

COPUC Connections Newsletter

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# Colorado PUC Connections Newsletter – March 2001

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## Starting point

Many of you may not be aware that, later this year, Colorado will introduce a new three-digit number to improve access to telecommunications relay services for persons with hearing and speech disabilities.

The Federal Communications Commission is requiring that all local telecommunications providers implement 7-1-1 dialing for access to relay services by Oct. 1 of 2001. Similar to 9-1-1 for emergency services and 4-1-1 for directory assistance, the new 7-1-1 number will encourage and facilitate communications among individuals who are deaf, hard of hearing or have speech disabilities and voice users.

7-1-1 implementation is the latest of a number of initiatives undertaken over the past decade that have enabled individuals with disabilities to "stay connected" by better taking advantage of the broad range of telecommunications services available today.

A few states, including Hawaii, Maryland, Massachusetts and Nevada, already offer 7-1-1 access. Currently in Colorado, customers who want to make calls using the relay system must dial an 800-number to access the relay system. The new 7-1-1 dialing arrangement will not replace the existing 800 number, it is simply an alternative method of accessing the relay system.

By using 7-1-1, relay users will be able to initiate a call from any telephone, anywhere in the United States, without having to remember and dial a 7-digit or 10-digit toll-free number, and without having to obtain different numbers to access local relay systems when traveling from state to state. This should improve access to relay services and encourage the use of those services not only by people with hearing and speech disabilities, but also by individuals without disabilities.

All local telecommunications providers – including wireline, wireless and payphone – are required by the FCC to offer the 7-1-1 dialing access.

The Public Utilities Commission currently is facilitating the implementation of 7-1-1 in Colorado. The PUC hosted an initial meeting with telecommunications industry participants on Feb. 1. The

next meeting is scheduled for April 3 at the Commission. The group has targeted Sept. 1 as the kickoff date for 7-1-1 dialing in Colorado.

7-1-1 is not the only new abbreviated dialing code that may show up in Colorado in the near future. Initial discussions already have been held regarding implementation of 2-1-1 for access to social services and 5-1-1 for access to road information. As of yet, however, no dates have been established for implementation of those codes.

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## Commissioner Stays Focused On Process

*How decisions reached more important than list of accomplishments*

Bob Hix will be cleaning out his desk soon to make room for a new commissioner. Hix has helped guide utility regulation through significant changes during the last seven years.

*Commissioner Hix committed to more efficient process*

*"The important thing to me is doing what we do timely, efficiently and well-focused."*  
– Bob Hix

During his stint of nearly seven years as a decision-maker at the PUC, Commissioner **Bob Hix** has helped steer utility regulation in Colorado through some of its most turbulent times, reaching landmark destinations along the way.

In telecommunications, he helped shape such monumental and complex issues as local telephone competition and pricing, arbitration and interconnection, service quality, 10-digit dialing, expanded local calling, sale of rural exchanges and the U S West/Qwest merger.

On the energy side, he participated in rate cases, mergers, the development of a performance-based regulation for Xcel Energy, and a

number of important rulemakings covering topics such as integrated resource planning, gas cost adjustment and cost allocation.

In transportation, Hix had a hand in developing a new standard of regulated competition for the taxi industry in Colorado, the Yellow Cab ownership transfer, and the emergence of a vibrant shuttle industry serving the metro area.

All of it he dismisses with the wave of a hand.

"That's just my job," Hix said. "That's what I do day to day."

Of more lasting importance, he hopes, will be his work ethic and steadfast determination to improve the administrative process.

"Commissioners come and go, but the agency continues," he said. "The important thing to me is doing what we do timely, efficiently and well-focused. You don't want to do things that reflect poorly on the agency. I feel pretty good about what we've accomplished as far as improving the process for all who conduct business before us."

As a commissioner, Hix will soon be gone. His term expired in January, but he agreed to stay through March to finish up some important PUC cases before a successor is appointed. But his many contributions to the agency will remain for some time to come.

Hix was appointed chairman of the PUC in 1994 to fill the spot created by the retirement of Robert Temmer. He was reappointed by then Gov. Roy Romer in 1996, and served as chairman more than five years until **Ray Gifford** assumed that role in July of 1999.

Hix currently is a member of the National Association of Regulatory Commissioners' (NARUC) Committee on International Relations, Committee on Electricity, and Subcommittee on Strategic Issues. For two years prior, he had served on NARUC's Committee on Gas.

He also is a member of the Advisory Council to the Board of Directors of the Electric Power Research Institute; is a member of the Planning Committee of the North American Electric Reliability Council; and is a member of the Advisory Council of the New Mexico State University Center for Public Utilities.

From mid-1997 through 1999, Commissioner Hix led a pioneering effort to establish one of the first regulatory partnerships between a U. S. Public Utilities Commission and a new foreign Commission. Sponsored through the United States Energy Association and United States A.I.D., the Orissa Electricity Regulatory Commission, in the state of Orissa, India, and the Colorado PUC endeavored to share experience with regard to regulatory policies and administrative practices.

During this time frame, Commissioner Hix also was asked to meet with and advise India's new federal Central Electricity Regulatory Commission; the Administrative Staff College of India, the new Commission for the state of Uttar Pradesh; and the Tata Energy Research Institute.

Despite his impressive credentials on the national and international regulatory scene, Hix remains focused on what is happening in Colorado.

"I think the most important thing we do is make decisions at open meeting on a weekly basis," he said. "I tried to function in a fashion that would earn the respect of those who came before the Commission."

Hix praised the effort and commitment of Gifford and Commissioner **Polly Page** – his current colleagues on the bench – as well as those he served with in the past. He also said one of the things he will miss most when he leaves are the relationships he has cultivated with PUC staff members. But don't be surprised if he is still seen in the PUC hearing room from time to time.

"I don't know at this point what I'll be doing, but I hope to remain active in regulatory affairs and public policy issues that are critical to a well-balanced public interest," Hix said.

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## **PUC To Investigate Gas Price Volatility**

The Public Utilities Commission has launched an investigation into

regulatory measures that might be available to help reduce volatility in natural gas prices.

The investigation stems from concern about the impacts on customers from the steep increases in the price of natural gas this heating season. The wholesale natural gas market is not regulated, and prices at one point were four times higher than a year ago.

PUC rules require utilities to file information related to management of their gas supply portfolios. However, utilities are not required to implement measures to mitigate price volatility in the competitive wholesale market.

Nearly all of the eight regulated gas utilities in the state have requested at least three increases in their gas cost adjustment since last July. Customer bills this winter are about double what they were a year ago.

While there is nothing in the Commission's rules that mandate spot market purchases, it appears many utilities are purchasing gas based on spot market prices.

"This strategy is advantageous to customers during periods of generally falling prices, as we have experienced during the past decade. It has resulted in large price increases during the past year," the Commission wrote in opening its investigation.

The Commission has identified three options that might be helpful in reducing natural gas volatility:

- To have regulated utilities make greater use of longer term contracts and hedging techniques as a part of their regulated gas supply portfolio;
- To have regulated utilities offer an optional service under their tariffs which would be less volatile compared to the standard offering. For example, a customer might choose to pay a fixed amount to the utility for natural gas for the year.
- The implementation of "gas unbundling," in which customers can choose their gas supplier directly. This would allow customers to match

the type of contract they desire to their tolerance for risk, budget constraint or cash flow.

The Commission has asked interested parties to submit comments about the potential benefits and risks of each of these options, as well as any others that might reduce gas price volatility. Comments are due by March 16 and should be addressed to Docket No. 01I-046G.

Once the comments have been reviewed, the Commission may choose to modify its gas cost adjustment rules, or take other action that it deems appropriate.

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### **Xcel Granted Rate Hike, But Not Higher Return**

The Colorado Public Utilities Commission has granted a \$14.2 million increase in natural gas rates for Xcel Energy to recover investments in its natural gas delivery system, but declined to approve any additional profit for the company.

In a unanimous decision on Feb. 9, the PUC approved a little more than a third of Xcel's overall request of \$38.8 million. The increase will add about 87 cents a month to the typical residential bill, while commercial customers will see an increase of about \$2.64 a month. The new rates are expected to take effect this spring.

The PUC kept the existing 11.25 percent return on equity for the company's natural gas operations. The return on equity is the measurement of profit. The PUC authorizes a return on equity, but it is not guaranteed.

"After having passed through the recent gas cost adjustments, it's tough now to say to ratepayers that you should allow another small increment of profit for the company," PUC Chairman **Ray Gifford** said. "This is the best way of balancing the interests of investors in the company and ratepayers."

Xcel had requested the \$38.8 million increase to pay for investments it had made in the natural gas delivery system to serve new customers



and maintain the existing system. That request included a 12.5 rate of return.

The lower rate of return adopted by the PUC, along with adjustments for depreciation rates and other accounting issues, resulted in the \$14.2 million increase.

"The company has invested in the system and deserves the opportunity to earn on that investment," Commissioner **Bob Hix** said. "But at a time when customers have accepted the responsibility for increased gas costs, we need to get through this tough time together."

The increase is not based on the fluctuating cost of the natural gas supply. Xcel makes no money on the cost of the natural gas commodity, but simply passes on that cost to its customers on a dollar-for-dollar basis.

The PUC is expected to issue its written order sometimes in March. Once the written decision is issued, parties to the case will have an opportunity to file for reconsideration, reargument or rehearing.

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## Inside Connections

**With the high price of natural gas requiring lower thermostats this winter, Carolyn Gable might get cold, but she definitely won't go hungry.**

Carolyn, an Administrative Assistant in the PUC's Executive Office, enjoys dehydrating food as a hobby and has enough stored up to outlast the fiercest Colorado winter.

"I could be snowbound for a month and not have to go to the store," she said.

Carolyn came to the PUC in September of 2000, and works as assistant to Commissioner Bob Hix. Her responsibilities include preparing and maintaining files for meetings and hearings, word processing, and providing general support to the commissioners in performance of their daily activities.

She enjoys the team aspect of her job the best, working with others to help the agency meet its numerous deadlines and legal responsibilities.

"I like being associated with so many individuals who possess just a wide range of knowledge and talent to bring a project to conclusion," she said.

Prior to joining the PUC, Carolyn operated a "natural eating" store with her daughter and son-in-law, which gave her a natural outlet for her interests in food storing, dehydration and sprouting.

She grinds her own grain and makes her own bread, dehydrates fruits and vegetables such as watermelon, cantaloupe and even spaghetti sauce, and sprouts beans, seeds and grains. It is a healthy and convenient hobby that suits her lifestyle perfectly, she said.

Carolyn also enjoys spending time with her two grandchildren, doting on her two dogs, and attempting minor fix-up projects around her house.

Although she was born in Colorado, Carolyn was raised in a farming community in Nebraska, where her beliefs in food storing and natural eating were instilled. She also lived for several years in Wyoming, and she is still an avid trout and bass fisherman.

"I've been fishing for so long, I don't even consider it a hobby," she said.

(Inside Connections will feature a PUC employee each edition as selected by PUC section chiefs.)

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## **Shop Around To Find Best Telephone Plan**

The telephone industry is changing rapidly. There are more companies competing for your business and more services to choose from every day. Understanding your options may take a little more time than it used to, but it's worth it.

You may use one company for long distance and another for local service. Or, you may get all your service from one company. Each company may bill you individually, or all companies' charges may appear on a single bill. Look at your phone bills carefully every month. Make sure you understand the charges that appear. If you have questions, call your phone company.

Comparison shopping for local and long distance telephone service may be the best way to get the most for your money. Look at your last three telephone bills to identify your calling patterns. Determine what days and times you make the most telephone calls. Some plans offer discounts for weekends or other days. Many companies offer discounts at certain times of day.

Determine how long you talk when you make phone calls, and where you call most often. Ask if there is a plan that would offer special calling rates for those areas. Are your calls local or long distance? Are they state-to-state or in-state?

Armed with the answers to these questions, you can shop for the best plan. You may want to call more than just one phone company to compare plans. Remember:

- Companies may use different terms to describe similar services. Combinations of services may differ as well.
- Don't just look at the per-minute rate. Ask about additional fees or charges.
- If you make a lot of phone calls, ask about plans that offer better rates for high usage.

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## **PUC Hosting Annual Pipeline Safety Seminar**

A three-day seminar designed to ensure the safe operation of natural

gas systems in Colorado will be held March 21-23 in Colorado Springs.

The annual Gas Pipeline Safety Seminar is presented by the Department of Transportation's Transportation Safety Institute (TSI) and hosted by the Public Utilities Commission.

More than 100 gas distribution and transmission system operators are expected to attend the event, which will be held at the Sheraton Colorado Springs Hotel in Colorado Springs. The sessions are designed for operators of investor-owned and municipal gas systems, as well as master meter and propane system owners and managers who maintain underground gas piping.

Don McCoy from TSI in Oklahoma City will be the principal speaker. Consultants and industry experts will make presentations regarding the practical aspects of operations, maintenance and emergency response. State and federal pipeline safety regulations will be discussed.

To register, or for more information, call 303-894-2851 or 303-894-2852.

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### Positive Charges

Congratulations to the following PUC employees who were recently recognized for their years of state service:

5 years – **Jim Midyett.**

10 years – **Billy Kwan, Vivian Pederson, Lynn Randall, Wendell Winger.**

15 years – **Jerry Enright, Randy Garrouette, Gary Gramlick, Robert Hix, Ken Kirkpatrick, Steve Pott, Bruce Smith, Terry Willert.**

20 years – **Joe Eaglesfether, Paul Hoffman, Dennis Maul, Bruce Mitchell, Kristy Turner.**

25 years – **Marsha Nemo, Phil Smith.**

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## **PUC Rules Power Line Upgrade Needed By Summer**

*The 115kV transmission line that runs from Boulder to Broomfield needs to be upgraded by summer to ensure reliable electric service to the area.*

The Colorado Public Utilities Commission has ruled that an immediate upgrade of a electrical transmission line that runs between Boulder and Broomfield is needed to prevent possible customer outages this summer.

The PUC on Feb. 14 ordered Xcel Energy to complete the upgrade of its 115 kV transmission line by summer of 2001 to ensure adequate and reliable electric service to the U.S. Highway 36 corridor. The Commissioners said the evidence in the record indicated that the company's proposal to construct the upgrade above ground was the only practical option to meet the necessary deadlines.

The PUC was asked by Xcel last fall to resolve a dispute between the company and the city of Louisville over the proposed upgrade of the transmission line that runs between Xcel's Valmont power plant in Boulder and its Broomfield substation. The city of Louisville wants the company to bury the transmission line, at a cost \$8 million more expensive than Xcel's \$1.3 to \$2 million estimated overhead construction costs, and has yet to grant Xcel the necessary permit to begin construction of the overhead upgrade.

Xcel said it would bury the line if the city pays for the \$8 million extra cost. Louisville had requested that Xcel wait two years to construct the upgrade to give the city additional time to form a home rule municipality, and put the underground bond issue to a vote. But the company said it could not wait two years without jeopardizing reliable electric service to its customers in Louisville and surrounding areas.

The PUC ruled that it had jurisdiction in the case because the dispute was a matter of statewide concern and it involved the reliability and safety of the transmission system.

The PUC said that last summer's demand came close to exceeding capacity on the line, and that Xcel's projections for 2001 did not seem out of line. The PUC also said that temporary measures suggested by the city and the Louisville Power Line Corridor Association would not ensure reliability either this summer or on an on-going basis.

The Commission also said it would not impose conditions requiring mitigation and monitoring of noise and electro-magnetic fields (EMFs). The evidence showed that noise and EMF levels would be at least no greater than present, and that the upgrade could even enhance public safety by lowering those levels, the Commission said.

The decision does not foreclose the city from pursuing undergrounding options in the future, the PUC said.

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### **PUC Finds Leyden Closure Appropriate**

The Colorado Public Utilities Commission has authorized Xcel Energy to abandon the former underground coal mine where it has stored natural gas for the last 40 years.

The PUC in late December ruled that Xcel Energy's application to close the Leyden storage facility northwest of Arvada was appropriate given the current facts and circumstances. The PUC also concluded that the company has a plan in place that will ensure an adequate supply of gas for all its customers in the future.

The Leyden facility was developed and put into operation in 1960. It has helped Xcel maintain gas pressure during cold snaps to avoid natural gas outages, and it has helped to keep rates low by using low-cost storage gas during cold spells when natural gas is sold at a premium.

Due to increased development in the area in recent years, Arvada officials and landowners have expressed concerns about possible gas migration from the Leyden facility onto their property. While Xcel contends that the Leyden facility is safe and no gas is migrating beyond

the buffer zone, at least one district court jury has found otherwise.

PUC Administrative Law Judge Ken Kirkpatrick noted that Xcel is at risk from future and pending lawsuits from adjoining landowners due to the gas migration issue.

"The magnitude of that judgment, and the possibility of others like it, must be evaluated in the context of the remedial measures possible and the alternative of closing the Leyden facility," Judge Kirkpatrick said.

Other options – such as expanding the buffer zone or the development of an extensive, expanded monitoring program – were cost prohibitive, the judge said.

The judge also ruled that Xcel had established that it has a plan in place that will ensure an adequate supply of gas for all of its customers in the future. That plan includes a combination of improvements to its own system and increased purchases from Colorado Interstate Gas.

Xcel said it intends to close the Leyden facility following the 2000-2001 heating season. The decommissioning would occur in phases beginning in the fall of 2001 and concluding by the end of 2005.

Xcel has estimated the cost of shutting down the facility to be \$8.6 million. However, the Commission had previously dismissed the issue of cost recovery from the abandonment application. The appropriateness of recovering the decommissioning costs from Xcel's ratepayers will be taken up at a later proceeding.

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### **Hearing On Greeley Gas Rate Case Set In April**

**The Public Utilities Commission has scheduled an evidentiary hearing for April 4 on a proposal by Greeley Gas Company to increase rates by \$4.28 million to pay for investments it has made in its natural gas delivery system to serve new customers and to maintain the existing system.**

**Greeley Gas serves about 90,000 customers in 60 Colorado**

**communities, including the towns of Greeley, Canon City, Lamar, Durango, Steamboat Springs and Craig.**

The company's service territory is divided into four divisions in Colorado – Northeast, Northwest/Central, Southeast and Southwest. Under the proposal, the average monthly increase for customers in each of the divisions would be as follows: Northeast – residential \$3.09, commercial \$10.71; Northwest/Central – residential \$2.04, commercial \$8.87; Southeast – residential \$2.18, commercial \$7.85; Southwest – residential \$2.22, commercial \$10.69.

The increase would be used to recover the cost of investments in the company's delivery system, along with technology-based and productivity improvements. Greeley Gas said it has added 32 percent more customers and has invested more than \$54 million in its gas delivery system since its last rate increase, which took effect in May of 1994.

The proposed increase is separate from recent increases due to the sharp rise in natural gas commodity prices. Those increases are passed on to customers on a dollar-for-dollar basis. The company does not earn any profit on the price of natural gas.

As part of this proceeding, the company is asking for an increase in its authorized rate of return on equity from 11.25 percent to 12.5 percent. The return on equity allows investors to earn a fair return on the money they invest in the company. The PUC authorizes a return on equity, but it is not guaranteed.

Four public comment hearings on the proposed rate increase have been scheduled in Marcy. Times and locations are as follows: March 1, Greeley, 7 p.m., Centennial Center, 915 10<sup>th</sup> St.; March 6, Lamar, 7 p.m., City Hall Complex, 102 E. Parmenter; March 7, Gunnison, 7 p.m., County Courthouse, 200 E. Virginia; and March 8, Steamboat Springs, 7 p.m., Routt County Courthouse Annex, 136 6<sup>th</sup> St.

Customers who are unable to attend one of the hearings may send written comments to the PUC at 1580 Logan St., OL2, Denver, Co 80203. Comments should be addressed to Docket No. 00S-668G and should be received by April 4.



## **Xcel Seeks Okay To Build Power Line Linking Eastern Grid**

Hearings are scheduled in May on a proposal by Xcel Energy to build a high-voltage transmission line to connect the Front Range with alternate power supplies located to the east and south of Colorado.

The company has asked the Public Utilities Commission for authority to construct a 345 kV transmission line from Lamar to the Kansas border. The high-voltage line would link the electric systems of the former Public Service Company and Southwestern Public Service of Amarillo, which merged several years ago.

As part of its application, Xcel states that it is "an island in the electric wholesale marketplace sea" existing on the border of the Western Interconnection within the Western Systems Coordinating Council. Although there are a few direct interconnections between the western and eastern electric grids from Canada to New Mexico, they provide only a small amount (1,000 megawatts) or transfer capability and skip over Colorado entirely.

By this application, Xcel proposes to increase the interconnection capacity between west and east by more than 20 percent (210 megawatts).

Xcel states that while Colorado essentially has adopted a "wait-and-see" approach to retail electric competition, beneficial power purchase opportunities exist in the wholesale marketplace. This new transmission tie-in would allow the company to take advantage of these wholesale market opportunities on behalf of its customers, Xcel said.

The PUC has scheduled hearings on the proposal for May 7-11 at its offices in Denver. The Commission must determine whether the proposal is in the public interest, and will consider issues such as whether the benefits to Colorado ratepayers would offset the costs of building the line. The estimated cost of the Colorado portion of the project \$65.7 million.

A final decision is expected by July.

## **Colorado To Develop Qwest Anti-Backsliding Plan**

Colorado will develop its own plan to ensure that Qwest Corporation continues to provide fair service to competitors using its local network once it obtains authority to provide long-distance service within its region.

The Colorado Public Utilities Commission has opened an investigation into developing a performance assurance plan for Qwest, also known as an anti-backsliding plan.

Under the provisions of the 1997 federal telecommunications law, before Qwest can offer long-distance service within its region, it must show that its network is sufficiently accessible to competitors that want to provide local telecommunications service. The PUC has been holding workshops since last summer to review information about the 14 competitive elements required under section 271 of the federal telecom act.

One of the issues that has arisen in those proceedings is how to ensure that the quality of service that Qwest provides to its competitors doesn't deteriorate once Qwest receives approval from the FCC to enter the long-distance market.

Other states – such as New York and Texas – have developed post-271 performance assurance plans, and a collaborative effort is under way in the Qwest states to address similar plans. However, the Colorado PUC has decided to embark on its own process to develop a specific plan that will more ideally suit competitive conditions in Colorado.

A University of Colorado law professor with expertise in telecommunications policy issues will conduct the investigation for the PUC. Philip Weiser, who worked on competitive checklist issues for the Department of Justice, will develop a recommended performance assurance plan for Colorado.

Weiser began in February soliciting comments from interested parties on the guiding principles of the plan. Beginning in March, he will hold a series of meetings with those parties along with PUC staff to discuss

issues relevant to the development of the plan.

It is expected that a draft performance assurance plan will be released in early April that will outline proposed or alternate approaches for the final report. Comments on this draft proposal will be due two weeks after it is made available.

Weiser will issue a final report and recommendation in early May that will outline a proposed performance assurance plan. Based on this report, the PUC will then determine what, if any, further procedures or proceedings to undertake with respect to the plan.

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### **Steamboat, Leadville Expand Local Circles**

Customers in Leadville and the Yampa Valley area in northwestern Colorado should be noticing lower long-distance bills soon.

Expanded local calling in both areas was implemented in February, following agreements approved by the Public Utilities Commission last year.

On Feb. 1, expanded local calling between several communities in Routt and Moffat counties, including Steamboat Springs and Craig, was implemented to reflect the changing community of interest of the region. The new calling areas for the Yampa Valley communities are as follows (additions are underlined):

Craig – Hayden, Meeker, Oak Creek, Steamboat Springs, Yampa, Dinosaur, Maybell and Rangely exchanges.

Hayden – Craig, Oak Creek, Steamboat Springs, Yampa exchanges.

Oak Creek – Craig, Hayden, Steamboat Springs, Yampa exchanges.

Steamboat Springs – Craig, Hayden, Oak Creek, Yampa, Walden exchanges.

Yampa – Craig, Hayden, Oak Creek, Steamboat Springs exchanges.

On Feb. 16, Qwest implemented local calling between Leadville north to the I-70 corridor, including the Dillon, Breckenridge and Vail exchanges. Even though the calls between those communities cross the 719/970 area code boundary, the Federal Communications Commission has granted permission for them to remain local calls.

The new calling areas for those communities are (additions are underlined):

Breckenridge – Dillon, Fairplay, Leadville, Vail exchanges.

Dillon – Breckenridge, Fairplay, Georgetown, Kremmling, Leadville, Vail exchanges.

Leadville – Breckenridge, Buena Vista, Dillon, Salida, Vail exchanges.

Vail – Breckenridge, Dillon, Leadville, Gypsum, Edwards, Eagle and McCoy exchanges.

Monthly telephone rates for customers did not change as a result of the expansion, and no telephone numbers were changed. The costs of the expansions were paid from an \$8 million pot that Qwest agreed to set aside in 1999 for expanded local calling in the 719 and 970 area codes.

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### **Rules Setting Rural Technology Zones In Place**

Rules that are designed to encourage investment in Internet access technology in rural Colorado are expected to take effect by the end of March.

The Public Utilities Commission adopted the rules in December after taking comments from interested parties and holding hearings on the matter. Following publication by the Secretary of State's office this month, the rules would become effective on March 30.

The rules establish guidelines for establishing technology enterprise

zones in rural Colorado and are the final step toward implementing the "Rural Technology Enterprise Zone Act" of 1998.

That bill mandated the PUC to conduct a statewide technology infrastructure needs assessment and inventory, and gave the PUC the authority to establish rural technology enterprise zones.

Following the study, the PUC began a rulemaking proceeding to establish the guidelines for the program. Under the final rules, companies that invest in technology infrastructure to provide Internet access within the zones are eligible for a 10 percent tax credit on their investments, up to \$100,000 each year through 2004. The credit is retroactive back to 1999.

Specifically, the rules designate the geographic regions within Colorado that qualify as Rural Technology Enterprise Zones, based on the populations of hub cities and towns from which Internet access is provided. The rules also designate the kinds of technology that would qualify for the credit, and establish the procedures for companies to apply for the credits through the Colorado Department of Revenue.

Once they become effective, the final rules will be published on the PUC website – [www.dora.state.co.us/puc/](http://www.dora.state.co.us/puc/) -- for anyone interested in obtaining more information about the enterprise zones. The PUC also will provide information packets, including qualification forms, to anyone who requests them.

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### **Silverton To Get Wider Calling Area In April**

**Expansion of the town of Silverton's local calling area is expected to occur in April, cutting long-distance bills for the town's residents and businesses.**

**The Public Utilities Commission in December approved an agreement reached by the town, Qwest Corp., PUC staff and the Office of Consumer Counsel. The agreement calls for expansion of the town's local calling area to include the exchanges of Montrose and Ridgway. Silverton currently has local calling to**

## **Bayfield, Durango and Ouray.**

**The town of Silverton is located in San Juan County in southwestern Colorado and lies about midway between the cities of Durango and Montrose. During the past eight years, governmental agencies and residents in the Silverton exchange have developed extensive business connections with a large number of businesses located in Montrose and Ridgway.**

In accepting the agreement, the PUC said the evidence clearly demonstrated that a "community of interest" exists between Silverton and the Montrose/Ridgway exchanges for business, governmental, medical, transportation and emergency calling purposes.

Implementation of the local calling area expansion is expected to be completed by April, following upgrades of Qwest's facilities and central office equipment. Customers will be notified by letter approximately two weeks prior to the actual cutover date.

The expansion will not increase basic local rates for any telephone customers. Qwest will pay the costs of the expansion from an \$8 million pot that the company agreed to set aside in 1999 for expanded local calling in the 719 and 970 area codes.

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## **COLORADO PUBLIC UTILITIES COMMISSION**

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