

(Decision No. C96-539)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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IN THE MATTER OF PROPOSED RULES)
REGARDING IMPLEMENTATION OF)
§§ 40-15-101 ET.) DOCKET NO. 95R-558T
SEQ. --REQUIREMENTS RELATING TO)
THE COLORADO HIGH COST FUND.)

**COMMISSION DECISION ON APPLICATION FOR REHEARING,
REARGUMENT AND RECONSIDERATION**

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Mailed Date: May 24, 1996
Adopted Date: May 22, 1996
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I. BY THE COMMISSION:

A. Background and Procedural Matters.

1. On April 1, 1996 the Commission issued Decision No. C96-352 adopting the rules attached to the decision as Attachments A and B and repealing Rules 16, 17, and 19 of the *Cost Allocation Rules for Telecommunication Service and Telephone Utilities Providers*, 4 CCR 723-27. On April 22, 1996, pursuant to § 40-6-114(1), C.R.S. and Rule 92 of the *Rules of Practice and Procedure*, applications for rehearing, reargument or reconsideration of Decision No. C96-352 were filed by AT&T Communications of the Mountain States, Inc. ("AT&T"), Colorado Independent Telephone Association ("CITA"), MCI Telecommunications Corporation ("MCI") and US West Communications, Inc. ("USWC"). On April 25, 1996, the Commission issued Decision No. C96-451 (Mailed Date April 26, 1996) granting in part and denying in part the applications for rehearing, reargument or reconsideration.

2. On May 16, 1996, AT&T Communications of the Mountain States, Inc. ("AT&T") filed an application for rehearing, reargument or reconsideration of Decision No. C96-451, pursuant to § 40-6-114(1), C.R.S. and Rule 92 of the *Rules of Practice and Procedure*.

II. DISCUSSION.

1. AT&T's application for rehearing, reargument or reconsideration does not seek revisions in the rules adopted in this docket regarding the Colorado High Cost Fund. Rather, AT&T asks only that the Commission revise its instructions to the Colorado High Cost Fund Task Force so that the Task Force is not precluded from considering AT&T's proxy cost model (the Hatfield Model) as it works to develop a Colorado-specific proxy cost model.

2. In Decision No. C96-451 we expressed concern that the Hatfield Model was proprietary in nature. However, we expressly stated, "We are unwilling to make any declarations which might foreclose consideration of any approach issue, or model." *Decision No. C96-451* at 12. We also indicated that the Task Force is free to consider "the strengths and weaknesses of cost models available for review." Id. We believe that Decision No. C96-451, as written, thus permits the Task Force to consider the Hatfield Model. No amendment to our decision is necessary.

III. ORDER

1. "Application for Reconsideration, Rehearing or Reargument by AT&T," filed by AT&T Communications of the Mountain States, Inc., on May 16, 1996 is denied as discussed above.

2. Within twenty days of the effective date of this Order, the rules adopted in this docket shall be filed with the Secretary of State for publication in the next issue of the *Colorado Register*, along with the opinion of the Attorney General regarding the legality of the rules.

3. The finally adopted rules shall also be filed with the Office of Legislative Legal Services within 20 days following the above-referenced opinion by the Attorney General.

4. This Order is effective upon its Mailed Date.

B. ADOPTED IN OPEN MEETING May 22, 1996.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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— Commissioners

COMMISSIONER R. BRENT ALDERFER
NOT PARTICIPATING