".

18.3 During the phase-in period extending till 1993, each small LEC shall annually file with the Commission according to statute and applicable Commission rules to be effective January 1 of each year, tariffs which reflect the changes in allocations caused by such phase-in. At the option of the small LEC, and with the approval of the COmmission, the phase-in of factors may be omitted and the 1993 final procedures used at an earlier date.

RULE 19: COLORADO HIGH COST FUND

The support from the Colorado High Cost Fund will be determined in three parts.

19.1 SUPPORT FOR HIGH LOOP COSTS

19.1.1 As modified by Rule 19.1.2, beginning January 1, 1991, the CHCF revenue requirement for high loop costs of small LECs who are not average schedule small LECs shall be the following:

19.1.1.1 For small LECs reporting an average unseparated loop cost per working loop less than or equal to 115 percent of the national average for this cost, the CHCF revenue requirement for high loop costs shall be the sum of: a) zero (0); and b) the difference between 0.265 and twice the small LEC's intrastate interexchange SLU, (if greater than zero) times 115 percent of the national average for this cost.

19.1.1.2 For small LECs reporting an average unseparated loop cost per working loop in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost, the CHCF revenue requirement for high loop costs will be the the sum of: a) the difference between the small LEC's average unseparated loop cost per working loop and 115 percent of the national average for this cost, times 0.10; and b) the difference between 0.265 and twice the small LEC's intrastate interexchange SLU, (if greater than zero) times 115 percent of the national average for this cost.

19.1.1.3 For small LECs reporting an average unseparated loop cost per working loop greater than 150 percent of the national average for this cost, the CHCF revenue requirement for high loop costs will be the sum of: a) the difference between 150 percent of the national average unseparated loop cost per working loop and 115 percent of the national average for this cost, times 0.10; and b) the difference between 0.265 and twice the small LEC's intrastate interexchange SLU, (if greater than zero) times 115 percent of the national average for this cost.

19.1.2 The Colorado High Cost Fund revenue requirement for high loop costs of Rule 19.1.1 will be phased in. The transition shall be accomplished in equal steps over the next three years. For the years 1991, 1992, and 1993 the CHCF revenue requirement for high loop costs shall be as follows:

19.1.2.1 1991-One half of the revenue requirement of Rule 19.1.1.

19.1.2.2 1992-Three quarters of the revenue requirement of Rule 19.1.1.

19.1.2.3 1993-The revenue requirement of Rule 19.1.1.

19.2 SUPPORT FOR HIGH LOCAL SWITCHING COSTS

19.2.1 Small LECs who are not average schedule small LECs and who have been certified as providing a level of local exchange service which encompasses a community of interest standard, shall be eligible for support for high local switching costs. Beginning January 1, 1991, the CHCF revenue requirement for high local switching cost support shall be the determined as follows:

19.2.1.1 For small LECs reporting an average unseparated local switching equipment investment per working loop less than or equal to the Colorado average as determined by Rule 17.6, for this investment, the CHCF revenue requirement for local switching cost support shall be zero (0).

19.2.1.2 For small LECs reporting an average unseparated local switching equipment investment per working loop in excess of the Colorado average as determined by Rule 17.6, for this investment, the revenue requirement for high local switching cost support will be calculated by creating a new service category in the separations study and apportioning the costs of the provider to this service generally following Part 36, 47 CFR. The service category for the CHCF high local switching cost support shall be assigned a portion of Category 3 of local switching equipment investment. The percentage of Category 3 allocated to the CHCF service category shall be known as the Colorado High Local Switching Allocation Factor and shall be calculated as one minus the sum of a) the Interstate factor(s), b) the Intrastate factor(s) of Rule 18.2.2, and c) the 1993 local exchange factor. The 1993 local exchange factor for each local exchange provider shall be calculated as the Colorado state average unseparated local switching equipment Category 3 investment per working loop, times the small LEC's local DEM percentage divided by the small LEC's average investment per working loop for this investment.

19.3 SUPPORT FOR HIGH EXCHANGE TRUNK COSTS

19.3.1 Small LECs who are not average schedule small LECs and who have been certified as providing a level of local exchange service which encompasses a community of interest standard, shall be eligible for support for high exchange trunk costs. Beginning January 1, 1991, the CHCF revenue requirement for high exchange trunk cost support shall be the determined as follows:

19.3.1.1 For small LECs reporting an average unseparated exchange trunk investment per working loop less than or equal to the Colorado average as determined by Rule 17.6, for this investment, the CHCF revenue requirement for exchange trunk cost support shall be zero (0).

19.3.1.2 For small LECs reporting an average unseparated exchange trunk equipment investment per working loop in excess of the Colorado average as determined by Rule 17.6, for this investment, the revenue requirement for high exchange trunk cost support will be calculated by apportioning the costs of the small LEC to the CHCF service category, as established in Rule 19.2 of the small LEC's separations study following 47 CFR Part 36, as modified by these rules. The service category for the CHCF shall be assigned a portion of Cable and Wire Facilities, Category 2 exchange trunk 47 CFR 36.155, and a portion of Category 4.12, Exchange Trunk Circuit Equipment 47 CFR 36.126(c)(2) investment. The percentage allocated to the CHCF service category shall be calculated separately for each as one minus the sum of a) the Interstate factor(s), for exchange trunk, b) the Intrastate factor(s) for exchange trunk, and c) the 1993 local factor for exchange trunk. The 1993 local factor for Category 2 exchange trunk of Cable and Wire Facilities, for each small LEC shall be calculated as the Colorado state average unseparated investment per working loop for this investment, times the small LEC's local relative number of minutes of use percentage divided by the small LEC's average investment per working loop for this investment. The 1993 local transport allocation factor for Category 4.12 Exchange Trunk Circuit Equipment, for each small LEC shall be calculated as the Colorado state average unseparated investment per working loop for this investment, times the small LEC's local relative number minutes of use percentage divided by the small LEC's average investment per working loop for this investment.

19.4 SUPPORT FOR HIGH COSTS OF AVERAGE SCHEDULE SMALL LECs

19.4.1 Average schedule small LECs who have been certified as providing a level of local exchange service which encompasses a community of interest standard, shall be eligible for support for high costs. Beginning January 1, 1991, the CHCF revenue requirement for high cost support for these small LECs shall be the determined as follows:

19.4.1.1 The total company revenue requirement for the average schedule small LEC shall be determined.

19.4.1.2 From the revenue requirement of Rule 19.4.1.1 shall be subtracted the revenues derived from each of the following: 1) all interstate activities and USF support; 2) intrastate network access services; 3) long distance network services; 4) all miscellaneous revenues; and 5) the imputed local network services.

19.4.1.3 The imputed local network services revenues of Rule 19.4.1.2 shall be calculated, by the Administrator, as the average of the local network services revenues, 47 CFR 32.5000 through 32.5069 for all small LECs who are not average schedule small LECs, but shall not include any CHCF revenues.

19.4.2 Average schedule small LECs who have not been certified as providing a level of local exchange service which encompasses a community of interest standard, shall be partially eligible for support for high costs. Beginning January 1, 1991, the CHCF revenue requirement for high cost support for these small LECs shall be determined in accordance with Rule 19.1.1.

19.5 LOCAL NETWORK SERVICES TARIFF CAP

In no event shall the local network services revenue, 47 CFR 32.5000 through 32.5069 requirement of small LECs who have been certified as providing a level of local exchange service which encompasses a community of interest standard, be in excess of 130 percent of the average, as determined by the Administrator, of such revenue requirement for local exchange providers which are not small LECs. Such excess shall be considered as a part of the small LECs CHCF revenue requirement.

19.6 COLORADO HIGH COST FUND ADMINISTRATION

19.6.1 The Colorado High Cost Fund shall be under the direction of an Administrator.

19.6.1.1 The Commission, as Administrator, shall engage and determine the compensation of such professional and technical assistance as may, in its judgment, be necessary for proper administration of the fund.

19.6.1.2 Costs of administration of the CHCF shall be borne by the CHCF as established by this rule.

19.6.1.3 Such periodic reports of the administration of the fund in such form and frequency as determined by the Commission, consistent with the need for confidentiality of propriety information relating to the operations of the fund participants shall be made.

19.6.2 Each small LEC shall annually report to the Administrator of the fund by November 1st of each calendar year its required CHCF support revenue requirement and number of working loops for the year beginning the next January 1st, together with all information supporting the requirement, including but not limited to a cost of service study for all elements for the most recent 12 month period for the purpose of establishing revised support levels. Further reporting methods will be determined by the Administrator of the CHCF.

19.6.3 Each intrastate interexchange carrier (IXC) shall report to the Administrator of the fund by November 1st of each calendar year its interexchange switched minutes of use for the previous calendar year. "Intrastate interexchange carrier" includes intrastate interexchange carriers which are also local exchange service providers. "Switched minutes of use" shall include such services as but is not limited to: message toll service, WATS, 800 service, but would exclude traffic placed over dedicated private line facilities (i.e. special access arrangements). Further reporting methods will be determined by the Administrator of the CHCF.

19.6.4 The fund requirements for all small LECs combined with such fund administration costs and reserve requirements will be determined by the Administrator.

19.6.5 Funding for the CHCF will be accomplished from two sources.

19.6.5.1 One-half of the fund requirement as determined pursuant to rule shall be funded by a bulk bill to each intrastate IXC. CHCF payments will be based upon the percentage relationship of each IXC's appropriate minutes of use for all intrastate interexchange switched services.

19.6.5.2 One-half of the fund requirement as determined pursuant to rule shall be funded by a charge per access line. CHCF payments will be based upon the percentage relationship of each LEC's working loops.

RULE 20: COLORADO INTRASTATE ACCESS CHARGE ELEMENTS

The rate elements contained in the small LEC's Access Tariff who are not average schedule small LECs, shall be based upon an application of the 47 CFR, Part 69.1 to 69.502, to the intrastate access revenue requirement of the small LEC. The intrastate access charge elements in the tariffs of average schedule small LECs shall be set at the average, as determined by the Administrator, of the access rate elements of the small LECs who are not average schedule small LECs.

PART 3

WAIVERS FROM RULES AND INCORPORATION OF RULES OF THE FEDERAL COMMUNICATIONS COMMISSION BY REFERENCE

RULE 21: WAIVERS FROM RULES

* * *

(Decision No. C90-932-E)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

AMENDMENTS TO RULES UNDER § 40-15-108, C.R.S. PRESCRIBING COST-ALLOCATION METHODS FOR SEGREGATION OF INVESTMENTS AND EXPENSES OF TELECOMMUNICATIONS PROVIDERS, (COLORADO UNIVERSAL SERVICE FACTOR), 4 CCR 723-27.	DOCKET NO. 89R-608T ERRATA NOTICE

(Decision No. C90-932)
(issued July 11, 1990)

Appendix A to Decision No. C90-932 contains several typographical, punctuation, and capitalization errors which should be corrected for clarity, as follows: (page references are to those found in Appendix A)

1. <u>Page 1, Precatory Language to 4th Paragraph</u>: The word "for" found in the first line of the fourth paragraph should be omitted.

2. <u>Page 3, Rule 15 and Rule 17.1</u>: The word "Small" found on the first line of Rule 15 and in the third line of Rule 17.1 should not be capitalized.

3. <u>Page 4, Rule 17.6</u>: A comma is missing after "LECs" in the 4th line, after "Commission" in the 6th line, after "LECs" in the 7th line, after "LECs" in the 12th line, and after "LECs" in the 15th line.

4. <u>Page 6, Rule 18.2.2.1 and Page 11, Rule 19.3.1.2</u>: The words "Interstate" and "Intrastate" found on the second line of Rule 18.2.2.1 and found on lines 22 and 23 of Rule 19.3.1.2 should not be capitalized.

5. <u>Page 7, Rule 18.2.2.2</u>: The word "component" found on the eighth line of the rule should be capitalized.

6. <u>Page 7, Rule 18.3</u>: The word "COmmission" found on the sixth line of the rule should be "Commission".

7. <u>Pages 7-13, Rule 19</u>: Colorado High Cost Fund is defined in Rule 16.1 as CHCF. References in Rule 19 to "Colorado High Cost Fund" should be changed to "CHCF", as stated in Rule 16.1.

8. <u>Page 10, Rule 19.3.1</u>: The word "the" found in the 2nd to the last line should be omitted.

9. <u>Page 12, Rule 19.4.1</u>: The word "the" found in the 2nd to the last line should be omitted.

10. <u>Page 14, Rule 19.6.3</u>: A comma should be inserted after the word "as" found in the eighth line of the rule.

11. <u>Page 14, Rule 19.6.5</u>: The period at the end of the second line should be replaced with a colon.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

James P. Spiers
Executive Secretary

Dated at Denver, Colorado, on
July 19, 1990.

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