

Decision No. C11-0450

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 98M-236T

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

**ORDER INCREASING THE RATE ELEMENT
OF THE COLORADO HIGH COST SUPPORT
MECHANISM AND MODIFYING ANNUAL CUSTOMER
EDUCATION NOTIFICATION MESSAGE**

Mailed Date: April 29, 2011
Adopted Date: April 27, 2011

I. BY THE COMMISSION

A. Statement

1. Under the Colorado High Cost Support Mechanism (CHCSM) Rules at 4 *Code of Colorado Regulations* (CCR) 723-2-2840 through 2855, the Administrator shall estimate the total amount of CHCSM support that will be needed for the next quarter and shall determine the quarterly factor.

2. In Decision No. C08-0535, mailed May 30, 2008, the Commission set the Colorado Universal Service Charge at 2.2 percent, effective July 1, 2008.

3. Pursuant to its authority set forth at Rule 4 CCR 723-2-22846(b)(IV), Commission Staff estimates a moderate reserve balance will be sustained if the Colorado Universal Service Charge is set at 2.9 percent, effective July 1, 2011. Setting the CHCSM rate element factor at 2.9 percent is necessary to ensure that the money contributed will approximately equal the total amount of money distributed to telecommunications service providers from the high cost support mechanism and allow for an appropriate reserve balance.

4. Now being fully advised in the matter and based upon its independent review, the Commission, acting as Administrator, sets the Colorado Universal Service Charge at 2.9 percent, effective July 1, 2011. The Administrator shall review and re-evaluate the rate element for the Colorado Universal Service Charge each quarter hereafter as required by the CHCSM Rules.

5. The resetting of the Colorado Universal Service Charge requires a modification to the language for the customer notification message that was attached to Decision No. C11-0264, issued March 14, 2011, in this docket. Thus, pursuant to 4 CCR 723-2-2846(e), all telecommunications service providers required to contribute to the CHCSM shall provide their customers with the customer education information describing the “Colorado Universal Service Charge” rate element using the language as provided in Attachment A to this Order. This version replaces the version attached to Decision No. C11-0264.

6. The effective date of this Order will still provide telecommunications providers ample time to include the increase to 2.9 percent effective July 1, 2011 as part of the annual customer education notification requirement discussed in Decision No. C11-0264. Thus, the only modification is the change in the level of the Colorado Universal Charge rate element factor.

II. ORDER

A. The Commission Orders That:

1. Pursuant to the Commission’s Rules Regulating Telecommunications Providers, Services, and Products, 4 *Code of Colorado Regulations* (CCR) 723-2-2846(b)(IV), the Commission, acting as Administrator, has determined the Colorado Universal Service Charge shall be increased to 2.9 percent, effective July 1, 2011.

2. Each telecommunications service provider, as a participant in the Colorado High Cost Support Mechanism, shall make changes to its tariff by a compliance advice letter, if necessary, to reflect the current rate element for the Colorado Universal Service Charge. The required advice letter shall **not** be filed in this Docket; rather, the compliance advice letter shall be a new filing containing all of the information required by Rule 1210 of the Commission's Rules of Practice and Procedure, 4 CCR 723-1. The compliance advice letter shall be filed on not less than one day's notice, citing this Order as authority, to be effective July 1, 2011.

3. Pursuant to Rule 2895 of 4 CCR 723-2, utilities failing to file the required compliance filing could be subject to a fine of up to \$500.00

4. In addition, all telecommunications service providers collecting the rate element (also known as the "Colorado Universal Service Charge") shall notify each of its customers of the rate element increase from 2.2 percent to 2.9 percent, effective July 1, 2011. Notification may be made by message directly printed on the bill, by bill insert, or by separate first class mail, or any combination of these alternatives. For calendar year 2011, providers **shall** complete the required continuing customer Colorado High Cost Support Mechanism education notification in the first billing cycle of the third quarter of 2011. A modified, replacement version of the customer notification message language is attached to this Order as Attachment A.

5. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 27, 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
RESIGNED EFFECTIVE APRIL 8, 2011.