

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 25M-0323T

IN THE MATTER OF ESTABLISHING THE 2026 EMERGENCY TELEPHONE CHARGE THRESHOLD, STATEWIDE 9-1-1 SURCHARGE, PREPAID WIRELESS 9-1-1 CHARGE, AND SURCHARGE DISTRIBUTION FORMULAS PURSUANT TO §§ 29-11-102 THROUGH 102.5, C.R.S.

**COMMISSION DECISION OPENING PROCEEDING;
SETTING NOTICE AND INTERVENTION PERIOD; AND
PROPOSING THRESHOLD, SURCHARGE, AND CHARGE
AMOUNTS AND DISTRIBUTION FORMULA**

Issued Date: August 1, 2025

Adopted Date: July 30, 2025

TABLE OF CONTENTS

I. BY THE COMMISSION	2
A. Statement	2
B. Discussion.....	3
1. Emergency Telephone Charge Threshold	3
2. Statewide 9-1-1 Surcharge	5
3. Prepaid Wireless 9-1-1 Charge	8
4. Statewide 9-1-1 Surcharge Distribution Formula and Prepaid Wireless 9-1-1 Charge Distribution Formula	9
C. Conclusion.....	10
II. ORDER.....	12
A. The Commission Orders That:	12
B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING July 30, 2025.	14

I. BY THE COMMISSION

A. Statement

1. By this Decision, the Commission begins fulfilling the annual requirements set forth in § 29-11-102, 102.3, and 102.5, C.R.S., which require the Commission to establish by October 1 of each year the local Emergency Telephone Charge threshold, a statewide 9-1-1 surcharge, a prepaid wireless 9-1-1 charge, and formulas for distribution of money from the statewide 9-1-1 surcharge and the prepaid wireless 9-1-1 charge to governing bodies, each to be effective by the following January 1.

2. In accordance with 4 *Code of Colorado Regulations* (“CCR”) 723-2-2148 of the Commission’s Rules Regulating Telecommunications Service and Providers of Telecommunications Service, we open this proceeding to establish the required threshold, surcharges, and formulas by October 1, 2025, and propose amounts for the local Emergency Telephone Charge threshold, statewide 9-1-1 surcharge, and prepaid wireless 9-1-1 charges, and formulas for distribution of revenues from both the statewide 9-1-1 surcharge and the prepaid wireless 9-1-1 charge.

3. We invite interested persons to submit comments or briefing on this matter and the proposed amounts and formula no later than August 22, 2025. Any person desiring to intervene or participate as a party in this proceeding in accordance with the Rule 1401 of the Commission’s Rules of Practice and Procedure, 4 CCR 723-1 shall file appropriate notices or motions concurrent with their respective comments by **August 22, 2025**. Reply briefs or comments shall be due **September 5, 2025**.

B. Discussion

4. Sections 29-11-102 through 102.5, C.R.S., requires the Commission to establish annually, by October 1 of each year, (1) the authorized threshold amount at which applications are required to increase the local Emergency Telephone Charge; (2) a statewide 9-1-1 surcharge; (3) a prepaid wireless 9-1-1 charge; and (4) formulas for distribution of money from the statewide 9-1-1 surcharge and prepaid wireless 9-1-1 charge to the governing bodies. By statute, these items will be effective January 1 of the following year.

5. In accordance with Rule 2148, 4 CCR 723-2, we propose amounts for the required threshold, surcharge, and charge, and distribution formulas. We invite interested persons to comment on these proposals and present any arguments supporting alternative amounts or distribution formulas through the briefing and comment period afforded by this Decision.

1. Emergency Telephone Charge Threshold

6. Governing bodies may pay costs for the operation of emergency telephone service as described in § 29-11-104, C.R.S., by imposing an Emergency Telephone Charge on service users. Governing bodies must annually establish the amount of the Emergency Telephone Charge per month per 9-1-1 access connection, and if the amount is greater than the authorized threshold amount, the governing body must obtain prior Commission approval to charge that amount.¹ Currently, and through December 31, 2025, the authorized threshold amount is \$2.12 per month per 9-1-1 access connection. Section 29-11-102(2)(f)(II), C.R.S., requires the Commission to establish the authorized threshold amount on or before October 1 of each year to

¹ Processes for an Application to set an emergency telephone charge in excess of the threshold established by the Commission are prescribed in Rule 2147, 4 CCR 723-2.

be effective January 1 of the following year.² Under statute, the Commission must take into account inflation and the needs of the governing bodies in setting the authorized threshold amount. § 29-11-102, C.R.S. Pursuant to Rules 2148(a)(I)(A) and (B), the Commission shall take these considerations into account by considering, at a minimum, inflation rates, future projections, historical data, and the rate of increase of the average emergency telephone charge, in addition to comments provided.

7. Per the federal Bureau of Labor and Statistics, the inflation rate from May 2024 to May 2025 was 2.4 percent³. Applying this rate to the current emergency telephone charge threshold of \$2.12 per 9-1-1 access connection per month yields a new rate of \$2.17. This is an increase of \$.05 over the current threshold of \$2.12.

8. The Commission notes that, in addition to inflation, statute directs the Commission to take into account “the needs of the governing bodies.” The Commission requests comment on whether there are other increases in costs related to the needs of the governing bodies that may justify consideration of an adjustment in addition to the one being proposed to account for inflation, and what that additional adjustment may be. Prior to consideration of comments, if any, that an additional adjustment may be appropriate, the Commission proposes to adjust the threshold rate for inflation only.

9. Therefore, we propose that the Emergency Telephone Charge threshold be set by October 1, 2025, at \$2.17, effective January 1, 2026. As stated above, we invite interested persons to provide comments on this proposed threshold.

² See Decision No. C23-0641, Proceeding No. 23M-0385T issued September 27, 2023, establishing an emergency telephone charge threshold of \$2.05 per month per 9-1-1 access connection, a statewide 9-1-1 surcharge of \$0.09 per month per 9-1-1 access connection, a prepaid wireless 9-1-1 charge of \$1.81 per retail transaction of prepaid wireless telecommunications service, and a distribution formula consistent with statute.

³ See <https://bls.gov/cpi/latest-numbers.htm>.

2. Statewide 9-1-1 Surcharge

10. Section 29-11-102.3, C.R.S., imposes a statewide 9-1-1 surcharge on service users in an amount to be established by the Commission on or before October 1 of each year to be effective January 1 of the following year. The surcharge amount may not exceed \$0.50 per month per 9-1-1 access connection, and the amount must be reasonably calculated to meet the needs of governing bodies to operate the 9-1-1 system. To establish this calculation, Rule 2148(a)(II)(B) states that the Commission will consider, at a minimum, historical data, costs to the 9-1-1 governing body of basic emergency service tariffs, and comments of interested stakeholders.

11. In Decision C24-0710, the Commission set the statewide 9-1-1 surcharge rate at \$0.12 per month per 9-1-1 access connection for the 2025 calendar year. This rate was calculated by determining the total cost to every 9-1-1 governing body under the CenturyLink QC Tariff No. 25, and setting the surcharge rate at an amount reasonably calculated to reimburse the 9-1-1 governing bodies for those costs. The rate also took into consideration an expected increase to the tariff rate due to a network improvement proceeding that was filed, but not yet adjudicated⁴. This methodology is enabled by the fact that the unit of pricing for the ESInet tariff is per concurrent session, and the distribution of the statewide 9-1-1 surcharge funds is also based on the number of concurrent sessions at each 9-1-1 governing body⁵.

12. For calendar year 2026, we propose to set the rate at an amount calculated to reimburse 9-1-1 governing bodies for the cost of paying the monthly recurring ESInet tariff rates. To determine the rate, we find that there are currently 615 concurrent sessions that are being paid

⁴ See Proceeding 24AL-0397T. This tariff amendment was subsequently withdrawn.

⁵ See Proceedings 17AL-0487T, 18AL-0916T, and 19AL-0238T.

by 9-1-1 governing bodies⁶. This number, multiplied by the monthly recurring tariff rate, provides the total statewide cost for all concurrent sessions per month.

13. Consistent with the discussion above, the Commission calculates a statewide tariff cost of \$776.47 per month per concurrent session for ESInet service, \$108.00 per month per concurrent session for ECaTS, and \$310.86 per month per concurrent session for the Network Improvement Plan⁷, for a total of $(\$776.47 + \$108.00 + \$310.86) \times 615$ concurrent sessions = \$735,127.95 per month that must be raised by the surcharge to fully reimburse all ESInet tariff costs. Adding an additional 4 percent to cover the Commission's allowed administrative retention, we arrive at a total amount of \$771,884.35 that must be raised by the statewide 9-1-1 surcharge each month in order to reimburse 9-1-1 governing bodies for the cost of purchasing basic emergency service.⁸

14. For June 2024 through May 2025, the average number of lines reported monthly to the Commission by providers remitting 9-1-1 surcharge funds was 6,883,640.89. This is an increase compared to the average line count of 6,799,289.40 as reported in proceeding 24M-0329T. Based on this, we find that a surcharge rate of \$0.12 per month per 9-1-1 access connection will continue to be sufficient to reimburse the 9-1-1 governing bodies for the cost of purchasing basic emergency service. Based on the current average number of lines being reported, we estimate that a surcharge rate of \$0.12 should raise roughly \$826,036.91 per month in 2026, an amount greater than the \$771,884.35 required as described above. However, setting the rate at \$.11

⁶ Attachment A

⁷ See Proceeding 23A-0197T

⁸ See § 29-11-102.3(3)(c)(I)(B), C.R.S. While the Commission may keep up to 4 percent of the 9-1-1 surcharge to cover its actual costs for administering the surcharge, the actual amount kept varies. Currently the amount being retained by the Commission is 2 percent. The Commission proposes to use 4 percent for this calculation to ensure that any potential increase in the Commission's retention rate does not impact the funding needed by the governing bodies.

would generate only \$757,200.50 per month, which is insufficient to cover costs. This will result in some governing bodies receiving distributions higher than the amount that those governing bodies pay each month for 9-1-1 call delivery. However, the Commission also notes that any excess funds must still be spent for purposes enumerated in § 29-11-104, C.R.S., namely for costs associated with the operation of Emergency Telephone Service and Emergency Notification Service.

15. The Commission is aware that the 9-1-1 Services Enterprise Board, created by SB24-139 and seated in 2025, will establish a 9-1-1 Services Enterprise Fee for 2026.⁹ The 9-1-1 Services Enterprise will inform the Commission through this proceeding regarding the rate of the established 9-1-1 Services Enterprise Fee (Fee), and the Fee will be included in the Statewide 9-1-1 Surcharge rate established in the Closing Decision to this Proceeding. This amount will affect the surcharge rate but will not affect the Statewide 9-1-1 Surcharge Distribution formula, as 9-1-1 Services Enterprise monies will be passed through to the Enterprise fund. The 9-1-1 Services Enterprise Board has informally informed the Commission that this Fee will be \$.03.

16. Based on the above discussion, we propose setting the current statewide 9-1-1 surcharge rate at \$0.15, effective January 1, 2026. We invite interested persons to provide comments on this rate.

17. The Commission is also aware that Lumen intends to file in 2025 a tariff amendment including proposed additional ESInet Services. As of the opening of this proceeding, no such filing has been made, and therefore has not been included in the Commission's calculations

⁹ See § 29-11-108(8), C.R.S.

for the Statewide 9-1-1 Surcharge rate. We invite interested persons to provide comments on this approach.

18. The Commission notes that § 29-11-102.3(1)(b), C.R.S., does not necessarily limit the use of the state 9-1-1 surcharge to reimbursement of current tariff rates for Basic Emergency Service, and rather states that the amount “must be reasonably calculated to meet the needs of governing bodies to operate the 911 system.” Therefore, the Commission also seeks comment on whether there are other expenses that would be appropriate for reimbursement through an adjustment to the 9-1-1 surcharge, noting that the distribution of the surcharge must be based on the number of concurrent sessions being purchased or funded by each of the governing bodies.

3. Prepaid Wireless 9-1-1 Charge

19. Statute requires that the Commission set a per retail transaction prepaid wireless 9-1-1 charge by October 1 of each year to take effect on the following January 1. This rate is transmitted to the Colorado Department of Revenue, which collects the charge from retailers. Statute prescribes the method for determining this surcharge rate as the average of the local emergency telephone charges plus the statewide 9-1-1 surcharge rate. § 29-11-102.5, C.R.S.

20. The average local Emergency Telephone Charge as of June 1, 2025¹⁰ was \$2.07¹¹. Taking our proposal of \$0.15 for the statewide 9-1-1 surcharge and adding this to \$2.07 average emergency telephone charge results in per transaction prepaid wireless 9-1-1 charge rate of \$2.22. This is an increase of \$0.13 per transaction, and reflective of the increase in the average emergency telephone charge rate as well as the increase in the statewide 9-1-1 surcharge. We invite interested persons to provide comments on this amount.

¹⁰ Governing bodies may only change their emergency telephone charge effective February 1 or June 1 of each year. § 29-11-102(2)(b), C.R.S.

¹¹ Attachment B to this Decision.

4. Statewide 9-1-1 Surcharge Distribution Formula and Prepaid Wireless 9-1-1 Charge Distribution Formula

21. The Commission must establish formulas for distribution of money collected from the statewide 9-1-1 surcharge and the prepaid wireless 9-1-1 charge to the governing bodies by October 1 of each year. For the statewide 9-1-1 surcharge distributions, the formula must be based on the number of concurrent sessions maintained by the Public Safety Answering Points (“PSAPs”) of each governing body. § 29-11-102.3(3)(c)(III), C.R.S. Additionally, the Commission may retain up to 4 percent of the collected surcharges to cover the direct and indirect costs of administering the surcharge. § 29-11-102.3(3)(c)(II), C.R.S.

22. For the prepaid wireless 9-1-1 charge distributions, the formula must be based on the number of wireless 9-1-1 calls taken by all the PSAPs of each governing body as a percentage of the total wireless 9-1-1 calls received by all PSAPs in the state. § 29-11-102.5(3)(e)(III), C.R.S.

23. To implement this statutory requirement, we propose a distribution formula through which the Commission will distribute funds from the statewide 9-1-1 surcharge, less the portion of the surcharge that represents the 9-1-1 Services Enterprise Fee and less the administrative costs to be determined by the Commission but not exceeding 4 percent, to each 9-1-1 governing body in amounts proportional to the number of concurrent sessions each 9-1-1 governing body maintains at its PSAPs as a percentage of the total number of concurrent sessions in the state. We invite interested persons to provide comments on this formula¹².

24. Additionally, we propose a distribution formula which will be transmitted to the Colorado Department Revenue for use by that Department in distributing prepaid wireless 9-1-1 charge funds, less administrative costs to be retained by Department, to each 9-1-1 governing body in amounts proportional to the number of wireless 9-1-1 calls received by the PSAPs associated

¹² Attachment A to this Decision.

with each 9-1-1 governing body. We invite interested persons to provide comments on this formula¹³.

C. Conclusion

25. Sections 29-11-102 through 102.5, C.R.S. requires the Commission to undertake several actions related to 9-1-1 surcharges and surcharge funds, all of which must be completed by October 1:

- a. Establish an emergency telephone charge threshold above which Commission approval is required;
- b. Establish a statewide 9-1-1 surcharge rate;
- c. Establish a prepaid wireless 9-1-1 charge rate; and
- d. Establish formulas for the distribution of statewide 9-1-1 surcharge funds and prepaid wireless 9-1-1 charge funds to the governing bodies;

26. For these reasons, we find good cause to open this Proceeding for the purpose of establishing by October 1, 2025, the required threshold, surcharge, and charge amounts, and to establish formulas for distribution of the statewide 9-1-1 surcharge and prepaid wireless 9-1-1 charge, consistent with §§ 29-11-102 through 102.5, C.R.S.

27. Taking into account inflation and the needs of the governing bodies, as discussed above, we propose for stakeholder comment that \$2.17 be established as local emergency telephone charge threshold required by § 29-11-102, C.R.S.

28. Taking into account the requirement that a statewide 9-1-1 surcharge required by § 29-11-102.3, C.R.S., be reasonably calculated to meet the needs of governing bodies to operate the 9-1-1 system, as discussed above, we propose for stakeholder comment that \$0.15 is an appropriate rate for the statewide 9-1-1 surcharge required by § 29-11-102.3, C.R.S.

¹³ Attachment C to this Decision.

29. Applying the formula for the prepaid wireless 9-1-1 charge, and incorporating our proposal for the statewide 9-1-1 surcharge, as discussed above, we propose for stakeholder comment that \$2.22 is an appropriate amount to propose for the prepaid wireless 9-1-1 charge, per transaction, as required by § 29-11-102.5, C.R.S.

30. Applying the requirement as set forth in § 29-11-102.3(3)(c)(III), C.R.S., we propose for stakeholder comment that it is appropriate to propose a formula for distribution of money from the statewide 9-1-1 surcharge through which the Commission will distribute funds from the statewide 9-1-1 surcharge, less administrative costs to be determined by the Commission but not exceeding 4 percent, to each 9-1-1 governing body in amounts proportional to the number of concurrent sessions each 9-1-1 governing body maintains at its PSAPs as a percentage of the total number of concurrent sessions in the state, as shown in Attachment A.

31. We also propose for stakeholder comment that it is appropriate to propose a formula for distribution of money from the prepaid wireless 9-1-1 charge, which will be transmitted to the Colorado Department of Revenue for use by that department to distribute funds from the prepaid wireless 9-1-1 charge, less administrative costs to be determined by the Department in accordance with statute, to each 9-1-1 governing body in amounts proportional to the number of wireless 9-1-1 calls received by each PSAP associated with each 9-1-1 governing body, as shown in Attachment C.

32. This Decision is available for public inspection by accessing the Commission's E-Filing system under the above proceeding number at:

https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=25M-0323T.

This Decision is the notice that the Commission is opening a proceeding to establish by October 1, 2025, the authorized Emergency Telephone Charge threshold, statewide 9-1-1

surcharge, prepaid wireless 9-1-1 charge, and formulas for distribution of the statewide 9-1-1 surcharge and prepaid wireless 9-1-1 charge to governing bodies, each to be effective January 1, 2026.

33. The Commission's notice period for this Decision opening this Proceeding shall extend through and include **5:00 p.m. on August 22, 2025.**

34. We invite interested persons to submit comments or briefing on the amounts proposed for the required threshold, surcharge, and charge, and the formula for distribution of the statewide 9-1-1 surcharge. Comments and briefing shall be filed no later than **5:00 p.m. on August 22, 2025.**

35. Any person desiring to intervene or participate as a party or in this proceeding shall file appropriate notices or motions to become a party concurrent with their respective comments no later than **5:00 p.m. on August 22, 2025.**

36. Reply comments may be filed on or before 5:00 p.m. September 5, 2025.

II. ORDER

A. The Commission Orders That:

1. The Commission opens this Proceeding on its own motion consistent with §§ 29-11-102 through 102.5, C.R.S., and the 4 *Code of Colorado Regulations* ("CCR") 723-2-2148 of the Commission's Rules Regulating Telecommunications Service and Providers of Telecommunications Service, to establish by October 1, 2025 the authorized Emergency Telephone Charge threshold, statewide 9-1-1 surcharge, prepaid wireless 9-1-1 charge, and formula for distribution of money from the statewide 9-1-1 surcharge to the governing bodies.

2. Consistent with the discussion above, we notify interested persons that we propose the following amounts and formula to be effective January 1, 2026: (1) under § 29-11-102, C.R.S.,

an authorized Emergency Telephone Charge threshold of \$2.17; (2) under § 29-11-102.3, C.R.S., a statewide 9-1-1 surcharge of \$0.15; (3) under § 29-11-102.5, C.R.S., a prepaid wireless 9-1-1 charge of \$2.22; under § 29-11-102.3(3)(c)(III), C.R.S., a distribution formula through which the Commission will distribute funds from the statewide 9-1-1 surcharge, less administrative costs to be determined by the Commission but not exceeding four percent, to each 9-1-1 governing body in amounts proportional to the number of concurrent sessions each 9-1-1 governing body maintains at its PSAPs as a percentage of the total number of concurrent sessions in the state, as proposed in Attachment A; and under § 29-11-102.5(3)(e)(III), C.R.S., a distribution formula to be transmitted to the Colorado Department of Revenue for use by that department to distribute funds from the prepaid wireless 9-1-1 charge, less administrative costs to be determined by the department in accordance with statute, to each 9-1-1 governing body in amounts proportional to the number of wireless 9-1-1 calls received by the PSAPs associated with each 9-1-1 governing body, as proposed in Attachment C.

3. The notice period for this Decision shall extend through and include **5:00 p.m. on August 22, 2025.**

4. Any person desiring to intervene or participate as a party in this proceeding shall file a petition for leave to intervene or, pursuant to the Commission's Rules of Practice and Procedure, other appropriate pleadings to become a party by **5:00 p.m. on August 22, 2025.**

5. Briefing on this matter shall be due by **5:00 p.m. on August 22, 2025.**

6. Alternatively, persons who do not wish to intervene or become a party, but desire to file comments, may send written comments on or before August 20, 2021, addressed to the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202

7. Reply briefs or comments shall be due by **5:00 p.m. on September 5, 2025.**

8. This Decision is effective immediately on its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
July 30, 2025.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners