

Decision No. C11-0179

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 91M-314T

RULES PRESCRIBING THE STANDARD PROCEDURES FOR ADMINISTERING THE COLORADO LOW-INCOME TELEPHONE ASSISTANCE FUND, 4 CCR 723-2-2800.

**COMMISSION ORDER SETTING THE UNIFORM
CHARGE FOR EACH APPLICABLE ACCESS LINE AT
THREE CENTS PER MONTH BEGINNING APRIL 1, 2011
TO SUPPORT THE COLORADO LOW-INCOME
TELEPHONE ASSISTANCE PROGRAM AND
REQUIRING THE PRINTING OF A
MARKET INFORMATIONAL NOTE**

Mailed Date: February 18, 2011
Adopted Date: February 17, 2011

I. BY THE COMMISSION

A. Statement

1. The Colorado Low-Income Telephone Assistance Program (LITAP) was established by the Legislature in 1990. *See* § 40-3.4-101 *et seq.*, C.R.S. In 1991, the Commission adopted Rules Prescribing the Procedures for Administering the Low-Income Telephone Assistance Fund. Rules Regulating Telecommunications Providers, Services, and Products, 4 *Code of Colorado Regulations* (CCR) 723-2-2800. Rule 2803(a) provides:

The tariff shall include a description of the LITAP service offered to eligible subscribers and the associated monthly rate. Such tariff shall provide a 25 percent discount, or the end user common line charge, whichever is greater, for a single residential basic local exchange line in the principal residence of an eligible subscriber. In addition, eligible subscribers who are billed by the provider and who pay mileage or zone charges associated with the line are eligible for a 25 percent discount for these charges.

Rule 2803(b) further provides:

LITAP service rates shall be further reduced by any amount that the basic local exchange provider receives from any federal program providing for a reduction in such intrastate rate.

Rule 2803(c) further provides:

In no event shall the discount for LITAP service be less than the end user common line charge imposed by the FCC.

The discount for eligible subscribers is currently equal to the end user common line charge, which is \$6.50.

2. In order to fund the discount, 4 CCR 723-2-2805 provides for the collection of a surcharge from business and residential lines of non-eligible subscribers. State and local government lines are exempted from the surcharge. Rule 2805(c) provides:

A provider of basic local exchange telecommunications service may collect the uniform charge by a specific line item on subscribers' bills if provided for in its tariff. Alternatively, the uniform charge may be included in each subscriber's bill as part of the subscriber's basic exchange service rate and the provider's tariff shall indicate, through a footnote or other explanatory text, that the basic exchange service rate contains the uniform charge. In addition, if the basic exchange service rate includes the uniform charge, a market informational note shall be added to the bill once a year informing customers that "The base rate includes a Commission-approved monthly charge for the Low-Income Telephone Assistance Program".

3. In Decision No. C05-1483, Docket No. 02I-572T, issued December 20, 2005, the Commission ordered Qwest Corporation, in accordance to the terms of the Amended Settlement Agreement, to establish a trust fund under the Commission's administration and control and deposit \$5,500,000 for the purpose of distributing funds for the LITAP.

4. In Decision No. C06-0164, issued February 24, 2006, the Commission lowered the surcharge from seven cents per line per month to zero cents per line per month and, on its own motion, waived that portion of the rule requiring the Commission to calculate the amount

due for reimbursements on an annual basis. Instead, the Commission shall calculate the amount due for reimbursements from the fund bi-annually.

5. In Decision No. C09-0394, issued April 15, 2009, the Commission raised the LITAP uniform charge on each access line for second quarter 2009 beginning June 1, 2009 and for Fiscal Year 2009-2010, from zero cents per line per month to seven cents per line per month.

6. A Commission-approved administrative fee in the amount of 1 percent of the amount of total monthly uniform charges collected shall apply to those providers of basic local exchange telecommunications services having less than 500,000 access lines and who do not provide cost documentation or actual cost to administer the program in accordance with 4 CCR 723-2-2804(b):

Providers of basic local exchange telecommunications services having more than 500,000 access lines shall report program administrative fees based on actual costs. Providers of basic local exchange telecommunications services having less than 500,000 access lines shall report a Commission-approved administrative fee based on an average cost to administer the program as shown in the provider's industry-standard cost documentation or actual cost to administer the program as demonstrated through the provider's accounting documentation.

7. After analysis of the fund's expected obligations and amount of uncommitted fund reserves, the Commission finds the LITAP uniform charge on each access line for second quarter 2011 beginning April 1, 2011 and for Fiscal Year 2011-2012, should be decreased from seven cents per line per month to three cents per line per month.

II. ORDER

A. The Commission Orders That:

1. Pursuant to § 40-3.4-108(1), C.R.S., and Rules 2804 and 2805 of the Commission's Rules Prescribing the Procedures for Administering the Low-Income Telephone Assistance Fund, 4 *Code of Colorado Regulations* (CCR) 723-2, the Colorado Low-Income

Telephone Assistance Program (LITAP) uniform charge on each access line for second quarter 2011 and Fiscal Year 2011-2012 shall be three cents per line per month effective April 1, 2011.

2. A compliance advice letter and tariff change shall be required and should be filed on not less than one day's notice to the Commission or before March 31, 2011, with an effective date of April 1, 2011.

3. Pursuant to Rule 2895 of the Commission's Rules Regulating Telecommunications Providers, Services, and Products, 4 CCR 723-2, utilities failing to file the required compliance filing could be subject to a fine of up to \$500.00.

4. The uniform charge of three cents per month shall be included in each applicable subscriber's bill, either as a specific line item or as part of the subscriber's basic rate effective April 1, 2011. As soon as practicable after April 1, 2011, each local exchange telecommunications provider that has on file a tariff providing for the LITAP uniform charge to be included in the subscriber basic rate shall print on each customer's bill a market informational note. The market informational note shall state: "The basic rate contains a 3-cent monthly charge for the Colorado Low-Income Telephone Assistance Program." The market informational note shall be printed on the bill through one billing cycle.

5. The Commission-approved administrative fee for providers of basic local exchange telecommunications services having less than 500,000 access lines shall be 1 percent of the amount of total monthly uniform charges collected.

6. The 20-day time period provided for by § 40-6-114(1), C.R.S., to file an application for rehearing, reargument, or reconsideration begins on the first day after the mailing of this Order.

7. This Order is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 17, 2011.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JAMES K. TARPEY

MATT BAKER

Commissioners

CHAIRMAN RONALD J. BINZ ABSENT.