

Decision No. C23-0793

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 98M-236T

IN THE MATTER OF THE ADMINISTRATION OF THE COLORADO HIGH-COST
SUPPORT MECHANISM.

**COMMISSION DECISION ADOPTING THE CALENDAR YEAR 2024
BUDGET FOR THE COLORADO HIGH-COST SUPPORT MECHANISM**

Mailed Date: December 1, 2023
Adopted Date: November 22, 2023

I. BY THE COMMISSION

A. Statement

1. Section 40-15-208(2)(b), C.R.S., requires the Commission to submit a written report to the General Assembly by December 1 of each year. This report must contain proposed contributions to be collected through a rate element assessment by each telecommunications provider, and the proposed total amount of the Colorado High-Cost Support Mechanism (CHCSM) from which distributions are to be made for the following calendar year.

2. In 2018, the Colorado General Assembly enacted Senate Bill (SB) 18-002, which concerns the financing of broadband deployment and sunsets the High-Cost Support Mechanism in 2024. SB18-002 significantly modifies Article 15 of Title 40 regarding the Colorado High-Cost Fund, including that § 40-15-208(2)(a)(III), C.R.S., requires that the Commission maintain the current 2.6 percent CHCSM surcharge for the next five years.

3. In 2023, the Colorado General Assembly passed House Bill (HB) 23-1051. HB 23-1051 extended basic service telecommunications support to twelve rural providers, from

December 1, 2023, to September 1, 2024, an additional nine months. Absent any action by the Colorado Legislature, the CHCSM enabling statute is scheduled to be repealed on September 1, 2024.

4. Staff of the Public Utilities Commission (Staff) estimates that high-cost support for voice services in 2024 will total approximately \$4.7 million on an annual basis, distributions to the broadband account will be approximately \$12.8 million on an annual basis and annual contributions to the fund from the CHCSM rate element will be approximately \$19.0 million.

5. These amounts are calculated on an annual basis with payments made on a quarterly basis, but the CHCSM is currently scheduled to sunset or repeal on September 1, 2024, four months short of year-end. Assuming the sunset of the CHCSM enabling statute on September 1, 2024, Staff estimates that amounts anticipated will include two-thirds of the amounts calculated. To this end, annual high-cost support for voice services in 2024 is estimated at a total of approximately \$3.15 million, distributions to the broadband account will be approximately \$8.6 million on an annual basis and annual contributions to the fund from the CHCSM rate element will be approximately \$12.67 million.

6. Administrative expenses associated with the CHCSM for the Commission's outside contractor and the Commission combined are estimated to be \$195,223 for 2024, which will be paid quarterly and adjusted to remove costs if the CHCSM enabling statute is repealed as anticipated on September 1, 2024.

7. We adopt the 2024 calendar year budget proposed by Staff for the CHCSM. The Colorado Universal Service Charge shall remain at the current 2.6 percent, as required in § 40-15-208(2)(a)(III), C.R.S.

8. We approve the issuance of the 2023 report to the General Assembly and adopt the 2024 calendar year budget for the CHCSM.

II. ORDER

A. The Commission Orders That:

1. We approve the issuance of the 2023 Legislative Report to the General Assembly.
2. The Colorado Universal Service Charge shall remain at 2.6 percent.
3. This Decision is effective on its Mailed Date.

B. **ADOPTED IN COMMISSIONERS' WEEKLY MEETING November 22, 2023.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners