

Decision No. C02-570

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 02R-278T

IN THE MATTER OF PROPOSED AMENDMENTS TO RULES 7.2.1.2 AND 9.4 OF
THE RULES CONCERNING THE COLORADO HIGH COST SUPPORT MECHANISM, 4
CCR 723-41

NOTICE OF PROPOSED RULEMAKING

Mailed Date: May 17, 2002
Adopted Date: May 15, 2002

I. BY THE COMMISSION

Statement

1. The Colorado Public Utilities Commission hereby gives notice of proposed rulemaking regarding the Rules Concerning the Colorado High Cost Support Mechanism ("HCSM Rules"), 4 CCR 723-41, and, in particular, Rules 7.2.1.2 and 9.4 of the HCSM Rules. Presently, under Rule 7.2.1.2 telecommunications providers are exempted from contributing to the High Cost Support Mechanism ("HCSM") if their calculated contribution for a given reporting period (1 year) would be *de minimis* (i.e. less than \$10,000). Rule 7.2.1.2 also states that such providers are exempted from filing the HCSM Worksheet with the Commission. The proposed amendments to Rule 7.2.1.2 clarify that telecommunications providers falling within the *de minimis* exemption are required to file a portion of the HCSM Worksheet

certifying their *de minimis* status (*i.e.* that their contribution to the HCSM would be less than \$10,000).

2. This proceeding will also consider amendments to Rule 9.4 of the HCSM Rules. Presently, pursuant to Rule 9.4 the HCSM supports only "Primary Residential" and "Single Line Business" access lines. The HCSM does not support all access lines in high cost areas. The proposed amendments to Rule 9.4 revise the HCSM Rules to provide support to all residential and business access lines in high cost areas of the state.

3. A copy of the proposed rules is attached to this notice of proposed rulemaking. The statutory authority for the proposed rules is found at §§ 40-2-108, 40-15-302, and 40-15-208, C.R.S.

4. The Commission will conduct a hearing on the proposed rules and related issues at the below stated time and place. Interested persons may submit written comments on the rules and present these orally at hearing, unless the Commission deems oral presentations unnecessary. The Commission also encourages interested persons to submit written comments before the hearing scheduled in this matter. In the event interested persons wish to file comments before hearing, the Commission requests that such comments be filed ten days prior to the hearing date. The Commission will consider all submissions.

II. ORDER

A. The Commission Orders That:

1. This Notice of Proposed Rulemaking shall be filed with the Colorado Secretary of State for publication in the June 10, 2002 edition of The Colorado Register.

2. Hearing on the proposed rules and related matters shall be held before an administrative law judge as follows:

TIME: 9:00 a.m.

DATE: July 2, 2002

PLACE: Commission Hearing Room A
Office Level 2 (OL2)
Logan Tower
1580 Logan Street
Denver, Colorado

At the time set for hearing in this matter, interested persons may submit written comments and may present these orally unless the Commission deems oral comments unnecessary.

3. Interested persons may file written comments in this matter before hearing. The Commission requests that such prefiled comments be submitted at least ten days before the scheduled hearing. All submissions, whether oral or written, will be considered by the Commission.

4. This Order is effective immediately upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 15, 2002.**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Commissioners

723-41-7.1 Contributors. Every provider of intrastate telecommunications service to the public, or to such classes of users as to be effectively available to the public, every provider of intrastate telecommunications that offers telecommunications for a fee on a non-common carrier basis, and payphone providers that are aggregators not falling within the de minimis exemption of Rule 7.2.1.2 must contribute to the HCSM.

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723-41-7.2.1.2 De Minimis Exemption. If a contributor's telecommunication service provider's contribution to the HCSM in any given year is calculated to be less than \$10,000, that contributor will not be required to submit a contribution. Telecommunications service providers falling within this de minimis exemption are required to file with the Administrator ~~or~~ the only that portion of HCSM Worksheet for that period that certifies their de minimis status. Such de minimis certification shall be accompanied by an affidavit of an officer of the telecommunication service provider attesting to the veracity of its self-certification. However, each telecommunications service provider exempt from contributing because of its de minimis revenues shall retain complete documentation (including, but not limited to the information required in the HCSM Worksheet) and shall make

such documentation available to the Administrator upon request. Notwithstanding the *de minimis* exemption of this Rule 7.2.1.2, all Eligible Providers are required to remit contributions and to file the entire HCSM Worksheet.

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723-41-7.3 Application of the Rate Element to Customer Billings. The HCSM rate element shall be applied to the Retail Revenues of each telecommunications service provider's end-user and shall appear as a line item on the monthly bill of each such end-user except that telecommunications service providers falling within the *de minimis* exemption of Rule 7.2.1.2 shall not apply the HCSM rate element nor collect such contribution from its end-users.

Where an end-user service location receiving the bill and an end-user service location receiving the service differ, the location of the telecommunication service delivery shall be used to determine whether the HCSM rate element applies.

723-41-7.4 Remittance of Contributions. All telecommunications service providers not falling within the *de minimis* exemption of Rule 7.2.1.2 shall be responsible for collecting and remitting quarterly the HCSM rate element receipts according to the following procedure:

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723-41-9.4 Amount of Support. Each Eligible Provider shall receive support from the HCSM based on the number of ~~Primary~~ Residential and ~~Single-Line~~ Business Access Lines it serves in high cost Geographic Support Areas, as designated by the Commission, multiplied by the difference between the per line Intrastate Proxy Cost in such Geographic Support Area and the applicable per Access Line Revenue Benchmark. The amount of support shall be reduced by any other amount of support received by such provider or for which such provider is eligible under support mechanisms established by the federal government and/or this State.