

Decision No. C03-0751

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 03R-291T

IN THE MATTER OF AMENDMENTS TO THE RULES REGULATING
TELECOMMUNICATIONS SERVICE PROVIDERS AND TELEPHONE UTILITIES, 4 CCR
723-2, TELECOM CUSTOMER DEPOSIT RULES, 4 CCR 723-2-8.5.2.

NOTICE OF PROPOSED RULEMAKING

Mailed Date: July 9, 2003
Adopted Date: July 9, 2003

I. BY THE COMMISSION

A. Statement

1. The Colorado Public Utilities Commission gives notice of proposed rulemaking regarding new Rules pertaining to the interest rate for customer deposits that local exchange carriers (LECs) must pay. These rules make permanent the emergency rules this Commission adopted on January 22, 2003, and which became effective January 23, 2003. Those rules require LECs to pay simple interest on a deposit during any calendar year at a rate equal to the average for the period October 1 through September 30 (of the immediately preceding year) of the 12 monthly average rates of interest expressed in percent *per annum*, as quoted for one-year United States constant maturities, as published in the *Federal Reserve Bulletin*, by the Board of Governors of the Federal Reserve System. This rate will be calculated annually by Commission Staff.

2. LECs will then be required to file an Advice Letter and revised tariff or an appropriate application to revise the tariff by December 15th of each year, or an alternative date set by the Commission, to be effective the first day of January of the following year, or an alternative date set by the Commission.

3. A copy of the new Rules is attached to this notice of proposed rulemaking. The statutory authority for the proposed Rules is found within §§ 24-4-101 *et. seq.*, 40-2-108, 40-3-102, 40-4-101, 40-15-201, and 40-15-302, 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 the 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 August 11, 2003 edition of *The Colorado Register*.

2. A Hearing on the proposed rules and related matters shall be held before the Commission *en banc* as follows:

DATE: September 16, 2003
TIME: 10:30 a.m.
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 pre-filed 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 on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
July 9, 2003.**

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith

**Bruce N. Smith
Director**

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

POLLY PAGE

JIM DYER

Commissioners

RULE (4 CCR) 723-2-8.5 CUSTOMER DEPOSITS

723-2-8.5.2 Simple interest to be paid on a deposit by the LEC during any calendar year shall be at a rate equal to the average for the period October 1 through September 30 (of the immediately preceding year) of the 12 monthly average rates of interest expressed in percent per annum, as quoted ~~in the secondary market~~ for one-year United States Treasury ~~Bills~~ constant maturities, as published in the Federal Reserve Bulletin, by the Board of Governors of the Federal Reserve System. Each year, the Staff of the Commission shall compute the interest rate to be paid. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is less than 25 basis points, the existing customer deposit interest rate shall continue for the next calendar year. If the difference between the existing customer deposit interest rate and the newly calculated customer deposit interest rate is 25 basis points or more, the newly calculated customer deposit interest rate shall be used. The Commission ~~and~~ shall send a letter ~~no later than November 15th~~ to each LEC within the state stating the rate of interest to be paid on deposits during the following calendar year. Following receipt of Staff's letter, each utility shall, no later than December 15th of each year, or an alternative date set by the Commission, file an Advice Letter and revised tariff citing this rule as authority on not less than one day's notice, or file an appropriate application, to revise the tariff, all effective the first day of January of the following year, or on an alternative date set by the Commission, containing the new interest rate to be paid upon customers deposits.