

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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THE PROPOSED REVISIONS TO THE) DOCKET NO. 93R-689T
RULES REGULATING TELECOMMUNICA-)
TIONS SERVICE PROVIDERS AND) RECOMMENDED DECISION OF
TELEPHONE UTILITIES (4 CCR 723-2.)) ADMINISTRATIVE LAW JUDGE
) JOHN B. STUELPNAGEL

Mailed Date: May 26, 1994

STATEMENT OF THE CASE

By Decision No. C93-1496, issued November 30, 1993, the Public Utilities Commission established Docket No. 93R-689T and gave Notice of Proposed Rulemaking regarding revisions to the Rules Regulating Telecommunications Service Providers and Telephone Utilities (4 CCR 723-2). The intent of the proposed changes to the rule is to provide more comprehensive guidelines for the Commission determination of local communities of interest and local calling areas.

In particular, the proposed rules would modify, amend, or add requirements relating to:

- (1) Various definitions associated with local calling areas and communities of interest (Rule 2); and
- (2) Procedures for expanding local calling areas and extended area service.

The Notice of Proposed Rulemaking was directed to be filed with the Secretary of State for publication in the December 10, 1993, copy of The Colorado Register. At the same time of filing with the Secretary of State, notice was also directed to be filed with the Office of Regulatory Reform. Hearing on the proposed rules and related matters was set for February 11, 1994, at 9:00 a.m. in the Commission Hearing Room, Office Level 2 (OL2), Logan Tower, 1580 Logan Street, Denver, Colorado.

Hearing commenced February 11, 1994, as scheduled and numerous public comments were made which focused primarily on the expansion of local calling areas and extended area service. Comments focused generally upon the desire of residents beyond large metropolitan areas to be included in that metropolitan local calling area. Such an inclusion would in many instances

significantly reduce the cost of telephone service to those individuals.

Such a change or inclusion, however, would increase cost of service to other customers in the local area and more significantly return certain long distance calls which are an emerging competitive service back to the status of regulated monopoly.

Staff of the Public Utilities Commission has proposed reasonable rules which provide an opportunity to expand local calling areas and extended area service, but only under limited conditions which best serve the interests of the public and all customers of telephone utilities.

Comments filed by various telephone utilities have recommended certain changes and modifications for clarification, the elimination of conflict between rules and/or rules and statutes, and elimination of redundancy.

The Commission finds that the proposed revisions to the Rules Regulating Telecommunications Service Providers and Telephone Utilities (4 CCR 723-2) as found in Appendix A to this decision should be adopted by the Commission. Rules as set forth in Appendix A do not conflict with any provisions of law and are in compliance with the statutory authority cited.

Rule modifications should be submitted to the Office of the Attorney General for opinion for legality and constitutionality required by statute.

Pursuant to the provisions of § 40-6-109, C.R.S., the Administrative Law Judge transmits to the Commission the record of this proceeding and recommends the Commission enter the following order.

ORDER

THE COMMISSION ORDERS THAT:

1. The revisions to the Rules Regulating Telecommunications Service Providers and Telephone Utilities (4 CCR 723-2) attached to this Decision as Appendix A are adopted as Modifications to the Rules Regulating Telecommunications Service Providers and Telephone Utilities.

2. All modifications found in Appendix A to this Decision shall be effective 20 days after publication by the Secretary of State.

3. An opinion of the Attorney General of the State of Colorado shall be properly sought regarding the constitutionality

and legality of modifications to rules found in Appendix A to this Decision.

4. The Commission Director shall file with the Office of the Secretary of State of Colorado, for publication in The Colorado Register a copy of revisions of the rules found in Appendix A adopted by this Decision, and when obtained, a copy of the opinion of the Attorney General of the State of Colorado regarding the constitutionality and legality of these rules.

5. The revisions to the Rules Regulating Telecommunications Service Providers and Telephone Utilities found at Appendix A should be submitted by the Commission's Director to the appropriate committee of reference of the Colorado General Assembly, if the General Assembly is in session at the time this Order becomes effective, or to the Committee on Legal Services, if the General Assembly is not in session, for its opinion as to whether the adopted rules conform with § 24-4-103, C.R.S.

6. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

7. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

- a. IF NO EXCEPTIONS ARE FILED WITHIN 20 DAYS AFTER SERVICE OR WITHIN ANY EXTENDED PERIOD OF TIME AUTHORIZED, OR UNLESS THE DECISION IS STAYED BY THE COMMISSION UPON ITS OWN MOTION, THE RECOMMENDED DECISION SHALL BECOME THE DECISION OF THE COMMISSION AND SUBJECT TO THE PROVISIONS OF § 40-6-114, C.R.S.
- b. IF A PARTY SEEKS TO AMEND, MODIFY, ANNUL, OR REVERSE BASIC FINDINGS OF FACT IN ITS EXCEPTIONS, THAT PARTY MUST REQUEST AND PAY FOR A TRANSCRIPT TO BE FILED, OR THE PARTIES MAY STIPULATE TO PORTIONS OF THE TRANSCRIPT ACCORDING TO THE PROCEDURE STATED IN § 40-6-113, C.R.S. IF NO TRANSCRIPT OR STIPULATION IS FILED, THE COMMISSION IS BOUND BY THE FACTS SET OUT BY THE ADMINISTRATIVE LAW JUDGE AND THE PARTIES CANNOT CHALLENGE THESE FACTS. THIS WILL LIMIT WHAT THE COMMISSION CAN REVIEW IF EXCEPTIONS ARE FILED.

8. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOHN B. STUELPNAGEL

Administrative Law Judge

JBS:srs

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**RULES REGULATING TELECOMMUNICATIONS SERVICE PROVIDERS
AND TELEPHONE UTILITIES**

Rule 1 - Application of Rules

1.1 Basic, Purpose and Statutory Authority of Rules

Statutory authority for these amendments to the existing rules is found in Sections 40-1-103, 40-3-101(2), 40-3-102, 40-3-1-6 (1) (A) and 40-4-101, C.R.S. which empower the Commission to establish standards for the adequacy of public utility services, including basic telephone service and regulated telecommunications services, and requires the Commission to prescribe rules and regulations for the performance of any service or the furnishing of any commodity by a public utility and to enforce those rules and regulations. In addition, the Commission is authorized to promulgate rules generally by Section 40-2-108, C.R.S., and specifically for telecommunications services by 40-15-201 and 40-15-301, C.R.S., in order to implement the provisions of Title 40, Article 15, part 2 and 3, C.R.S.

The basis and purpose of these amendments is to update and revise certain rules within the Rules Regulating Telecommunications Service Providers and Telephone Utilities to ensure an adequate level of basic telephone service and regulated telecommunications service is available to the public throughout the state. The update and revision of these rules is necessary to reflect the present and continuing evolution of an adequate service standard for basic telephone service and regulated telecommunications service which is expected by the public and is available through the changing technology being deployed in the telecommunications industry. The rules establish standards for basic telephone service and regulated telecommunications services in light of current technology and public expectations. These amendments prescribe requirements for provision of certain capabilities and services by Local Exchange Carriers.

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The principal amendment repeals the existing Rule 17 - Grades of Service within the existing Rules Regulating Telecommunications Service Providers and Telephone Utilities and replaces it with a new Rule 17 - Basic Telephone Service Standard. This and the other amendments to the rules are clear and simple and can be understood by any persons expected to comply with them. They do not conflict with any other provision of law and there are no duplicating or overlapping rules with the exception of the requirement under amended Rule 17.2 (B) that E911 service provisioning by a LEC be mandatory upon request of a qualified customer rather than permissive as currently allowed under Rules Prescribing the Provision of Emergency Reporting Services for Emergency Telecommunications Service Providers and Telephone Utilities, 4 CCR 723-29. In this instance Rule 17.2 (B) extends the service requirements of a LEC pursuant to 4 CCR 723-29. However, 4 CCR 723-29 requires, under Rule 3 (7), that basic emergency service is to be provided in accordance with the quality of service rules and regulations as may be later adopted by the Commission. Therefore, this extension of the requirements of 4 CCR 723-29 is consistent with intent and allowable within the context of those rules.

The basis and purpose of this amendment to the Rules is to establish criteria and methods for the

Commission to determine communities of interest and local calling areas.

1.2 Applicability of Rules

These rules and regulations govern the furnishing of intrastate telecommunications services and facilities to the public and shall apply to providers of telecommunications services and telephone services subject to the jurisdiction of the Commission.

1.3 Exceptions to Rules

The adoption of these rules shall in no way preclude the Commission from altering or amending them in whole or in part, or from requiring any other or additional service equipment, facilities, or standards, either upon complaint or upon the Commission's own motion, or upon the application of any entity under its jurisdiction. In special cases for good cause shown, not contrary to law, the Commission may permit deviation from these rules insofar as it may find compliance to be impossible, impractical or unnecessary.

Rule 2 - Interpretational Definitions For Rules

Definitions of terms used within these rules shall be consistent with the general understanding of the terms as used in the telecommunications industry unless specifically defined under this Rule 2. In the interpretation of these rules, the following definitions shall be used:

2.1 Base Rate Area means the developed portion or portions within an exchange service area as stated in the LEC's tariffs. Service within this area is generally furnished at uniform rates without charges that vary with distance from the central office.

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- 2.2 Basic Local Exchange Service means the telecommunications service which provides a local dial tone, access line and local usage necessary to place or receive a call within an exchange area regulated pursuant to Part 2 of Article 40-15-C.R.S.
- 2.3 Basic telephone service means those capabilities and services listed in Rule 17.1 (17.1.1 through 17.1.6).
- 2.34 Busy Hour means the uninterrupted period of 60 minutes during the day when the traffic offered is at a maximum.
- 2.45 Busy Season means a month or several months, which may be nonconsecutive, within a consecutive 12 month interval when the maximum busy hour requirements are experienced. The number of days within the busy season used for estimation of busy hour requirements should exclude days with abnormal traffic volume, such as Christmas or Mother's Day, and preferably should be limited to 30 but not exceed 60 days.
- 2.56 Calls means customers' telecommunications messages.
- 2.67 Central Office means the inside plant of the telecommunications service provider as an operating unit, including the switch or other facilities used to establish connections between customer lines or between customers' lines and trunk or toll lines to other central offices within the same or at other exchanges.
- 2.78 Channel means a transmission path for telecommunications between two points. It may refer to a one-way path or, when paths in the two directions are always associated, a two-way path. Generally a channel is the smallest subdivision of a transmission system by means of which a single type of communication service is provided. A voice grade transmission channel has a nominal bandwidth of 4000 HZ.

2.09 Class of Service means a description of telecommunications service furnished a customer, which denotes such characteristics as nature of use (business or residence) or type of rate (flat rate, measured rate, or message rate). Classes of service are usually subdivided in grades, such as individual line, two-party or four-party.

2.9 Commission means the Public Utilities Commission of the State of Colorado.

2.10 Community of Interest means an area consisting of one or more exchange areas in which the general population has similar governmental, health, public safety, business and educational interests. ~~A preliminary indication of a community of interest between exchanges exists, sufficient to allow further consideration by the Commission, when the combined calling rate between the exchanges under consideration of extended area service equals or exceeds two calls per local access line per month. However, when one exchange has less than one half the number of local access lines than the other exchange then a calling rate of three calls per local access line per month from the smaller exchange would provide a preliminary showing of interest sufficient to allow investigation of the appropriateness of extended area service for the involved exchanges.~~

2.11 Customer Trouble Report means any oral or written report from a customer or user of telecommunications services relating to a physical defect or to difficulty or dissatisfaction with the operation of the service provider's facilities. Only one report per day shall be counted for each oral or written report received from a customer in the same day, when and only if it duplicates a previous report or merely involves an inquiry concerning progress on a previous report.

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- 2.123 Customer means any person, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, or other legal entity which has applied for, been accepted, and is currently receiving telecommunications service. A residential customer's use of telecommunications service is primarily of a social or domestic nature while a commercial customer's use is primarily of a business, professional, institutional or other occupational nature.
- 2.134 Decibel is the unit of measurement for the logarithmic ratio to the base 10 of two power signals. The abbreviation dB is commonly used for the term decibel.
- 2.145 Decibel above Reference Noise Level using C-Message Weighting is the meaning of the abbreviation dBrnC. The reference noise level of one picowatt is defined as 0 dBrnC. C-message weighting is used to account for the frequency characteristics of a typical telephone set by specific weighting of the noise signal at various frequencies to determine the composite average noise signal value.
- 2.16 Dual tone multifrequency signaling means a method of signaling used on a local access line which uses a simultaneous 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.
- 2.17 Enhanced 911 (E911) means a telephone system which includes such features as automatic number identification, automatic location identification and call routing features to facilitate public safety response. This system and its requirements are further described within the Rules Prescribing the Provision of Emergency Reporting Services for Emergency Telecommunications Service Providers and Telephone Utilities (4 CCR 723-29).

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2.158 Exchange Area means a geographical area established by the Commission, which consists of one or more central offices together with associated facilities which are used in providing basic local exchange service. Calls within an exchange area are considered local calls.\

2.169 Exchange means the entire telecommunications plant and facilities used in providing telecommunication service to customers located in a geographic area defined by tariff area such as an exchange area. An exchange may contain more than one central office switch location or wire center.

2.180 Flat Rate Service means telecommunications service furnished at 20 a fixed monthly recurring charge without separate billing for the number, time of day, distance, or duration of calls.

2.190 Governing body means 21 a board of county commissioners, the governing body of a city or town, the board of directors of a special district, etc. responsible for reception of 911 calls as further described within the Rules Prescribing the Provision of Emergency Reporting Services for Emergency Telecommunications Service Providers and Telephone Utilities (4 CCR 723-29).

2.200 Grade of Service means the number of customers served on a 22 telecommunications channel such as one-party, two-party, four-party, etc.

2.200 Held Service Order means an application under the rules and 23 regulations of the LEC for establishment or regrade of service in the franchised service territory of the LEC which is not filled because of the inability of the LEC to supply service within 30 days after the customer has made application, except where the customer requests a later date. The application shall be notice

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to the LEC that the customer desires service. Oral or written requests shall be considered application for this purpose.

- 2.21 Hertz is the unit measurement for frequency and is equal to one cycle per second. The abbreviation HZ is commonly used for the term Hertz.
- 2.22 Individual Line Service means a grade of exchange service which provides that only one customer shall be served by the channel connecting the customer's service location with the serving central office.
- 2.23 Intercept Service means a service arrangement provided by the service provider so that calls placed to a disconnected or discontinued telephone number are intercepted and the calling party is informed that the called telephone number has been disconnected, or discontinued, or changed to another number, or that calls are being received by another telephone number, etc.
- 2.24 Jurisdictional Service means any telecommunications service subject to the authority of this Commission under the statutes of the State of Colorado.
- 2.25 Local Access Line means a facility, totally within one exchange, providing a telecommunications channel between a customer's service location and the serving central office or remote switch.
- 2.26 Local Access and Transport Area (LATA) means each local access and transport area which has been designated in this state. A LATA may encompass more than one contiguous local exchange service area in this state which serves common social, economic, or other purposes, even when that area transcends municipal or other local government boundaries.

2.30 Local Calling Area means the geographic area approved by the Commission as a community of interest in which customers may make calls without payment of a toll charge. The local calling area may include exchange areas in addition to the serving exchange area.

2.27 Local Exchange Carrier (LEC) means any person, firm, partnership, cooperative organization, corporation, or other legal entity engaged in the business of furnishing telecommunications service to the public under the jurisdiction of this Commission, and when all or part of these services are defined by this Commission to fall within the provisions of Section 40-15-201(2) C.R.S. Pursuant to C.R.S. 40-15-201(1), a provider of basic local exchange service is a local exchange carrier.

2.28 Measured Rate Service means a basic local exchange service that depends on measurement of actual usage (i.e. number, duration, time of day, or length of haul) to compute the local usage charges which apply for outgoing calls completed on a local basis.

2.29 Message Rate Service means a basic exchange service that charges for each outgoing completed local call in excess of a specified allowance of those calls during the billing period.

2.30 Outside Plant means the telecommunications equipment and facilities installed on, along, or under streets, alleys, highways, or on private rights-of-way between central office and customers' locations or between central office channel.

2.31 Party Line Service means a grade of Basic Local Exchange Service which provides for a number of customers to be served by the same central office channel.

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- 2.32 Private Line Service means any point-to-point or point-to-multi-
36 point service dedicated to the exclusive use of an end-user for
the transmission of any telecommunications service.
- 2.33 Public Telephone Service means an individual line service equipped
37 with a coin collecting telephone instrument installed for the use
of the general public in locations where the general public has
access to these telephones.
- 2.34 Station means a device and any other necessary equipment at the
38 customer's premises which allows the customer to establish and
continue communication.
- 2.35 Switched Access means the services or facilities furnished by a
39 local exchange company or carrier, to interexchange providers or
carriers, which allows them to use the basic exchange network or
the public switched network for origination or termination of
interexchange telecommunications services.
- 2.36 Tariff means the entire body of rates, tolls, rentals, charges,
40 classifications, maps and rules adopted and filed with the
Commission by a LEC or any other service provider as required by
the Commission. Tariff Sheet means an individual page of the
tariff.
- 2.37 Telecommunications Service Provider (Provider) means any firm,
41 partnership, cooperative organization, corporation, or other legal
entity engaged in the business of furnishing telecommunications
service to the public under the jurisdiction of this Commission.
This term also includes telephone utilities and telephone
corporations as described in § 40-1-103(1), C.R.S.

~~2.38~~ Telecommunications Service means the electronic or optical
42 transmission of information between separate points by prearranged
means.

~~2.39~~ Toll Service means the furnishing of telecommunications service
43 between stations of different customers in different exchange
~~areas or local calling~~ areas, as defined by the Commission. ~~or,~~
~~where available, different extended service areas.~~ This
jurisdictional service is provided by either intra- or interLATA
carriers and is also referred to as message telecommunication
service (MTS), message toll or interexchange telecommunications
service.

~~2.40~~ Transmission Insertion Loss means the ratio, expressed in
44 decibels, of the power delivered to the load, station, in the case
of an access line or channel, before and after activation of the
channel. For the purpose of these rules, insertion loss will 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.

~~2.41~~ ~~Dual tone multifrequency signaling~~ means a method of signaling
used on a local access line which uses a simultaneous 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.

~~2.42~~ ~~Enhanced 911 (E911)~~ means a telephone system which includes such
features as automatic number identifica tion, automatic location
identification and call routing features to facilitate public
safety response. This system and its requirements are further
described within the Rules Prescribing the Provision of Emergency

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~~Reporting Services for Emergency Telecommunications Service
Providers and Telephone Utilities.~~

~~2.43 Governing body means a board of county commissioners, the governing body of a city or town, the board of directors of a special district, etc. responsible for reception of E911 calls as further described within the Rules Prescribing the Provision of Emergency Reporting Services for Emergency Telecommunications Service Providers and Telephone Utilities.~~

~~2.44 Basic telephone service means those capabilities and services listed in Rule 17.1 (A through F).~~

Rule 17 - Basic Telephone Service Standard

17.1 Basic Service Standard

As part of its obligation to provide adequate basic telephone service, each LEC shall construct and maintain its telecommunications network so that the instrumentalities, equipment and facilities within the network shall be adequate, efficient, just and reasonable in all respects in order to provide each customer within its jurisdictional service area with the following services or capabilities:

- 17.1.1 Individual line service on the local access line;
- 17.1.2 Dual tone multifrequency signaling capability on the local access line;
- 17.1.3 Facsimile and data transmission capability of at least 2400 bits per second on analog access lines served from the public switched network when the customer uses modulation/demodulation devices rated for such capability;
- 17.1.4 A local calling area that reflects the community of interest of the area in which the customer is located;
- 17.1.5 Access to toll services;
- 17.1.6 Customer billing, public information assistance, directory listing, directory assistance and intercept to the extent described in rules 10, 11, 12 of these RULES REGULATING TELECOMMUNICATIONS SERVICE PROVIDERS AND TELEPHONE UTILITIES (4 CCR 723-2).

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17.2 Universal Service Availability Standard

In order to maintain a reasonable uniformity between all localities in the state for adequate basic telephone service in the ordinary course of its business pursuant to its certificate of public convenience and necessity, each LEC shall construct and maintain its telecommunications network so as to provide for universal (i.e. ubiquitous) availability of the following services or capabilities when requested by a customer within its jurisdictional serving area:

- 17.2.1 The basic service standard defined in Rule 17.1 (17.1.1 through 17.1.6); and
- 17.2.2 E911 service, either by providing the necessary facilities and identification (name/number, etc.) information to a basic emergency service provider or as provided by the LEC under Rules Prescribing the Provisions of Emergency Reporting Services for Emergency Telecommunications Service Providers and Telephone Utilities, 4 CCR 723-29 shall be available to any governing body upon request;

This requirement is mandatory within the service limitations and within 24 months of the adoption of this amended rule unless the LEC proposes an alternative schedule which is adopted by the Commission under the provisions of Rule 1.3 or as specified by other order of the Commission. Any LEC incapable of providing the capabilities and services listed under Rule 17.1 (17.1.1 through 17.1.6) at the date of adoption of these amended rules shall begin immediate efforts to attain compliance

with this rule and shall demonstrate to the Commission continuous progress in meeting the implementation date of the rule.

17.3 Local Calling Area Standards

Local Calling Areas as established in the approved tariffs of LECs as of December 31, 1993 shall be considered by the Commission to meet the community of interest standard as of that date.

17.3.1 Community of Interest Standards for Establishment of New Local Calling Areas.

17.3.1 An indication of a community of interest between exchange areas exists, sufficient to allow further consideration by the Commission, when the following conditions are met:

17.3.1.1.1 the calling rate from the smaller exchange area under consideration of local calling area service equals or exceeds an average of four calls per customer per month and at least two calls per customer per month are made by at least 50% of the customers. However, when the exchange area under consideration of local calling area service are the Denver Metro Exchange, or the Colorado Springs Exchange, then a calling rate of twenty-four calls per customer per month and at least eight calls per month per customer are made by at least 50% of the customers from the smaller exchange area would provide a showing of interest sufficient to allow investigation of the appropriateness of local calling area service for the Denver Metro Exchange areas while a calling rate of eight

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calls per customer per month and at least three calls per month per customer are made by at least 50% of the customers from the smaller exchange area would provide a showing of interest sufficient to allow investigation of the appropriateness of local calling area service for the Colorado Springs Exchange areas; and

17.3.1.1.2 a statistically valid survey of the customers in the exchange areas under consideration for local calling area service indicating at least a 50% positive acceptance of the calling area and the resultant rate levels.

17.3.1.2 Each local calling area, to the extent possible, should include its county seat, school districts, primary centers of business activity, and essential medical and emergency services.

17.3.1.3 Local calling shall always be provided in both directions between the two exchange areas.

17.3.1.4 No local calling area shall exhibit any discontinuities; i.e. the local calling area for an exchange area shall contain all intervening exchange areas.

17.3.2 Process for Expanding Local Calling Areas. The expansion of a local calling area will be considered by the Commission upon: 1) the Commission's own motion; 2) the demonstration of satisfying the criteria of Rule 17.3.1.1.1; 3) petition of at least 15% or 500, whichever is less, of the customers in the petitioning exchange area; 4) the petition of a government entity; or 5) application of a local exchange provider.

17.3.2.1 When a motion or petition is received by the Commission under Rule 17.3.2 the local exchange provider that furnishes service in the exchange areas being considered for inclusion in the local calling area shall first perform all necessary analyses to quantify the calling volumes per customer set forth in Rule 17.3.1.1.1. If the criteria is not met, the matter will not be considered further.

17.3.2.2 The local exchange provider(s) shall give customers seeking to expand their local calling area by petition, or other parties seeking to initiate an investigation to expand a local calling area, access to all call volume data needed to determine whether the criteria required in Rule 17.3.1.1.1 can be met. The local exchange provider shall have the right to require such customers or parties to execute nondisclosure agreements to govern proprietary information before disclosing any such information.

17.3.2.3 Next the local exchange provider(s) that furnishes service in the exchange areas being considered for inclusion in the local calling area shall perform all necessary revenue and cost analyses to quantify the rate increment per customer. The rate increment shall be determined by apportioning the cost among all the customers of the provider.

17.3.2.4 A statistically valid survey of all customers in the exchange areas being considered for local calling shall then be performed by the affected local exchange provider(s). The survey must exhibit the proposed local calling area and the resultant increase in local rate.

17.3.2.5 Upon a showing of compliance with requirements of Rules 17.3.1.1.1 and 17.3.1.1.2, the Commission will conduct the required public

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hearings. The Commission may give deference to conducting the public hearings in or near the affected exchange areas. The proponent for modifying the existing local calling area shall have the burden of proof. If the request to modify the existing local calling area is filed as an application, the Commission will only deem the application complete under § 40-6-109.5 C.R.S. (1994), after the showing of the facts which support the requirements of Rules 17.3.1.1.1 and 17.3.1.1.2

17.3.3 Local exchange carriers may offer a lower priced alternative to full flat rate local service, such as measured rate service and/or a message rate service. Local exchange carriers may also offer a combination local service comprised of a smaller calling area for a lower priced flat rate with local measured and/or message rate service to the rest of the local calling area.