

Decision No. C02-615

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 98M-236T

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

**COMMISSION ORDER IMPLEMENTING THE
COLORADO HIGH COST SUPPORT MECHANISM:
REVISING CERTAIN 2002 FUND PAYMENTS AND
NOTIFICATION OF ANNUAL CUSTOMER EDUCATION**

Mailed Date: May 31, 2002
Adopted Date: May 29, 2002

I. BY THE COMMISSION

Statement and Findings of Fact

1. By Decision No. C90-932 dated July 11, 1990, in Docket No. 89R-608T, the Commission adopted Rules Prescribing the Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, and Reserves for Access Charges for Small Local Exchange Telecommunications Service Providers, and establishing the Colorado High Cost Fund ("CHCF"), codified at Part II of 4 *Code of Colorado Regulations* ("CCR") 723-27. On December 12, 1990, the Commission modified these rules. On April 16, 1992, Governor Roy Romer signed Senate Bill 92-16 amending Article 15 of Title 40, Colorado Revised Statutes, by the addition of a new section, § 40-15-208, C.R.S. The new section codified the CHCF and authorized

Commission administration of the fund. In Docket No. 95R-558T, the Commission adopted certain changes to its rules by removing Part 2 from 4 CCR 723-27, and recodifying the rules of the CHCF in a new, separate rule entitled Rules Prescribing the Procedures for Administering the Colorado High Cost Support Mechanism ("CHCSM") found at 4 CCR 723-41. Part II of the CHCSM Rules provides for mechanisms applicable to Rural Local Exchange Telecommunications Service Providers ("Rural LECs").

2. Pursuant to 4 CCR 723-41-18.6, a seven-year phase-down of the support amount is prescribed if no further qualification is made by the Rural LEC. Accordingly, beginning on the first day of the third year of the six-year funding period, the support amount is reduced to 82.5 percent of the originally authorized amount; beginning on the first day of the fourth year of the six-year funding period, the support amount is lowered to 65 percent of the originally authorized amount; beginning on the first day of the fifth year of the six-year funding period, the support amount is lowered to 40 percent of the originally authorized amount; and on the first day of the sixth year of the six-year funding period, the support amount is lowered to 20 percent of the originally authorized amount.

3. CenturyTel of Eagle is a Rural LEC subject to these adjustments as of July 1, 2001. Pine Drive, and Delta

County are Rural LECs also subject to an adjustment in the fourth quarter of 2001.

4. Thus, effective July 1, 2001, CHCSM support payments shall be as listed in Attachment A to this Order. Any CHCSM amounts paid after July 1, 2001, which are inconsistent with this listing will be reconciled and returned to the CHCSM during the prescribed reconciliation process.

5. Rule 4 CCR 723-41-7.5 requires continuing customer CHCSM education. It shall commence with the first billing cycle of the third quarter of 2002, and annually thereafter. Each rate jurisdictional provider collecting the rate element (also known as the "Colorado Universal Service Charge") shall provide to each of its customers, by message directly printed on the bill, by bill insert, or by separate first class mail, or any combination of these alternatives, such continuing customer education material as may be ordered by the Commission acting as administrator. Recommended language for the customer notification message is attached as Attachment B.

6. The mailing date of this order will allow jurisdictional providers appropriate time to implement the continuing customer CHCSM education within the first billing cycle of the third quarter.

II. ORDER

A. The Commission Orders That:

1. Pursuant to § 40-15-208(1), C.R.S., and Rule 18.6 of the Commission's Rules Prescribing the High Cost Support Mechanism and Prescribing the Procedures for the Colorado High Cost Administration Fund, 4 *Code of Colorado Regulations* 723-41, beginning July 1, 2001, the revised monthly amounts, as shown in Attachment A to this Order, shall be paid from the Colorado High Cost Support Mechanism.

2. All telecommunications service providers required to contribute to the Colorado High Cost Support Mechanism shall notify their customers of the "Colorado Universal Service Charge" rate element using the language of Attachment B. For calendar year 2002, providers may complete the required continuing customer Colorado High Cost Support Mechanism education at any time during the third quarter.

3. The 20-day time period provided for by § 40-6-114(1), C.R.S., to file an application for rehearing, reargument, or reconsideration begins on the first day after the mailing of this Order.

4. This Order is effective on its Mailed Date.

B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 29, 2002.

(S E A L)

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO



RAYMOND L. GIFFORD

POLLY PAGE

JIM DYER

Commissioners

ATTEST: A TRUE COPY

Bruce N. Smith
Director

2002
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Decision Number	Initial Authorized Gross Amount From The HCSM per Quarer	Effective Date of HCSM Funding	AMOUNT FROM THE HCSM Effective First Quarter 2002	AMOUNT FROM THE HCSM Effective Second Quarter 2002	AMOUNT FROM THE HCSM Effective Third Quarter 2002	AMOUNT FROM THE HCSM Effective Fourth Quarter 2002	CALENDAR YEAR 2002
1 AGATE	R01-1288	\$815	01/01/02	\$2,764	\$2,764	\$2,764	\$2,765	\$11,057
2 BIG SANDY	C95-1011		07/01/95	\$0	\$0	\$0	\$0	\$0
3 BIJOU	C94-644		06/01/94	\$0	\$0	\$0	\$0	\$0
4 BLANCA	C97-1219		11/01/97	\$0	\$0	\$0	\$0	\$0
5 CenturyTel of Colorado	C94-007	\$48,954	01/01/94	\$0	\$0	\$0	\$0	\$0
6 CenturyTel of Eagle	C98-601	\$344,157	06/01/98	\$223,702	\$195,022	\$137,663	\$137,663	\$694,050
7 COLUMBINE	C97-990		07/01/97	\$0	\$0	\$0	\$0	\$0
8 Delta County Tele-Com	C00-1244	\$86,693	10/18/00	\$86,693	\$86,693	\$86,693	\$75,141	\$335,219
9 DUBOIS				\$0	\$0	\$0	\$0	\$0
10 EASTERN	C92-1644	\$16,125	01/01/93	\$0	\$0	\$0	\$0	\$0
11 EL PASO	C96-926		08/30/96	\$0	\$0	\$0	\$0	\$0
12 FARMERS	C92-1644	\$8,703	01/01/93	\$0	\$0	\$0	\$0	\$0
13 GREAT PLAINS				\$0	\$0	\$0	\$0	\$0
14 HAXTUN	C95-242		09/01/94	\$0	\$0	\$0	\$0	\$0
15 KINGS DEER				\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA	R01-1252	\$24,440	11/01/01	\$24,440	\$24,440	\$24,440	\$24,440	\$97,760
17 NUNN	C95-371		01/01/95	\$0	\$0	\$0	\$0	\$0
18 PEETZ	R01-1076	\$6,830	10/01/01	\$6,830	\$6,830	\$6,830	\$6,831	\$27,321
19 Phillips County Telepho	C00-1244	\$17,603	11/01/00	\$0	\$0	\$0	\$0	\$0
20 PINE DRIVE	R01-1042	\$366,017	10/01/01	\$91,504	\$91,504	\$91,504	\$91,505	\$366,017
21 PLAINS	C93-749	\$32,502	07/01/93	\$0	\$0	\$0	\$0	\$0
22 Qwest Corp.	C99-484	\$14,493,703	07/01/99	\$14,493,703	\$14,493,703	\$14,493,703	\$14,493,703	\$57,974,812
23 Rico Telephone Compa	R00-1289	\$15,000	01/01/00	\$12,375	\$12,375	\$12,375	\$12,375	\$49,500
24 ROGGEN	C93-749		07/01/93	\$0	\$0	\$0	\$0	\$0
25 RYE	C95-1011		07/01/95	\$0	\$0	\$0	\$0	\$0
26 SOUTH PARK				\$0	\$0	\$0	\$0	\$0
27 STONEHAM	C93-749		07/01/93	\$0	\$0	\$0	\$0	\$0
28 STRASBURG	C98-189		01/01/98	\$0	\$0	\$0	\$0	\$0
29 SUNFLOWER	C93-748	\$11,610	01/01/93	\$0	\$0	\$0	\$0	\$0
30 UNION				\$0	\$0	\$0	\$0	\$0
31 WIGGINS	C93-749	\$31,035	07/01/93	\$0	\$0	\$0	\$0	\$0
32 WILLARD	C93-749	\$5,061	07/01/93	\$0	\$0	\$0	\$0	\$0
33 Forecasted (Undesignated)				\$213,923	\$213,923	\$213,923	\$213,923	\$855,692
				\$15,155,934	\$15,127,254	\$15,069,895	\$15,058,346	\$60,411,428

NOTICE

You may have noticed a charge on your telephone bill for the Colorado Universal Service Fund. This charge is required by the Colorado Public Utilities Commission (PUC) to pay for the Colorado Universal Service fund established by state law.

What is the Colorado Universal Service Fund?

It is a fund to ensure the basic telephone service is affordable in Colorado. Money from the fund is used to support basic local phone service in areas where costs to provide service are high. This allows local phone rates to remain reasonably comparable across the state. Payments are made to telephone companies that serve areas with high costs and meet other PUC requirements for the funding.

What services is this charge applied to and who pays it?

This charge is assessed as a percentage of your in-state telecommunications services for local, wireless, paging, in-state long distance and optional services. The charge is not applied to interstate long-distance and optional services. All telecommunications customers in Colorado pay this monthly charge.

What is the monthly charge?

The monthly charge is currently set at 2.8 percent, which was effective February 1, 2002. From January 1, 2001 through January 31, 2002 the rate was 2.9 percent. The PUC may adjust the charge over time depending on how much money is needed for the fund and to make sure that customers do not pay more than is necessary.

Who do I call if I have questions about this charge?

For more information, contact your telecommunications provider.