

Decision No. C24-0869

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 98M-236T

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

**COMMISSION DECISION ADOPTING THE
CALENDAR YEAR 2025 BUDGET FOR THE COLORADO
HIGH-COST SUPPORT MECHANISM**

Issued Date: November 22, 2024

Adopted Date: November 20, 2024

I. BY THE COMMISSION

A. Statement

1. Section 40-15-208(2)(b), C.R.S., requires the Commission to submit a written report to the General Assembly by December 1st of each year. This report must contain proposed contributions to be collected through a rate element assessment by each telecommunications provider and the proposed total amount of the Colorado High-Cost Support Mechanism (“CHCSM”) from which distributions are to be made for the following calendar year.

2. In 2018, the Colorado General Assembly enacted Senate Bill (“SB”) 18-002, which concerns the financing of broadband deployment and sunsets the Colorado High-Cost Support Mechanism in 2024. SB18-002 significantly modifies Article 15 of Title 40 regarding the Colorado High-Cost Fund, including that § 40-15-208(2)(a)(III), C.R.S., requires that the Commission maintain the current 2.6 percent CHCSM surcharge for the next five years.

3. In 2023, the Colorado General Assembly enacted House Bill (“HB”) 23-1051. HB 23-1051 which extended basic service telecommunications support to twelve rural providers, from December 1, 2023, to September 1, 2024.

4. In May 2024, the Colorado General Assembly enacted House Bill 24-1234, which removed the previous expiration date of the Colorado High-Cost Support Mechanism set for September 1, 2024. The bill also stipulates that for each quarter in 2023 and subsequent years, 100 percent of the total quarterly amount of CHCSM funds collected, minus administrative costs and distributions, will be allocated to the CHCSM account dedicated to broadband deployment.

5. Staff of the Public Utilities Commission (“Staff”) estimates that high-cost support for voice services in 2025 will total approximately \$4.7 million on an annual basis, distributions to the broadband account will be approximately \$13.3 million on an annual basis and annual contributions to the fund from the CHCSM rate element will be approximately \$19.0 million.

6. Administrative expenses associated with the CHCSM for the Commission’s outside contractor and the Commission combined are estimated to be \$246,200 for 2025, which will be paid quarterly.

7. We adopt the 2025 calendar year budget proposed by Staff for the CHCSM. The Colorado Universal Service Charge shall remain at the current 2.6 percent, as required in § 40-15-208(2)(a)(III), C.R.S.

8. We approve the issuance of the 2024 report to the General Assembly and adopt the 2025 calendar year budget for the CHCSM.

II. ORDER

A. The Commission Orders That:

1. We approve the issuance of the 2024 Legislative Report to the General Assembly.

- 2. The Colorado Universal Service Charge shall remain at 2.6 percent.
- 3. This Decision is effective on its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
November 20, 2024.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads 'Rebecca E. White'.

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners