

Decision No. C19-0775-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 19A-0441T

IN THE MATTER OF THE APPLICATION OF THE FEDERAL HEIGHTS EMERGENCY COMMUNICATION CENTER FOR AN APPROVAL TO ESTABLISH A 911 SURCHARGE PURSUANT TO C.R.S. 29-11-102(2)(B).

**INTERIM COMMISSION DECISION
REQUIRING ADDITIONAL INFORMATION**

Mailed Date: September 19, 2019

Adopted Date: September 11, 2019

I. BY THE COMMISSION

A. Statement

1. On August 9, 2019, the City of Federal Heights (Applicant) filed an Application pursuant to § 29-11-102(2)(b), C.R.S., for approval of an emergency telephone charge of \$1.50 per service user per month (Application). Through this Interim Decision, we request that the Applicant file additional information, consistent with the discussion below, in this proceeding no later than October 10, 2019.

2. Also by this Interim Decision, the Commission joins the Adams County E9-1-1 Authority Board (Adams) as a party to this proceeding and requests that Adams provide additional information pertinent to the Application.

3. After review of such additional information, the Commission will take up the merits of the Application at a future Commissioners' Weekly Meeting.

B. Background

4. On August 9, 2019, the Commission gave notice of the Application stating that parties wishing to participate in this proceeding should file an intervention or other appropriate pleading within 30 days after the date of the notice.

5. On August 27, 2019, the Applicant filed proof of publication of newspaper notice of the Application, as required by Rule 4 *Code of Colorado Regulations* (CCR) 723-2-2147(d) of the Commission's Rules Regulating Telecommunications Services and Providers of Telecommunications Services.

6. No interventions were filed or public comments received in response to this Application.

7. The Applicant is a newly formed 9-1-1 governing body, created by the City of Federal Heights Ordinance 18-15, a copy of which was included with the Application. Pursuant to § 29-11-102(1)(a), C.R.S., a governing body may incur directly related costs for the continued operation of an emergency telephone service and may pay such costs by imposing an emergency telephone charge for such service. "Governing body," is defined as the board of county commissioners of a county or the city council or other governing body of a city, city and county, or town, or the board of directors of a special district. § 29-11-101(4), C.R.S.

8. In this case, the Public Safety Answering Point (PSAP) to be funded by this new 9-1-1 governing body, the City of Federal Heights Police Department Dispatch Center, has previously been funded by the Adams County E9-1-1 Authority, a Special District government formed by Intergovernmental Agreement, to which the City of Federal Heights has heretofore been a party.

9. In the Application, the Applicant states that Adams required the City of Federal Heights to either consolidate the 9-1-1 and dispatch operations of the city's PSAP with the other PSAP currently funded by Adams, known as ADCOM, or begin paying for the equipment at the city's PSAP. The Applicant states that, in response, the City of Federal Heights chose to form its own 9-1-1 governing body in order to directly fund its own PSAP. The Applicant intends to begin charging its own emergency telephone charge beginning on January 1, 2020.

10. The Commission previously granted an application for a surcharge rate of \$1.50 requested by Adams on September 29, 2016. By requesting an equal surcharge rate of \$1.50, the Applicant is requesting to continue the current rate that customers in its service area are now paying to Adams.

11. Pursuant to § 29-11-102, C.R.S., a governing body may incur equipment, installation, and other costs directly related to the continued operation of emergency telephone service, and may pay such costs by imposing an emergency telephone charge in those portions of its jurisdiction for which emergency telephone service will be provided. Pursuant to § 29-11-104(2)(a)(I), C.R.S., funds shall be spent solely to pay for: equipment directly related to the receipt and routing of emergency calls; monthly recurring charges for the emergency telephone service; reimbursement of costs for equipment changes necessary for the provision or transmission of wireless Automatic Number Identification or wireless Automatic Location Identification to a PSAP; costs related to the provision of emergency notification service and emergency telephone service; and other directly related costs. Funds may also be used for personnel expenses necessarily incurred for a PSAP. § 29-11-104(2)(b), C.R.S.

C. Findings and Conclusions

12. Based on Commission Staff's analysis of the information provided with the Application, even with the requested surcharge rate of \$1.50, the Applicant's expenses are estimated to exceed revenues by over \$1.1 million over the next five years. Without approval of the requested \$1.50 surcharge rate, the maximum surcharge rate the Applicant may apply is \$0.70 per line per month. Commission Staff estimates that a surcharge rate of only \$0.70 would result in a budget shortfall of over \$2.2 million over the next five years.

13. While an application for authorization to set an emergency telephone charge in excess of \$0.70 is initiated by the 9-1-1 governing body in order to provide "continued and adequate emergency telephone service" (*see* § 29-11-102(2)(b), C.R.S.), the requirement that such governing bodies make an application with the Commission indicates that the Commission has an interest in ensuring that such applications will meet this statutory goal.

14. We therefore find it necessary to seek additional information for clarity regarding the requested increase prior to considering the merits of the Application.

15. The Commission therefore requests the following additional information from the Applicant:

- a) A copy of the Adams County E911 Authority Intergovernmental Agreement (IGA), to which the City of Federal Heights was recently a party, including any clause governing the separation of costs upon termination or exiting by one of the parties.
- b) Any analysis that has been conducted by the Applicant or in the possession of the Applicant regarding the comparative costs of the City of Federal Heights maintaining its own PSAP versus consolidating 9-1-1 and dispatch operations with ADCOM.
- c) A description or explanation of how maintaining a separate PSAP and dispatch center meets the statutory goal of providing "continued and adequate emergency telephone service" (*see* § 29-11-102(2)(b), C.R.S.), and whether keeping separate PSAPs meets this goal in a superior manner than would be achieved through consolidation with ADCOM.

- d) An explanation of how the Applicant intends to fund the remainder of the costs for the PSAP not provided for by the emergency telephone charge, and an explanation of how the Applicant will be able “to provide continued and adequate emergency telephone service” despite this projected shortfall.
- e) A description of how the shortfall described above compares to costs the City of Federal Heights would have to pay as a result of consolidating its PSAP with ADCOM.

16. Additionally, we find it necessary to join Adams as a party to this proceeding in order to request additional information from Adams pertinent to the Application. Pursuant to Rule 4 CCR 723-1-1200(a)(VI) of the Commission’s Rules of Practice and Procedure, parties to a Commission proceeding include the applicant, any intervenors, and any person who is joined as a party to the proceeding by Commission decision. We find good cause in this circumstance to join Adams as a party to this proceeding. The Applicant is a new 9-1-1 governing body that intends to separate from Adams and become its own 9-1-1 governing body and fund its own PSAP directly. We therefore find it necessary to join Adams to this proceeding in order to obtain relevant information regarding whether the requested surcharge is necessary in order to provide continued and adequate emergency telephone service, pursuant to § 29-11-102(2)(b), C.R.S.

17. We request that Adams provide the following information related to the Application:

- a) A description of how the separation of the City of Federal Heights into its own 9-1-1 governing body affects the financial stability of Adams, including a description of any hardship the separation may cause to Adams.
- b) In its Application, the Applicant indicates that Adams informed the City of Federal Heights that it needed to allow consolidation of its dispatch operations with ADCOM or begin purchasing its own Computer Aided Dispatch and Records Management System equipment. Adams is requested to state whether it agrees with this characterization and, if so, to describe any financial or cost analysis that went into Adams’ decision to present the City of Federal Heights with this choice.

18. The additional information requested in this Interim Decision may, but need not be, submitted as a joint supplemental filing by the Applicant and Adams.

II. ORDER

A. It Is Ordered That:

1. The City of Federal Heights shall file supplemental information, consistent with the discussion above, on or before October 10, 2019.

2. The Adams County E9-1-1 Authority Board (Adams) is joined as a party to this proceeding pursuant to Rule 4 *Code of Colorado Regulations* 723-1-1200(a)(VI) of the Commission’s Rules of Practice and Procedure.

3. Adams is requested to file supplemental information in this proceeding, consistent with the discussion above, on or before October 10, 2019.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS’ WEEKLY MEETING
September 11, 2019.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JEFFREY P. ACKERMANN

FRANCES A. KONCILJA

JOHN GAVAN

Commissioners