

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14A-0103T

THE MATTER OF THE APPLICATION OF SAN JUAN COUNTY EMERGENCY
TELEPHONE SERVICE AUTHORITY FOR A SURCHARGE INCREASE PURSUANT
TO C.R.S. 29-11-102(2)(B).

COMMISSION DECISION GRANTING APPLICATION

Mailed Date: March 20, 2014

Adopted Date: March 19, 2014

I. BY THE COMMISSION

A. Statement

1. On January 28, 2014, the San Juan County Emergency Telephone Service Authority (Authority) filed its application pursuant to § 29-11-102(2)(b), C.R.S., for approval of an emergency telephone charge increase from \$1.00 to \$1.75 per service user per month (Application).

2. On January 30, 2014, the Commission provided its notice of the Application. Among other things, the notice indicated that any party wishing to intervene in the matter was required to do so within 30 days after the date of the notice, on March 3, 2014.¹ This intervention period was also indicated in Commission Decision No. C14-0174-I.

3. In addition, on January 31, 2014, the Authority filed a Motion for Waiver of Statutory Notice Provisions of § 40-3-104, C.R.S., and for authorization to give an

¹ Commission Rule 4 *Code of Colorado Regulations* 723-1-1203(a) provides in relevant part that when the day upon which a document must be filed falls on a Saturday, Sunday, legal holiday, or any other day when the Commission's office is lawfully closed, then the day for performance or effective date shall be continued until 5:00 p.m. on the next business day or in this case, on March 3, 2014.

alternative form of notice pursuant to Commission Rule 4 *Code of Colorado Regulations* (CCR) 723-1-1003 of the Rules of Practice and Procedure. Applicant requested to provide notice of the proposed surcharge increase to be published for two consecutive weeks (February 6, 2014 and February 13, 2014) in the *Silverton Standard and Miner*, a weekly newspaper published in San Juan County and to post notice at the San Juan County Courthouse on the bulletin board on which all public notices issued by San Juan County are posted.

4. By Decision No. C14-0174-I, adopted on February 13, 2014 and mailed on February 14, 2014, the Commission approved the alternative form of notice and required the applicant to publish the notice two additional weeks othrough February 27, 2014.

5. No parties intervened in this proceeding.

6. On February 28, 2014, the Authority filed its affidavit stating that the first week's publication occurred February 6, 2014 and the last publication occurred on February 27, 2014. The Authority attached copies of the publisher's Affidavit of Publication.

II. FINDINGS AND CONCLUSIONS

7. Since the Application is now uncontested, the matter will be considered pursuant to the Commission's modified procedure, § 40-6-109(5), C.R.S., and the Commission's Rules of Practice and Procedure, 4 CCR 723-1-1403.

8. A governing body² may incur equipment, installation, and other costs directly related to the continued operation of emergency telephone service pursuant to § 29-11-102, C.R.S. As provided in paragraph (a) of subsection (2) of that statute, such allowable costs may be categorized as equipment directly related to receipt and routing of emergency calls,

² As defined at § 29-11-101(4), C.R.S.

monthly recurring charges for the emergency telephone service, reimbursement of costs for equipment changes necessary for the provision or transmission of wireless Automatic Number Identification or wireless Automatic Location Identification to a public safety answering point (PSAP), costs related to the provision of emergency notification service and emergency telephone service, and “other” directly related costs. Personnel expenses necessarily incurred for a PSAP may also be paid with funds collected from 911 charges.³ § 29-11-104(2)(b), C.R.S.

9. A governing body is statutorily authorized to collect up to \$0.70 per month per exchange access facility, per wireless communications access, and per interconnected Voice over Internet Protocol service to cover such costs of service within its jurisdiction. In the event a charge in excess of \$0.70 is necessary to provide adequate emergency telephone service, the governing body shall obtain the approval of the Commission before imposing such higher charge. § 29-11-102(2), C.R.S.

10. Currently, the monthly emergency telephone surcharge is \$1.00 in the Authority’s service territory, which was granted on May 9, 2011 in Decision No. C01-507, Proceeding No. 01A-137T issued May 9, 2001. The Application seeks to increase the charge to \$1.75 per month.

11. San Juan County Emergency Telephone Service Authority was formed in 2000 when San Juan County and the Town of Silverton entered into an Intergovernmental Agreement to: (1) establish a separate legal entity to be known as the “San Juan County Emergency Telephone Service Authority” which would be responsible for administering the operation of the emergency telephone service program; (2) define the manner in which each of the parties

³ Such personnel include employees who take and dispatch telephone calls, or who maintain the computer database of the PSAP.

will participate in the Authority; and (3) establish a mechanism for funding the Authority and Emergency telephone Service.

12. Pursuant to the application, San Juan County has an estimated population of 690 and is one of Colorado's poorest counties. The Authority has contracted with the Colorado State Patrol's (CSP) Montrose Dispatch Center to perform dispatch services for San Juan County using equipment supplied by the Authority. In 2012, the 911 equipment failed resulting in the Authority no longer being able to provide E911 services until equipment was purchased in mid 2013.

13. The Authority approved the filing of the application with the Public Utilities Commission to increase the surcharge to \$1.75 per line per month on January 8, 2014.

14. The Authority has determined that an increase in the emergency telephone surcharge is needed for operating expenses associated with 911 dispatch equipment that was purchased and installed in 2013 for approximately \$68,000. The equipment was purchased with the Authority's reserve funds and a \$34,000 grant from the Colorado Department of Local Affairs. This equipment purchase has depleted the Authority's reserve funds. E911 surcharge revenue is used solely for equipment, maintenance of equipment, and telephone lines over which 911 calls are routed to the CSP dispatch center. San Juan County, the Silverton-San Juan Volunteer Fire Department, and the Silverton-San Juan County Ambulance Association reimburse the CSP for all costs of dispatching 911 calls. Since acquiring the new 911 equipment, the Authority's monthly expenses for operating the 911 system are approximately \$1,050 per month, or \$12,500 per year. During fiscal year 2013, the Authority's total revenues from E911 surcharges were approximately \$7,800, leaving an annual shortfall of \$4,700.

15. Because of the shortfall in revenue, the Authority has had to borrow funds from San Juan County. San Juan County is one of Colorado's poorest counties and cannot afford to continue to subsidize the Authority.

16. The Authority has provided budget forecasts for the 12 months following the implementation of the requested increase with both the current surcharge rate at \$1.00 and the proposed surcharge rate of \$1.75. Using the current surcharge rate demonstrates that the Authority will have a deficit of more than \$5,000 if the increase is not approved by end of year 2014.

17. Based on this evidence, the Commission agrees with the Authority that the costs identified by the Authority are necessary and directly related to providing emergency telephone service as required by § 29-11-102(2), C.R.S. Increasing the surcharge to \$1.75 per month is just, reasonable, and in the public interest. The funds derived from the increase in the emergency telephone service surcharge will be used to pay for increased operating expenses, and services as permitted by § 29-11-104(2), C.R.S. The increase is necessary to fund the expenses that are required to allow the Authority to continue to provide adequate and reasonable emergency telephone service

III. ORDER

A. The Commission Orders That:

1. The application of the San Juan County Emergency Telephone Service Authority seeking to increase the emergency telephone charge to \$1.75 per access line per month is deemed complete and granted.

2. San Juan County Emergency Telephone Service Authority shall notify each affected service provider of the increase in the emergency telephone surcharge by registered mail at least 60 days prior to the new rate becoming effective.

3. The 20-day time period provided by § 40-6-114, C.R.S., to file an application for rehearing, reargument, or reconsideration shall begin on the first day after the effective date of this Decision.

4. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
March 19, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners