

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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| RE: THE APPLICATION OF U S WEST) | DOCKET NO. 92A-109T |
| COMMUNICATIONS, INC., FOR) | |
| APPROVAL OF THE CONTINUATION AND) | COMMISSION ORDER ADOPTING |
| COMPLETION OF THE RURAL) | PROCEDURAL SCHEDULE AND |
| FACILITIES IMPROVEMENT PROGRAM.) | MANDATING ADDITIONAL NOTICE |

Mailed Date: May 20, 1992
Adopted Date: May 13, 1992

STATEMENT

BY THE COMMISSION:

The Commission held a prehearing conference in this matter on May 6, 1992. At that conference, the following schedule was agreed to by the parties and approved by the Commission: U S WEST Communications, Inc. (U S WEST), direct testimony and exhibits in support of the application will be filed on June 8, 1992; Intervenors' testimony and exhibits, including Staff's, is due on August 19, 1992; the Company's rebuttal case is due on September 1, 1992. Hearings will be held before the full Commission on October 1, 2, 5, 8, and 9, 1992. Closing statements of position are due on October 19, 1992.

In Decision No. C92-542 we tentatively suggested as the protective order in this proceeding the same protective provisions that had been adopted in Docket No. 90A-665T; we attached to that order the actual protective order from 665T. With one exception, the parties have no objection to those suggested protective provisions. Some of the parties objected to the requirement that any challenge to a claim of confidentiality be made no less than 30 days before hearing. These parties contended that, in light of the established prefiling dates for testimony and the scheduled hearing dates, this 30-day requirement is impractical. No party, including U S WEST, objected to modification of the protective order to remove this requirement. Good cause having been stated, we modify the protective order to remove this 30-day provision. Otherwise, the suggested protective order from Decision No. C92-542 is now adopted as the protective order in this case.

At the prehearing conference, we also discussed whether additional notice of the application should be given to the public, and, if so, what type of notice should be given. We held that matter in abeyance pending discussions among the Company and interested parties. The parties, including U S WEST, have now

agreed upon a proposal to give additional notice to the public, and their recommendation was filed with us on May 12, 1992. A copy of that notice, which we approve with only slight modification, is attached to this order. In addition, the Company's proposal to send this notice to all customers as a bill insert is hereby approved.

THEREFORE THE COMMISSION ORDERS THAT:

1. The procedural schedule set forth above is hereby adopted. U S WEST Communications, Inc., shall file its direct case in support of the application by June 8, 1992. Intervenors, including Commission Staff, shall file their direct case on August 19, 1992. The Company shall file its rebuttal by September 1, 1992.

2. Hearings shall be conducted before the full Commission beginning October 1, 1992, and continuing on October 2, 5, 8, and 9, 1992. Statements of Position not to exceed 18 pages, not including attachments, shall be filed by October 19, 1992.

3. Response time for written discovery requests shall be 21 days.

4. The protective provisions suggested in Decision No. C92-542 are adopted as the controlling provisions in this case except as stated above. Specifically, the suggested protective order is modified to eliminate the requirement that challenges to confidentiality be made at least 30 days prior to hearing.

5. U S WEST Communications, Inc., is ordered to send the attached notice of the application to all customers by bill insert.

This Order is effective on its Mailed Date.

ADOPTED IN OPEN MEETING May 13, 1992.

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith
Bruce N. Smith
Executive Secretary

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ARNOLD H. COOK

GARY L. NAKARADO

CHRISTINE E. M. ALVAREZ

Commissioners

May XX, 1992

Dear Customer:

U S WEST Communications has filed with the Colorado Public Utilities Commission an Application seeking approval of the completion and continuation of the Rural Facilities Improvement Program which was begun in 1987. The purpose of this Application is to bring the benefits of single party service to all residents of Colorado and eventually eliminate multi-party service as an option.

In order to achieve this goal, U S WEST Communications estimates that it will need and has proposed to invest approximately \$190 million in rural Colorado over a five year period beginning in 1992. In its Application, the Company is seeking approval of a funding mechanism which, if approved by the Commission, would result in an approximate \$.14 increase to basic telephone rates during each of the five years of the program. We remain committed to ensuring high quality service to all our customers throughout Colorado and believe the program we have proposed will bring state-of-the-art telecommunications services to all areas of the state.

OFFICIAL NOTIFICATION

You are hereby notified that on February 7, 1992, U S WEST Communications, Inc. filed with the Colorado Public Utilities Commission ("Commission") its Application For Approval Of The Continuation And Completion Of The Rural Facilities Improvement Program ("Application"). In accordance with applicable provisions of the Public Utilities Law of Colorado, the Commission has set the Application for hearing on October 1, 2, 5, 8 and 9, 1992. In addition, the Commission has scheduled 17 public hearings in various areas beginning on June 18, 1992, and continuing through September 3, 1992. A schedule of these public hearings is set forth below.

A. PURPOSE

In the Application, U S WEST Communications seeks approval from the Commission for the completion and continuation of the Rural Facilities Improvement Program ("RFIP-II") within U S WEST Communications' franchised area of operations. The purpose of RFIP-II is to bring the benefits of single party service to all customers of U S WEST Communications in Colorado, and the program proposed in the Application constitutes an extension and significant modification of the current Rural Facilities Improvement Program which was begun in 1987.

B. THE APPLICATION

In the Application, U S WEST Communications requests that the Commission do the following:

- (a) Approve RFIP-II as a separate and extraordinary investment program for Colorado;
- (b) Approve projected capital expenditures under RFIP-II of approximately \$190 million;
- (c) Approve the accelerated recovery of the revenue requirement of U S WEST Communications associated with the capital expenditures under the program, limited to 75% of the revenue requirement resulting from the RFIP-II investment, as each exchange covered by the program is completed;
- (d) Approve the recovery of the agreed upon costs associated with RFIP-II through an annual surcharge to rates;
- (e) Eventually eliminate two-party service as an option by the end of the program.

The Company proposes to recover in rates on an accelerated basis only 75% of the total cost increase required; that amounts to approximately \$25.3 million or \$5.1 million in each of the program's five years. (U S WEST Communications estimates the total increase in costs required to be \$33.7 million by the end of 1996.) The actual costs which it is proposed be recovered through a surcharge will vary from year to year depending upon the investment and expenditures by the Company in any particular year.

Of the amount to be recovered in rates, U S WEST Communications proposes collecting 70% from basic local service and all other Part 2 services; that would amount to approximately \$3.5 million per year. The remaining 30% -- approximately \$1.6 million per year -- would be assessed on other regulated services. While the actual annual increase will vary depending upon the level of expenditures during any year under the program, the Company estimates that the average annual surcharge for each basic telephone line would be approximately \$.14, or a total of \$.70 for the five year program.

C. PROTEST

Anyone who desires may file written objection or attend a public hearing. In addition, if you wish to participate as a party in this matter, you must file written intervention under applicable rules. Anyone who desires to file written objection or

intervention to the proposed action, shall file it in Docket No. 92A-109T with the Colorado Public Utilities Commission, Logan Tower - Office Level 2, 1580 Logan Street, Denver, Colorado 80203.

Hearings for the general public have been set with members of the Colorado Public Utilities Commission as follows:

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| Thursday | June 18, 1992 | Yuma, Colorado |
| Tuesday | June 23, 1992 | La Junta, Colorado |
| Wednesday | June 24, 1992 | Walsenburg, Colorado |
| Thursday | June 25, 1992 | Pueblo, Colorado |
| Monday | June 29, 1992 | Fort Collins, Colorado |
| Thursday | July 9, 1992 | Central City, Colorado |
| Monday | July 13, 1992 | Buena Vista, Colorado |
| Tuesday | July 14, 1992 | Gunnison, Colorado |
| Wednesday | July 15, 1992 | Montrose, Colorado |
| Thursday | July 16, 1992 | Grand Junction, CO |
| Wednesday | July 22, 1992 | Alamosa, Colorado |
| Thursday | July 23, 1992 | Durango, Colorado |
| Monday | July 27, 1992 | Steamboat Springs, CO |
| Monday | August 10, 1992 | Denver, Colorado |
| Wednesday | August 12, 1992 | Estes Park, Colorado |
| Monday | August 24, 1992 | Colorado Springs, CO |
| Thursday | September 3, 1992 | Fort Morgan, Colorado |

The location and time for each public hearing will be established and publicized prior to the hearing date.