

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 10A-628T

IN THE MATTER OF THE APPLICATION OF THE SUMMIT COUNTY E-911
EMERGENCY TELEPHONE SERVICE AUTHORITY BOARD C/O SUMMIT COUNTY
COMMUNICATIONS CENTER, PO BOX 4188, FRISCO, COLORADO 80424, FOR
AUTHORITY TO INCREASE THE EMERGENCY TELEPHONE CHARGE

**STIPULATION AND SETTLEMENT AGREEMENT
IN RESOLUTION OF PROCEEDING**

This Stipulation and Settlement Agreement in Resolution of Proceeding
("Stipulation") dated December 16, 2010, is entered into by and among the Summit County
E-911 Emergency Telephone Service Authority Board ("the "Authority") and the Staff of the
Public Utilities Commission of the State of Colorado ("Staff"), collectively "the Parties", for
the purpose of resolving by settlement all issues raised by Staff regarding the application
filed by the Authority (the "Application") with the Public Utilities Commission of Colorado
(the "Commission") in Docket No. 10A-628T to increase the monthly emergency telephone
surcharge rate (the "Surcharge") applicable within the areas of Summit County, Colorado
served by the Authority (the "Authority's Jurisdiction") as more fully set out herein below.

RECITALS

Whereas, section 29-11-102(1)(a), C.R.S., allows a governing body to incur
equipment, installation, and other directly related costs for the continued operation of
emergency telephone service as further described in § 29-11-104, C.R.S., and pay for the
costs of such service by imposing a Surcharge in those portions of the governing body's
jurisdiction for which emergency telephone service will be provided; and

Whereas, section 29-11-102(2)(a), C.R.S., allows a governing body to impose a Surcharge in an amount not to exceed seventy cents (\$0.70) per exchange access facility (wireline), per wireless communications access, and per interconnected voice-over-internet-protocol service in those portions of a governing body's jurisdiction for emergency telephone service; and

Whereas, section 29-11-102(2)(b), C.R.S., allows a governing body to seek approval from the Commission for a Surcharge rate in excess of seventy cents (\$0.70) per month if the Commission determines it is necessary in order to provide continued and adequate emergency telephone service in the areas served by the subject applicant; and

Whereas, the Authority is an emergency telephone service authority formed pursuant to an intergovernmental agreement ("IGA"), under Part 2 of Article 1 of Title 29 of the Colorado Revised Statutes, executed January 1, 2002, as amended, by, between and for the purpose of providing emergency telephone services for and on behalf of the following entities: Town of Blue Ridge, Town of Breckenridge, Town of Dillon, Town of Frisco, Town of Silverthorne, Summit County Government, the Lake Dillon Fire Protection District, the Red, White and Blue Fire Protection District, the Copper Mountain Consolidated Metropolitan District and the Lower Blue Fire Protection District; and

Whereas, on September 10, 2010, the Authority, pursuant to § 29-11-102(2)(b), C.R.S., filed its Application seeking the Commission's approval of an increase in the Surcharge assessed on exchange access facility (wireline), wireless and voice-over-internet-

protocol users (“Users”) in the Authority’s Jurisdiction from one dollar and twenty-five cents (\$1.25), as approved on August 23, 2006 in Decision No. C06-0991, Docket No. 06A-391T, to one dollar and ninety-five cents (\$1.95) per User; and

Whereas, the Commission deemed the Application complete and assigned this matter to an Administrative Law Judge (“ALJ”) on October 27, 2010; and

Whereas, on November 5, 2010, the ALJ established the procedural schedule in Decision No. R10-1204-I and the ALJ also noted that Staff timely intervened of right; and

Whereas, the Parties have now reached a settlement described herein below concerning the matters raised in this docket and believe that this Stipulation, reflecting the terms of the settlement, is reasonable and necessary in order to provide continued and adequate emergency telephone service within the Authority’s Jurisdiction and, therefore that this Stipulation should be presented to and approved by the Commission.

NOW, WHEREFORE, in consideration of the premises and other good and valuable consideration the receipt and sufficiency of which is acknowledged by the Parties and in consideration of the Recitals, which are hereby incorporated into the terms of this Stipulation, the Parties hereby agree and stipulate as follows:

1. This Stipulation governs the Surcharge increase the Authority seeks pursuant § 29-11-102(2)(b), C.R.S., which allows a governing body to seek approval from the Commission to

increase the statutorily allowed seventy cents (\$0.70) per month for the provision of continued and adequate emergency telephone service. The Parties concur and shall recommend that the Commission approve, in accordance with the terms and conditions of this Stipulation, the agreed upon Surcharge of One Dollar Fifty cents (\$1.50) per User per month within the Authority's Jurisdiction for its administration and operation of emergency telephone service by and on behalf of the governing bodies comprising the Authority, which are identified in the IGA referenced above.

2. Regarding whether the Authority satisfied its burden of proof to demonstrate the proposed increase of the 9-1-1 surcharge is reasonable for personnel expenses incurred for persons employed to take emergency telephone calls and dispatch them and persons employed to maintain the computer data base of the public safety answering point, the Parties reached the following resolution:

a. The Parties acknowledge and agree that the supporting documents, as hereby amended, used to demonstrate that the personnel costs are related to the emergency telephone calls and maintenance and repair of the computer data base of the Authority's public safety answering point as shown in Attachment A to this Settlement.

b. The Parties accept and agree to the following adjustments to the information contained in the Authority's Application, which are also shown in Attachment A:

- i. That the following assumptions and estimations be applied regarding personnel expenses incurred by the Authority for persons employed to take and dispatch emergency telephone calls:
 - A. Increased salary reimbursement amounts only for twelve call-takers from 25 percent to 30 percent starting in 2011;
 - ii. That the following assumptions and estimations be applied regarding personnel expenses incurred by the Authority for persons employed to maintain the computer data base of the public safety answering point:
 - A. Increased salary reimbursement amounts only for four technicians to maintain computer database from 25 percent to 30 percent starting in 2011;
- 3. The Parties have reached the following resolution and agreement regarding whether the Authority satisfied its burden of proof to demonstrate that the Authority's projected increases of expenses and capital outlay warrants the requested increase in the Surcharge:
 - a. The supporting documents used to demonstrate that the costs are related to the Authority's maintenance, repair and continued operation of the emergency telephone service facilities and emergency notification services as shown in Attachment A to this Settlement.
 - b. The Parties accept and agree to the following adjustments to the information contained in the Authority's Application, which are also shown in Attachment A:

- i. To remove the Emergency Preparedness Network (EPN) Reserve amount.
The annual maintenance charge and activation expenses for reverse 911 are accounted for in the network costs account;
 - ii. To reduce the Telephone Surcharge revenues collected by five percent per year from the 911 rate element starting in 2011 to account for service suppliers loss of access lines per year;
 - iii. To include estimated revenues that will be collected from prepaid wireless services starting in 2011;
 - iv. To reduce the Surcharge revenues by the allowable two percent for service supplier's administrative fee;
 - c. The Parties accept and agree to allow the Authority to build for a reserve in anticipation of capital expenditures in year 2014 in the amount of \$616,950 to replace the Computer Aided Dispatch (CAD) system as shown in Attachment B.
4. Based on the above described updates and adjustments to the Authority's Application, the Parties acknowledge and agree that the Surcharge was calculated at \$1.50, an increase of \$0.25, in order to maintain a reasonable level of reserve balance for future expenditures and further that the increased Surcharge will be assessed on exchange access facility (wireline), wireless and voice-over-internet-protocol users per line on a monthly basis.
5. No later than 60 days after a final Commission order approving this Stipulation, which order does not contain any modification of the terms and conditions of this Stipulation that is unacceptable to any of the Parties, the Authority may implement the Surcharge.

6. This Stipulation is made for settlement purposes only. No Party concedes the validity or correctness of any regulatory principle directly or indirectly incorporated in this Stipulation. No binding precedential effect or other significance, except as may be necessary to enforce this Stipulation or a Commission order concerning this Stipulation, shall attach to any principle contained in this Stipulation.
7. The Parties will support all aspects of this Stipulation embodied within this document in any hearing conducted to determine whether the Commission should approve this Stipulation, and/or in any other hearing, proceeding, or judicial review relating to this Stipulation or the implementation of its terms and conditions.
8. Each party also agrees that, except as expressly provided in this Stipulation, it will take no action in any administrative or judicial proceeding, or otherwise, which would have the effect, directly or indirectly, of contravening the provisions or purposes of this Stipulation.
9. Nothing in this Stipulation shall constitute a waiver by a Party with respect to any matter not specifically addressed in this Agreement.
10. This Stipulation shall not become effective and shall be of no force and effect until the issuance of a final Commission order approving this Stipulation, which order does not

contain any modification of the terms and conditions of this Stipulation that is unacceptable to any of the Parties.

11. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party hereto, that Party may withdraw from this Stipulation and shall so notify the Commission and the other Parties to this Stipulation in writing within ten (10) days of the date of the Commission order.

12. In the event a Party exercises its right to withdraw from the Stipulation, this Stipulation shall be null and void and of no effect and no force in these or any other proceedings, and a hearing shall be set on the merits of the Application.

13. In the event this Stipulation becomes null and void or in the event the Commission does not approve this Stipulation, this Stipulation, as well as the negotiations or discussion undertaken in conjunction with the Stipulation, shall not be admissible into evidence in these or any other proceedings.

14. The Parties state they have reached this Stipulation by means of a negotiated process and that the increase in the Surcharge is necessary in order to provide continued and adequate emergency telephone service within the Authority's Jurisdiction, and that the results reflected in this Stipulation are just, reasonable, and in the public interest.

15. The Parties agree that approval by the Commission of this Stipulation shall constitute a determination that by the Commission that the Stipulation is necessary in order to provide continued and adequate emergency telephone service within the Authority's Jurisdiction and provides a just, equitable, and reasonable resolution of the issues raised herein.

16. The Parties agree jointly to apply to the Commission for a waiver of compliance with any requirements of the Commission's Rules and Regulations to the extent necessary to permit all provisions of this Stipulation to be carried out and effectuated.

17. This Stipulation is an integrated agreement that may not be altered by the unilateral determination of either Party to the Agreement.

18. This Stipulation may be signed in counterparts, each of which shall be deemed an original.

19. This Stipulation may be executed and delivered by facsimile or by e-mail and the Parties agree that such facsimile or scanned e-mail execution and delivery shall have the same force and effect as delivery of an original document with original signatures, and that each Party may use such facsimile or scanned signatures as evidence of the execution and delivery of this Stipulation by the Parties to the same extent that an original signature could be used.

Entered and Agreed Effective the Date First Written Above.

**SUMMIT COUNTY COMMUNICATIONS
CENTER POLICY BOARD ACTING IN ITS
CAPACITY AS THE SUMMIT COUNTY E-
911 EMERGENCY TELEPHONE SERVICE
AUTHORITY BOARD**




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Attachment A Summit County Revised Budget Forecast										
	2010 REVISED	2011 FORECAST	2012 FORECAST	2013 FORECAST	2014 FORECAST	2015 FORECAST	2016 FORECAST	2017 FORECAST		
BEGINNING BALANCE/RESERVE	(338,886)	(183,173)	(415,929)	(613,208)	(784,095)	(307,064)	(329,075)	(328,391)		
TREASURER'S FEES	6,161	7,468	7,312	6,977	6,659	6,357	6,070	5,798		
TELEPHONE SURCHARGE REVENUE ¹	(575,449)	(746,845)	(731,188)	(697,722)	(665,928)	(635,725)	(607,031)	(579,773)		
INTEREST REVENUE	(1,189)	(1,694)	(916)	(2,080)	(3,066)	(3,920)	(1,535)	(1,645)		
TOTAL REVENUES	(570,477)	(741,071)	(724,792)	(692,824)	(662,335)	(633,288)	(602,496)	(575,620)		
PAYROLL REIMBURSEMENTS	408,367	309,937	319,236	328,813	338,677	348,837	359,302	370,082		
OPERATING SUPPLIES	1,160	1,510	1,555	1,602	1,650	1,700	1,751	1,803		
PROFESSIONAL ASSISTANCE	1,400	0	0	0	0	0	0	0		
TELEPHONE	18,958	20,456	21,070	21,702	22,353	23,023	23,714	24,426		
EQUIPMENT REPAIRS	7,750	7,750	7,983	8,222	8,469	8,723	8,984	9,254		
EQUIPMENT RENTAL	0	0	0	0	0	0	0	0		
MAINTENANCE CONTRACTS	52,040	60,190	61,996	75,856	78,131	80,475	82,889	85,376		
NETWORK COSTS	43,824	46,015	46,936	47,874	48,832	49,808	50,804	51,821		
EDUCATION & TRAINING	19,805	23,115	23,808	24,523	25,258	26,016	26,797	27,601		
Tabor Reserve = 3%	17,263	22,405	21,936	20,932	19,978	19,072	18,211	17,393		
Reverse Tabor Reserve = 3%		(17,263)	(22,405)	(21,936)	(20,932)	(19,978)	(19,072)	(18,211)		
OPERATING EXPENSES	570,567	474,116	482,113	507,587	522,416	537,677	553,381	569,543		
CASH CAPITAL OUTLAY	155,622	34,200	45,400	14,350	616,950	73,600	49,800	78,750		
TOTAL - E911 CASH CAPITAL OUTLAY	155,713	(232,755)	(197,279)	(170,887)	477,031	(22,012)	685	72,673		
¹ : Surcharge Revenue Assumptions										
Line Count accessed 911 fee	39,941									
911 Surcharge rate	\$1.50									
% decline in surcharge revenue/year	5%									
Vendors fee % of Gross Surcharges	2%									
Estimated Prepaid Wireless Surcharge Revenue	\$61,857									

Submitted to Colorado PUC Filings System

SUMMIT COUNTY COMMUNICATIONS
E-911 Capital Outlay

2010 Projected	2011 Estimated Budget	2012 Estimated Budget	2013 Estimated Budget	2014 Estimated Budget	2015 Estimated Budget	2016 Estimated Budget	2017 Estimated Budget
155,622	34,200	45,400	14,350	616,950	73,600	49,800	78,750
Capital Outlay Detail	Capital Outlay Detail	Capital Outlay Detail	Capital Outlay Detail	Capital Outlay Detail	Capital Outlay Detail	Capital Outlay Detail	
CAD Printer 750	1 Phone Processor 26,000	2 CAD CPUs 3,000	CAD Printer 750	CAD Printer 750	2 CAD CPUs 3,000	3 CAD CPUs 4,500	UDT Server 7,200
3 CAD CPUs 4,500	UDT Server 7,200	6 CAD Monitors 3,000	3 CAD CPUs 4,500	1 Phone Processor 26,000	6 CAD Monitors 3,000	9 CAD Monitors 4,500	Tech Tools 1,000
9 CAD Monitors 4,500	Tech Tools 1,000	3 Phone CPUs 3,900	9 CAD Monitors 4,500	Phone Monitor/KVM 4,000	3 Phone CPUs 3,900	2 Phone CPUs 2,600	CAD Printer 750
2 Phone CPUs 2,600	34,200	3 Phone Monitors 1,500	2 Phone CPUs 2,600	UDT Server 7,200	3 Phone Monitors 1,500	2 Phone Monitors 1,000	1 PhoneNetwk Switch 2,000
2 Phone Monitors 1,000	New Project: Priority Dispatch	2 Phone Servers 32,000	2 Phone Monitors 1,000	Domain Controller 7,200	Tech Tools 1,000	49,800	2 Vesta Phone Servers 24,000
Tech Tools 1,000	Emergency Medical Dispatch 38,515	1 PhoneNetwk Switch 2,000	Tech Tools 1,000	NSM Module Repl 37,000	AMP Server 7,200	Logger Rpt \$30,000	Domain Controller 6,800
AMP Server 6,500	Fire Dispatch 37,135	45,400	14,350	Phone Monitor/KVM 4,000	MotoCAD Server 54,000		NSM Module Repl 37,000
MotoCAD Server 54,000	Motorola Interfaces 12,000			Domain Controller 6,800			
MotoCAD Upgrade 15,000	Project Subtotal: 87,650			2 Vesta Phone Servers 24,000	73,600		78,750
2 CAD CPU's 2,400				CAD Repl/Upgrade \$500,000			
3 Phone CPU's 3,900				616,950			
Domain Controller 6,800							
2 Vesta Phone Servers 24,000							
Email Shield 3,696							
Secure Web 9,296							
T-1 BRI Interface 1,344							