

## **COLORADO DEPARTMENT OF REGULATORY AGENCIES**

### **Public Utilities Commission**

#### **4 CODE OF COLORADO REGULATIONS (CCR) 723-2**

### **PART 2 RULES REGULATING TELECOMMUNICATIONS PROVIDERS, SERVICES, AND PRODUCTS**

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[indicates omission of unaffected rules]

#### **2001. Definitions.**

The meaning of terms in Part 2 shall be consistent with general usage in the telecommunications industry unless specifically defined by Colorado statute or a more specific rule. In the event the general usage of terms in the telecommunications industry or the definitions anywhere in Part 2 conflict with statutory definitions, the statutory definitions control. In the event the general usage of terms in the telecommunications industry conflict with definitions anywhere within Part 2, the Part 2 definitions control. In the event another Commission rule of general applicability (such as in the Commission's Rules of Practice and Procedure) conflicts with Part 2 rules, the Part 2 rules control. Except as may be provided by applicable statute or more specifically applicable rule, the following definitions apply throughout this Part 2:

- (a) "Access line" means the connection of a customer's premises to the public switched telephone network regardless of the type of technology used to connect the customer to the network.
- (b) "Access to emergency services" means access to services, such as 9-1-1 and enhanced 9-1-1, provided by local governments or other public safety organizations to the extent the local government or the public safety organization in a LEC's service area has implemented 9-1-1 or enhanced 9-1-1 systems.
- (c) "Access to operator service" means access to a mechanized system or access through a real person to arrange for billing and/or completion of a telephone call.
- (d) "Access to toll service" means the use of the network elements, including but not limited to loop, circuit, and switch facilities or their functional equivalents, necessary to access an interexchange carrier's network.
- (e) [Reserved].

- (f) "Base rate area" means the geographic area within an exchange service area, as defined in the tariff of a local exchange provider, wherein uniform rates that do not vary with distance from the central office apply to each class or grade of service.
- (g) "Basic local exchange service" (basic service) means the telecommunications service that provides a local access line, and local usage necessary to place or receive a call within a local calling area and any other services or features that may be added by the Commission under § 40-15-502(2), C.R.S. Basic service is comprised of those capabilities, services, and features listed in paragraph 2308(a).
- (h) "Busy hour" means the uninterrupted period of 60 minutes during the day when the traffic load offered to a particular switch, trunk, or network component is at its designed maximum load. The 60-minute periods are generally measured from hour-to-hour or from half-hour to half-hour.
- (i) "Busy line interrupt service" means operator interrupt service.
- (j) "Busy line verify service" means operator verification service.
- (k) "Busy season" means a month or several months that may be non-consecutive, within a consecutive 12-month interval, when the maximum busy hour requirements are experienced excluding days with abnormal traffic volume, such as Christmas or Mother's Day. The busy season generally is at least 30 days in length and generally does not exceed 60 days in length.
- (l) "Calls" means customers' telecommunications messages.
- (m) "Carrier" means provider.
- (n) "Central office" means the plant, facilities, and equipment, including, but not limited to, the switch, located inside a structure of a provider that functions as an operating unit to establish connections between customer lines, between customer lines and trunks to other central offices within the same or other exchanges, and between customer lines and the facilities of other providers.
- (o) "Certificate of Public Convenience and Necessity" (CPCN) means the Commission-granted authority to provide Part II regulated telecommunications services, subject to terms and conditions established by the Commission in its decision granting the authority.
- (p) "Channel" means a transmission path for telecommunications between two points. It may refer to a one-way path that permits the completion of traffic from the first point to the second point, or from the second point to the first point. Alternatively, it may refer to a two-way path that permits the completion of traffic in either direction. Generally a channel is the smallest subdivision of a transmission system by means of which a single type of communication service is provided.
- (q) "Class of service" means a classification of a telecommunication service provided to a customer or group of customers, which denotes characteristics such as its nature of use (business or residence) or type of rate (flat rate, measured rate, or message rate).
- (r) "Collocation" means the following:

- (I) Physical collocation occurs when one telecommunications provider owns interconnection facilities physically located within another telecommunications provider's physical premises; or
  - (II) Virtual collocation occurs when one telecommunications provider extends its facilities to a point of interconnection within a reasonably close proximity to, but not physically located within, another telecommunications provider's physical premises. In virtual collocation, the provider requesting collocation (lessee) may request the type of equipment to be used from another provider who owns the space (lessor). In such case, the lessee may own or may lease and maintain the equipment.
- (s) "Common carrier" means a telecommunications services provider that offers telecommunications services to the public, or to such classes of users as to be effectively available to the public, on a non-discriminatory basis.
- (t) "Community of interest" means an area consisting of one or more exchanges in which the general population has similar governmental, health, public safety, business, or educational interests.
- (u) "Competitive local exchange carrier" (CLEC) means a provider that has been granted a CPCN to provide Part II regulated telecommunications services in the State of Colorado on or after February 8, 1996, pursuant to § 40-15-503(2)(f), C.R.S.
- (v) "Customer" means a person who is currently receiving a jurisdictional telecommunications service.
- (I) "Business customer" means a customer whose use of telecommunications service is primarily of a commercial, professional, institutional, or other occupational nature.
  - (II) "Residential customer" means a customer whose use of telecommunications service is primarily of a social or domestic nature.
  - (III) "Small business customer" means a business customer with five or fewer voice-grade or voice-grade equivalent access lines at a single location.
- (w) "Customer trouble report" means any oral or written report from a customer or from a user of telecommunications services relating to a physical defect with or relating to difficulty or dissatisfaction with the operation of the provider's facilities. Any subsequent report received from the same customer or user of telecommunications services in the same day shall be counted as a separate report, unless it duplicates a previous report or unless it merely involves an inquiry concerning progress on a previous report.
- (x) "Day" means a calendar day, consistent with the definition found in rule 1004(i).
- (y) "Decibel" means the unit of measurement for the logarithmic ratio to the base ten of two power signals. The abbreviation dB is commonly used for the term decibel.

- (z) "Decibel above reference noise level using C-message weighting" (dBrnC) means the reference noise level of one Pico watt that is defined as 0 dBrnC. C-message weighting accounts for the frequency characteristics of a typical telephone set by weighting the noise signal at various frequencies to calculate the composite average noise signal value.
- (aa) "Declaration of Intent to Serve" means a filing with the Commission in which a provider that holds a CPCN states its intent to provide local exchange telecommunications services within the service territory of a rural telecommunications provider.
- (bb) "Dedicated transport facility" means a transmission path between locations used to transport traffic to which the end user is granted exclusive use, and which operates at DS1 or higher transmission speeds (high-bandwidth facility).
- (cc) "Deregulated telecommunications services" (Part IV services or deregulated services) means services and products exempted from regulation pursuant to Title 40, Article 15, Part 4, C.R.S., or by the Commission in accordance with § 40-15-305(1), C.R.S.
- (dd) "Dial equipment minutes of use" (DEM) means the minutes of holding time of originating and terminating local switching equipment, as defined in 47 C.F.R., Part 36.
- (ee) "Dial tone or its equivalent" means:
- (I) The signal placed on a local access line by the wireline provider signaling that the network is ready to receive a call from the subscriber; or
  - (II) The receipt by a wireless provider of the caller's dialed digits without a 'system busy' response.
- (ff) "Dual tone multifrequency signaling" (Touchtone) means a method of signaling used on a local access line that uses a combination of one of a lower group of frequencies and one of a higher group of frequencies to represent each digit or character transmitted from the customer's station to the central office.
- (gg) "Effective competition area" (ECA) means an exchange area in which the Commission has reclassified basic local exchange service pursuant to § 40-15-207, C.R.S.
- (gghh) "Electronic mail" (e-mail) means an electronic message that is transmitted between two or more computers or electronic terminals. Electronic mail includes electronic messages that are transmitted within or between computer networks.
- (hhii) "Eligible telecommunications carrier" (ETC) means a common carrier that is authorized by the Commission to receive federal universal service support as required by 47 U.S.C. 214(e)(2).
- (iiij) "Eligible Provider" (EP) means a provider who offers basic local exchange services and has been designated by the Commission as qualified to receive disbursements from the Colorado High Cost Support Mechanism.
- (jjkk) "Emerging competitive telecommunications services" (Part III services) means services and products regulated by the Commission in accordance with Title 40, Article 15, Part III, C.R.S.

- (~~kkll~~) "End user" means a person, other than another telecommunications provider, who purchases a jurisdictional telecommunications service from a telecommunications provider.
- (~~llmm~~) "Enhanced 9-1-1" (E9-1-1) means a telephone system which includes such features as Automatic Number Identification (ANI), Automatic Location Identification (ALI), and call routing features to facilitate public safety response as described within rules 2130 through 2159.
- (~~mmnn~~) "Exchange" means the totality of the telecommunications plant, facilities, and equipment including plant, facilities and equipment located inside and outside of buildings, used in providing telecommunication service to customers located in a geographic area defined by a provider's tariff. An exchange may include more than one central office location or more than one wire center.
- (~~nnoo~~) "Exchange area" means a geographic area established by the Commission for the purpose of establishing a local calling area that consists of one or more central offices together with associated facilities and plant located outside the central office, used in providing basic local exchange service.
- (~~ooqq~~) "FCC" means the Federal Communications Commission.
- (~~qqrr~~) "Flat rate service" means telecommunications service provided at a fixed, recurring charge without separate billing for the number, time of day, distance, or duration of calls placed or received during the month.
- (~~rrtt~~) "Governing body" means the board of county commissioners of a county; the city council or other governing body of a city, city and county, or town; or the board of directors of a special district.
- (~~ssuu~~) "Held service order":
- (I) For all LECs, except rural telecommunications providers, "held service order" means an application by a customer for basic local exchange service in the LEC's service territory that the LEC is unable to provide within ten days of the customer's application, except when the customer requests a later service date. The application shall be notice to the LEC that the customer desires service. Oral or written requests, as well as requests made by secure website, shall all be considered applications.
  - (II) For rural telecommunications providers, "held service order" means an application by a customer for basic local exchange service in the rural telecommunications provider's service territory that the rural telecommunications provider is unable to provide within 30 days after the date of the customer's application, except when the customer requests a later service date. The application shall be notice to the LEC that the customer desires service. Oral or written requests shall both be considered applications.
- (~~sttt~~) "Incumbent local exchange carrier" (ILEC) means either:
- (I) With respect to a geographic area, the LEC that, on the date of enactment of the Telecommunications Act of 1996 (February 8, 1996), provided telephone exchange service in such geographic area and that either:

- (A) On such date of enactment, was deemed to be a member of the exchange carrier association pursuant to 47 C.F.R., 69.601(b) of the FCC's regulations; or
- (B) Is a person or entity that, on or after such date of enactment, became a successor or assign of a member described in subparagraph (I)(A) of this paragraph; or
- (II) Any comparable LEC that the Commission has, by rule or order, deemed to be an ILEC after finding that:
  - (A) Such carrier occupies a position in the market for telephone exchange service within a geographic area that is comparable to the position occupied by a carrier described in subparagraph (I) of this paragraph;
  - (B) Such carrier has substantially replaced an ILEC described in subparagraph (I) of this paragraph; and
  - (C) Such treatment is consistent with the public interest, convenience, and necessity.

(~~ttuu~~) "Individual line service or its functional equivalent" means a grade of basic local exchange service that permits a user to have exclusive use of a dedicated message path for the length of the user's particular transmission.

(~~ttvv~~) "Intercept service" means a service arrangement provided by the LEC that routes calls placed to a disconnected or discontinued telephone number to a recording or to an operator that:

- (I) Informs the calling party that the called telephone number has been disconnected, discontinued, or changed to another number; or
- (II) Informs the calling party that another telephone number is receiving calls.

(~~vvvv~~) "Interexchange carrier" (IXC) or "Interexchange provider" means a person who provides telecommunications services between exchange areas.

(~~vvxx~~) "Jurisdictional service" means any telecommunications service subject to the authority of the Commission under the statutes of the State of Colorado included in Title 40, Article 15, Part 2, Part 3, or Part 5, C.R.S.

(~~xyyy~~) "Letter of Registration" (LOR) means Commission-granted authority to provide Part III emerging competitive telecommunications services, subject to terms and conditions established in the Commission decision granting the authority.

(~~yyzz~~) "Local Access and Transport Area" (LATA) means a geographic area designated at the time of the 1984 divestiture of the American Telephone and Telegraph System. A LATA may encompass more than one contiguous local exchange area that serves common social, economic, or other purposes, even where such area transcends municipal or other local government boundaries.

- (~~zzaaa~~) "Local access line" means a telecommunications channel or message path between a customer's service location and the serving central office switch that is used to provide local exchange service to a customer.
- (~~aaabbb~~) "Local call" means any call originating and terminating within the same local calling area.
- (~~bbbccc~~) "Local calling area" (LCA) means the geographic area approved by the Commission in which customers may make calls without payment of a toll charge for each call. The local calling area may include exchange areas in addition to the serving exchange area.
- (~~eeeddd~~) "Local exchange carrier" (LEC) means any person authorized by the Commission to provide basic local exchange service.
- (~~deeeeee~~) "Local exchange telecommunications service" means basic local exchange service and other such services identified in § 40-15-201, C.R.S., or defined by the Commission pursuant to § 40-15-502(2), C.R.S., regulated advanced features, premium services, and switched access as defined in § 40-15-301(2)(a), (b), and (e), C.R.S.; or any of the above singly or in combination.
- (~~eeefff~~) "Local usage" means the usage necessary to place and receive calls within a local calling area in which the customer is located.
- (~~ffgggg~~) "Master Street Address Guide" (MSAG) means the file of street names and ranges used to define emergency service agencies particular to a telephone number.
- (~~ggghhh~~) "Measured rate service" means a service that depends on the measurement of actual usage (i.e., number, duration, time of day, or length of haul) to compute the charges that apply for outgoing completed calls.
- (~~hhhhii~~) "Message rate service" means a service that charges for each outgoing completed call in excess of a specified allowance of calls during the billing period.
- (~~iiijjj~~) "Network element" means a facility or equipment used in the provision of a telecommunications service including features, functions, and capabilities that are provided by means of such a facility or equipment, including subscriber numbers, databases, signaling systems, including information sufficient for billing and collection of such elements, and including facilities used in the transmission, routing, or other provision of a telecommunications service.
- (~~jjkkkk~~) "Non-listed service" means an optional service in which the customer's telephone number is not published in the telephone directory but is available through directory assistance.
- (~~kkkkll~~) "Non-optional operator services" means operator services requiring an operator for individualized call processing or specialized or alternative billing, including without limitation, credit card calls, calls billed to a third number, collect calls, and person-to-person calls.
- (~~llmmmm~~) "Non-published service" means an optional service in which the customer's telephone number is neither published in the telephone directory nor available through directory assistance.

(~~mmmmnnn~~) "Operations support systems" (OSS) means the mechanisms and systems used to mutually exchange information between local exchange providers in order to efficiently transfer customers between the providers in a manner consistent with federal and Colorado statutes. These mechanisms and systems include, but are not limited to, the taking and receipt of service and repair orders, and the exchange of billing data and customer account data. This information is exchanged in a variety of ways that includes, but is not limited to, electronic interfaces, technical interfaces, and access to databases.

(~~nnnooo~~) "Operator interrupt service" means a service provided at the request of a customer to interrupt a conversation on another customer's line.

(~~eepppp~~) "Operator services" means services, other than directory assistance, provided either by live operators or by the use of recordings or computer-voice interaction, to enable customers to receive individualized and select telephone call processing or specialized or alternative billing functions. Operator services include non-optional operator services, optional operator services, and operator services necessary for the provision of basic local exchange service.

(~~ppppqq~~) "Operator service provider" means a person that sells optional and/or non-optional operator services.

(~~qqqrrr~~) "Operator verification service" means a service provided at the request of a customer to determine if another customer's line is busy or not in service.

(~~##sss~~) "Optional operator services" means operator services other than non-optional operator services and operator services necessary for the provision of basic local exchange service including, without limitation, operator services provided in connection with conference calling, foreign language translation, and voice messaging.

(~~sssttt~~) "Out-of-service trouble report" means a report by the customer of:

- (I) No dial tone, inability to make calls, or inability to receive calls on the customer's local access line; or
- (II) Service quality deterioration to such an extent that the customer is incapable of sending or receiving a facsimile or data transmission at voicegrade transmission levels using the local access line.

(~~##uuu~~) "Outside plant" means the telecommunications plant, equipment, and facilities installed on, along, or under streets, alleys, highways, or on private rights-of-way between a central office and customers' locations or between central offices.

(~~uuuvvv~~) "Part II service" means a service subject to regulation pursuant to Title 40, Article 15, Part 2, C.R.S.

(~~vvvwww~~) "Plain old telephone service" (POTS) means single-line, basic telephone service provided to a customer's premises.



- (~~wwwxxx~~) "Price list" means a provider's rate schedule, filed with the Commission by transmittal letter, listing current rates for regulated telecommunications services and products and does not include rate bands, ceilings, or floors.
- (~~xyyy~~) "Private branch exchange" (PBX) means a private switchboard or switching system usually on the premises of customers such as campuses, large business offices, apartment buildings, or hotels, which, over a common group of lines from the central office, can receive calls, place outgoing calls, and interconnect intra-office extensions.
- (~~yyzzz~~) "Private line service" means any point-to-point or point-to-multipoint service dedicated to the exclusive use of an end user for the transmission of any telecommunications services.
- (~~zzaaaa~~) "Provider" means any person under the jurisdiction of the Commission engaged in the business of providing telecommunications services to the public. "Provider" includes telephone utilities and telephone corporations as described in § 40-1-103(1), C.R.S.
- (~~aaaabbbb~~) "Provider of last resort" (POLR) means a Commission-designated telecommunications provider that has the responsibility to offer basic local exchange service to all customers who request it within a geographic area.
- (~~bbbcccc~~) "Public agency" means any city, city and county, town, county, municipal corporation, public district, or public authority located, in whole or in part, within this state that provides, or has the authority to provide, fire fighting, law enforcement, ambulance, emergency medical, or other emergency services.
- (~~eeeedddd~~) "Rate area" means the surrounding geographic area determined by wire center boundaries for which a particular rate center's vertical and horizontal coordinates apply when calculating long distance charges. A rate area may be comprised of a single wire center or multiple wire centers.
- (~~ddddeeee~~) "Rate center" means a geographic point which is defined by specific vertical and horizontal coordinates on a map used by telecommunication companies to determine interexchange mileage when calculating toll charges.
- (~~eeefffff~~) "Regional Bell Operating Company" (RBOC) means an ILEC that was, or is a successor to, one of the seven bell operating companies created at the time of divestiture.
- (~~fffgggg~~) "Reseller of basic local exchange service" means a certified provider of telecommunications services who purchases, pursuant to a Commission-approved contract or an interconnection agreement, or an effective tariff, local telecommunications services from a facilities-based telecommunications provider and then offers the services, either by themselves as a separate tariff offering, or in combination with other services, to an end user.
- (~~ggghhhh~~) "Rural telecommunications provider" or "rural provider" means a local exchange provider that meets one or more of the following conditions:
- (I) Provides common carrier service to any LEC study area, as defined by the Commission, that does not include either:

- (A) Any incorporated place of 10,000 inhabitants or more or any part thereof, based on the most recent available population statistics of the United States Bureau of the Census; or
  - (B) Any territory, incorporated or unincorporated, included in an urbanized area as defined by the United States Bureau of the Census as of August 10, 1993;
  - (II) Provides telephone exchange service, including exchange access to fewer than 50,000 access lines;
  - (III) Provides telephone exchange service to any LEC study area, as defined by the Commission, with fewer than 100,000 access lines; or
  - (IV) Has less than 15 percent of its access lines in communities of more than 50,000 inhabitants.
- (~~hhhh~~jjjj) "Service" means any intrastate telecommunications product or service offered by providers.
- (~~iiii~~jjjj) "Service affecting trouble report" means a report by the customer of:
- (I) Impairment of the quality of the call such as noise, crosstalk, ringing, echo or diminished volume; or
  - (II) Service quality deterioration such that the performance characteristics of the customer's local access line fall within the substandard range as defined in rule 2337.
- (~~jjjj~~kkkk) "Service territory" means a geographic area in which a provider of local exchange telecommunications services is authorized by the Commission to provide such services.
- (~~kkkk~~llll) "Station" means a device and any other necessary equipment at the customer's premises that allows the customer to establish and continue communication.
- (~~mm~~nnnn) "Switched access" means the service or facilities provided by a local exchange provider to interexchange providers, which allows them to use the local exchange network or the public switched network to originate, terminate, or both originate and terminate interexchange telecommunications services.
- (~~mmmm~~) ~~(Reserved.)~~
- (nnnn) "Telecommunications" means the transmission, using optical or electronic media, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received regardless of the technology used to transmit the information.
- (oooo) "Telecommunications relay service" means any telecommunications transmission service that allows a person who has a hearing or speech disability to engage in communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech disability. Such term includes any service that

enables two-way communication between a person who uses a telecommunications device or other nonvoice terminal device and an individual who does not use such a device.

- (pppp) "Telecommunications service" means the electronic or optical transmission of information between separate points by prearranged means.
- (qqqq) "Toll blocking" means a service that permits customers to disallow the completion of outgoing 1+ toll calls from a customer's local access line.
- (rrrr) "Toll control" means a service that allows a customer to specify a certain volume or dollar value of toll usage per month or billing cycle that may be incurred on a customer's access line.
- (ssss) "Toll limitation" means the blocking or controlling of toll service.
- (tttt) "Toll reseller" means any person who provides toll services to customers by using the transmission facilities, including without limitation wire, cable, optical fiber, or satellite or terrestrial radio signals of another person. A toll reseller may possess its own switching facilities.
- (uuuu) "Toll service" (interexchange telecommunications service) means a type of telecommunications service, commonly known as long-distance service, that is provided on an intrastate basis between LATAs and within LATAs and that:
- (I) Is not included as part of basic local exchange service;
  - (II) Originates and terminates in different local calling areas; and
  - (III) Is traditionally billed to the customer separately from basic local exchange service.
- (vvvv) "Transmission insertion loss" means the ratio, expressed in decibels, of the power delivered to the load or station, in the case of an access line or channel, before and after activation of the channel. For the purposes of this Part 2, insertion loss shall be considered equivalent to transducer loss which is the ratio of available power from a power source connected to one end of a channel or access line to the delivered power at the load, station or standard impedance, connected to the other end of the channel.
- (wwww) "Transmittal letter" means a letter, from a provider to the Director that accompanies each request by the provider to modify its price list for Colorado services.
- (xxxx) "Unbundling" means the disaggregation of facilities and functions into network products or services so that they can be separately offered to other telecommunications providers in a manner that allows requesting providers to combine such elements in order to provide telecommunications services.
- (yyyy) "Universal service", "Universal basic service", or "Universal basic local exchange service" means the availability of basic local exchange service to all citizens of Colorado at affordable rates.
- (zzzz) "USOA" means Uniform System of Accounts.

(aaaaa) "Voicegrade access" to the public switched network means the functionality that enables a user of telecommunications services to transmit voice communications within the frequency range of approximately 300 Hertz and 3,000 Hertz, for a bandwidth of approximately 2,700 Hertz. It also includes signaling the network that: the caller wishes to place a call; there is an incoming call; and the called party is ready to receive voice communications.

(bbbbbb) "Wire center" means the structure that houses the equipment used for providing telecommunications services and that terminates outside cable plant and other facilities for a designated serving area.

(ccccc) "Wire center serving area" means the geographic area of an exchange area served by a single wire center.

(dddddd) "Wireless carrier" means a cellular licensee, a personal communications services licensee, or certain specialized mobile radio providers designated as covered carriers by the FCC in 47 C.F.R. § 20.18.

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[indicates omission of unaffected rules]

#### 2186. Relinquishment of Designation as a Provider of Last Resort.

- (a) ~~When there are multiple POLRs in a geographic area, p~~Providers seeking to relinquish designation as a POLR in geographic areas in which there are multiple POLRs or in an area designated as an ECA, shall file an application with the Commission, at least 45 days before the effective date of the proposed relinquishment.
- (b) Contents. The application shall include, in the following order and specifically identified, the following information, either in the application or in appropriately identified attached exhibits:
- (I) The information required by paragraph 2002(b).
  - (II) A detailed explanation of the proposed relinquishment.
  - (III) An explanation as to how the customers currently served by the applicant will continue to be served.
  - (IV) A plan for transition of customers to another provider, if the POLR proposes to discontinue the provision of basic local exchange service. Except in an ECA, Tthe transition plan shall include sufficient notice to permit the purchase or construction of adequate facilities by a remaining POLR or other provider.

- (c) If the POLR proposes to discontinue the provision of basic local exchange service, the Commission, except in an ECA shall establish a time, not to exceed one year after the approval of the discontinuance, within which such purchase or construction of adequate facilities by a remaining POLR or other provider shall be completed.
- (d) During the transition period, the POLR shall ensure that customers do not experience a break in service as a result of the POLR discontinuing service.
- (e) Notice to customers. In addition to filing an application with the Commission, the POLR shall prepare a written notice regarding the proposed relinquishment and shall mail or hand-deliver the notice at least 30 days before the effective date to all currently served customers or subscribers, including all interconnecting telecommunications providers. The POLR shall separately provide notice to all potentially affected customers through publication for four consecutive weeks in a publication or publications that are distributed in the affected certificated area. A notice shall be mailed to the Board of County Commissioners of each affected county, and to the Mayor of each affected city, town or municipality.
  - (I) In addition to the requirements of paragraph 2002(d), the notice shall:
    - (A) State that any affected person may obtain lists of alternative telecommunications providers from the Commission;
    - (B) Explain that basic local telephone service will continue to be available regardless of the outcome of the Commission's determination on the application; and that if the Commission grants the application, another carrier telephone company will be available to offer service;
    - (C) Be signed by an authorized officer of the provider or its representative; and
    - (D) Include said officer or representative's title and address.
  - (II) Proof of notice. At least 15 days before the date of the proposed relinquishment, the POLR shall file with the Commission a written affidavit stating its compliance with this paragraph. The affidavit shall state the date notice was completed and the method used to give notice. A copy of the notice shall accompany the affidavit.
- (f) No hearing needs to be held if no objection, protest, or intervention is filed. If a hearing is to be held on an application, the Commission shall endeavor, within its operating constraints, to hold the hearing, or a portion thereof, at a location within the local calling area of the affected community.
- (g) No proposed relinquishment shall be effective until the Commission issues an order approving it.

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[indicates omission of unaffected rules]

**2202. Default Form of Regulation for ILECs.**

- (a) This rule applies to all ILECs.
- (b) Part II services. Each ILEC shall be regulated using a rate-of-return form of regulation for its Part II services, except call delivery to a Basic Emergency Service Provider (BESP), in the absence of another Commission-approved alternative form of regulation.
- (c) Part III services. Each ILEC shall be regulated using rate-of-return regulation for its emerging competitive services, except non-optional operator services, in the absence of a Commission-approved alternative form of regulation.
- (d) The Commission shall regulate the terms and conditions, including rates and charges, under which Part III services are offered and provided to customers exclusively in accordance with the provisions of §§ 40-4-101(1), 40-4-111, 40-4-112, 40-5-105, 40-15-302, 40-15-303, 40-15-306, and 40-15-307.
- (e) Prices for residential basic local exchange service. Consistent with § 40-15-502(3)(b)(I) and except as otherwise provided by law, prices for residential basic local exchange service, including zone charges, if any, shall not rise above the levels in effect on May 24, 1995, for comparable services regardless of the form of regulation of the ILEC, except for prices and price levels as determined by the Commission pursuant to § 40-15-301, C.R.S., et seq., or § 40-15-502, C.R.S.
- (f) Switched access prices. Consistent with § 40-15-105(1), C.R.S., and except as otherwise provided by law, ILECs' access charges:
  - (I) Shall be cost-based, as determined by the Commission;
  - (II) Shall not exceed the average price by rate element and type of access in effect on July 1, 1987; and-
  - (III) Each ILEC's switched access charges by rate element shall be capped at that ILEC's tariffed rate as of January 1, 2012. The capping of rates does not affect any required implementation of rate changes pursuant to federal requirements.
- (g) Customer-specific contracts and notice.
  - (I) The Commission may permit an ILEC to provide a customer with regulated services, under contract, irrespective of any Tariff or Price List requirements.
  - (II) A notice of contract shall be filed with the Commission under seal within 14-days of the date the contract is executed. The notice shall: disclose any early termination penalty to the customer; confirm that the contract is a non-discriminatory offering; confirm that the charges exceed the company's cost; and confirm that the contract contains a provision acknowledging that it is subject to regulatory review.
  - (III) The contract shall be subject to Commission review to determine if:

- (A) The negotiated contract is nondiscriminatory;
  - (B) The contract terms are not inconsistent with the public interest; and
  - (C) The contract terms are not inconsistent with applicable Commission rules.
- (IV) The Commission may set the contract for hearing and, after hearing, may approve or disapprove the contract. At the hearing, the applicant shall bear the burden of proof with respect to the contract. If the Commission does not set the contract for hearing, the contract is effective according to its terms.

**2203. Default Forms of Regulation for CLECs.**

(a) Requirements of all CLECs.

- (I) Prices for residential basic local exchange service. Consistent with § 40-15-502(3)(b)(I) and except as otherwise provided by law, prices for residential basic local exchange service, including zone charges, if any, shall not rise above the levels in effect on May 24, 1995, for comparable services regardless of the form of regulation of the provider, except for prices and price levels as determined by the Commission pursuant to § 40-15-301, C.R.S., et seq., or § 40-15-502, C.R.S.
- (II) Switched access prices. Consistent with § 40-15-105(1), C.R.S., and except as otherwise provided by law, providers' access charges:
  - (A) Shall be cost-based, as determined by the Commission; ~~and~~
  - (B) Shall not exceed the average price by rate element and type of access in effect on July 1, 1987; ~~and-~~
  - (C) Each CLEC's switched access charges by rate element shall be capped at that CLEC's tariffed rate as of January 1, 2012. The capping of rates does not affect any required implementation of rate changes pursuant to federal requirements.
- (III) To enable the Commission to track the progress of competition and to monitor the delivery of basic, premium and advanced services to all areas of the state, it is in the public interest for CLECs to provide the Commission with information in annual reports and/or other special reports, pursuant to rule 2006.

\* \* \*

[indicates omission of unaffected rules]

**2213. Adjudicatory Proceedings for Reclassification of Basic Local Exchange Services**

- (a) Based upon evidence provided through an adjudicatory proceeding initiated by the Commission or any person, the Commission may find that certain exchange areas in Colorado are designated as "effective competition areas" or "ECAs".
- (b) The Commission shall review the telecommunications market in triennial adjudicatory proceedings beginning no later than first quarter of 2013, to make findings as to whether exchange areas are ECAs pursuant to § 40-15-207, C.R.S.
- (c) Once an area is determined by the Commission to be an ECA, regulatory treatment for ECAs as provided in these rules shall apply unless and until an application is filed requesting that the area be reclassified and that application has been approved by the Commission.
- (d) In adjudicatory proceedings addressing basic local exchange services under § 40-15-207, C.R.S.:
- (I) The Commission shall consider basic services and similar services offered by multiple, non-affiliated, facilities-based providers, carriers, or other entities through traditional wireline, cable-based, interconnected voice over internet protocol, and wireless technologies. "Facility-based providers, carriers, or other entities" for the purpose of this rule 2213 shall not include CLECs offering basic services through a platform of unbundled network elements provided by an ILEC or resellers of basic services.
  - (II) The relevant geographic areas shall be exchange areas.
  - (III) In the proceeding determining if an area should be designated as an ECA, the Commission may, but need not, make additional findings of reclassification and effective competition pursuant to § 40-15-207, C.R.S., for telecommunications services other than local service in the relevant geographic area.
- (e) If the Commission finds that an exchange area is an ECA, then the Commission shall reclassify all Part II services in the exchange area, except for basic emergency service, to Part III regulation for all companies offering services in that area. All services reclassified under this rule 2213 shall be regulated in accordance with rules 2214 and 2215.

**2214. Regulation in Effective Competition Areas.**

- (a) All Part III services in ECAs, with the exception of switched access services and basic emergency service, are not price-cap or rate of return regulated. Providers of Part III services in ECAs are not required to follow the Commission tariffing rules 2120 to 2124. However, each provider of Part III services in an ECA shall make its retail service rates, terms and conditions available on its website. Tariffs, prices lists, and customer specific contracts containing rates, terms and conditions for retail services provided to customers are not required and need not be filed at the Commission. Pursuant to § 40-15-502(3)(b)(I), C.R.S., the prices and price levels for residential basic service shall be determined by the market.
- (b) Rules 2130 though 2159 for regulated basic emergency service, shall continue to apply to all carriers and providers in ECAs.



(c) The Commission will regulate providers offering service in ECAs pursuant to the following substantive rules: Reports (paragraphs 2006(a), (b), (f), (g), (h), (i), and (j)), Application for LOR (rule 2103), Numbering Administration (rules 2700 through 2741), Programs (rules 2800 through 2895), Provider Obligations to Other Providers (rules 2500 through 2588), and Collection and Disclosure of Personal Information (rules 2360 through 2362).

**2215. Distribution of HCSM Funds in Effective Competition Areas.**

(a) Distribution of HCSM funds will be eliminated in an ECA 180 days after the effective date of a Commission order designating the area as an ECA, unless within that 180 days after the effective date of the Commission order, the provider receiving funds from the HCSM files an application pursuant to paragraph 2215(b). If an application has been filed within 180 days of the Commission order, then HCSM funding will continue at existing levels until the Commission issues an order ruling upon the application and determining whether funding from the HCSM will continue, be reduced, or be eliminated.

(b) A provider may file an application with the Commission at any time requesting the establishment, continuation or restoration of HCSM funding for specified areas or access lines in an ECA. The application shall include an affidavit signed by an officer of the applicant verifying that the facts alleged are based upon reasonable inquiry.

(c) If the Commission determines that an area is no longer classified as an ECA, a provider may file an application requesting HCSM support.

**221~~36~~ – 2299. [Reserved].**

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[indicates omission of unaffected rules]

**2843. General.**

The HCSM shall be coordinated with the Federal Universal Service Fund (USF), as described by regulations found at 47 C.F.R. §§ 36.601 to 36.641 and §§ 54.1 to 54.707 and any other Universal Service Support Mechanism that may be adopted by the FCC pursuant to 47 U.S.C. 254 of the Communications Act, as amended by § 101 of the Telecommunications Act of 1996.

(a) The HCSM shall operate on a calendar-year basis. The Commission shall, by November 30 of each year, adopt a budget for the HCSM including the:

(I) Proposed benchmarks;

(II) Proposed contributions that may be collected through a rate element assessment by each telecommunications provider; and

- (III) Proposed total amount of the HCSM fund from which distributions are to be made for the following calendar year.
- (b) If the budget prepared pursuant to paragraph (a) and submitted to the General Assembly pursuant to paragraph 2849(p) includes a proposal for an increase in any of the amounts listed in paragraph (a), such increase shall be suspended until March 31 of the following year.
- (c) Beginning in 2012, the HCSM fund is capped at \$54,000,000 annually. If the annual calculated support amount is above the \$54,000,000 capped amount due to Commission approved requests for funding or to the increase in the number of access lines or handsets per carrier, a sizing factor will be used to adjust each EP's monthly support per line or handset. The sizing factor shall be the capped amount divided by the uncapped amount.

\* \* \*

[indicates omission of unaffected rules]

**~~2856. — Extraordinary Circumstance.~~**

~~[emergency rule expired 9/18/2012]~~

- ~~(a) — A demonstration that the provider is not receiving funds from this or any other source that, together with local exchange service revenues, exceeds the cost of providing local exchange service to the customers of such provider;~~
- ~~(b) — A demonstration that a large investment was necessary for the continued operation of basic local exchange service;~~
- ~~(c) — A demonstration that pro forma adjustments were made for known and measurable changes;~~
- ~~(d) — [emergency rule expired 9/18/2012]~~
- ~~(e) — [emergency rule expired 9/18/2012]~~
- ~~(f) — A statement that the company will submit to a full audit to ensure compliance with §§ 40-15-106, 40-15-108 and 40-15-208 (2), C.R.S., if necessary and applicable; and~~
- ~~(g) — [emergency rule expired 9/18/2012]~~

**~~28576. – 2869. [Reserved].~~**

\* \* \*

[indicates omission of unaffected rules]