



STATE OF COLORADO

PUBLIC UTILITIES COMMISSION



CONNECTIONS is the quarterly newsletter of the Colorado Public Utilities Commission, covering Commission cases and actions of importance to consumers, utilities, consumer groups and decision makers.

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Starting point

One thing we can always count on is change in our lives. This agency is no different. The Public Utilities Commission has experienced its share of change over recent months. We've said goodbye to some old faces, and welcomed some new ones.

I would like to take this opportunity to wish former Commissioner **Bob Hix** the best of luck as he embarks on his post-PUC endeavors. Commissioner Hix concluded his tenure at the PUC on May 9, leaving behind nearly seven years of outstanding service on the bench. I am certain that Bob will be successful in whatever path he chooses for the future. Among other things, we will miss his expertise, his example, and his annual e-mail salute to the Marine Corps birthday on Nov. 10 each year.

The salute to the Marines, however, may carry on with Bob's replacement. I would like to extend an official welcome to former Senator **Jim Dyer**, another ex-Marine, who began his term as Commissioner a few weeks ago. Although he has no direct utility or regulatory experience, after 14 years in the legislature – including 12 years on the Business Affairs and Labor Committee – Jim certainly is familiar with what we do. We will work hard to bring him up to speed quickly.

In addition to a new Commissioner, we also have a new Chief of Utilities. **Geri Santos-Rach** took over that job in April, filling a position that had been vacant for over a year. Formerly with the Office of Consumer Counsel and U S West Communications, Geri brings more than 20 years of technical and managerial expertise to her new post. I am excited to have her as part of the PUC team.

A number of other PUC staff members have assumed additional responsibilities in recent months, and I want to mention them here. **Barbara Fernandez** is my new Chief of Staff. In addition to her duties as manager of the External Affairs section, she will assist me in the day-to-day operations of the agency. **Ken Kirkpatrick** was named Chief of the Administrative Hearings section in late February. And, **Terry Willert** has been the new Chief of Transportation since December.

Despite all the changes, our ultimate goal remains the same – to provide the best possible service to the citizens of Colorado. We need to continue to be flexible and adaptable in the face of change. I think Bob's farewell message to the PUC staff sums it up best:

“You are the life-blood of the agency. Keep growing, keep learning, keep teaching, and keep serving the public interest. Remember that there is risk in change, but change can be good and rewarding.”

Dyer steps from state capitol to PUC

Ex-Durango legislator begins four-year term as PUC commissioner

Former state senator **Jim Dyer** had little chance to recover from the 2001 legislative session before starting on his latest career as a public servant — four years with the Public Utilities Commission.

Dyer, a Durango democrat and newest PUC commissioner, was confirmed by the Colorado Senate on May 9, the legislature's final regularly-scheduled day. He replaced outgoing commissioner **Bob Hix**, whose term expired in January but who continued to serve until May so Dyer could finish out the session.

Dyer, whose term runs to January of 2005, joined chairman **Ray Gifford** and commissioner **Polly Page** on the three-member PUC, which regulates telecommunications, gas, electric, water and transportation utilities in Colorado.

Prior to his PUC appointment, Dyer served the last 14 years in the Colorado legislature, 12 as a state representative and the last two as senator. Although he has no direct experience with utility regulation, Dyer spent 12 years on the House Business Affairs and Labor Committee, where most bills affecting the PUC were heard.

“I saw more of (PUC Director) Bruce Smith and (legislative liaison) Jim Richards than I ever wanted to,” he quipped.

Dyer grew up in Kansas, where his father spent 37 years as a telephone lineman and plant supervisor, for Southwestern Bell. After attending Benedict’s College in Atchison, Kan., Dyer spent the next 20 years in the military — five in the Navy and 15 in the Marines. His stint in the Marines included three tours of Vietnam. After his discharge, he and his wife moved to Durango, where they raised their three boys.

A self-described “poet/warrior,” Dyer balanced his military background with painting, poetry and acting at Fort Lewis College, where he obtained a second degree in career counseling.

In Durango, he worked in sales of heavy construction equipment for seven years, and when Ben Nighthorse Campbell vacated the state legislative seat to run for Congress, Dyer ran and was elected. He was re-elected five times, and when term limits forced him out of the House of Representatives, he won a Senate seat.

Dyer noted that his proudest accomplishment in the legislature was passage of the Colorado Children’s Health Plan, which he sponsored. The bill established health care for kids of working poor who weren’t covered by insurance.

“I’ve sponsored bills that cut taxes, and bills that help kids. It’s part of the whole Yin and Yang balance thing,” said Dyer, who embraced the Far Eastern philosophy during his seven years in Asia.

Dyer said he hopes to carry that balance over into his new role as PUC commissioner, weighing the interests of customers, communities and utilities.

“The hardest part of this job is not having 99 other colleagues that I can talk to about things,” he said, while noting the PUC staff can help fill that void.

Qwest refunds

Qwest owes \$11.2 million to customers

Local telephone customers of Qwest Corporation will receive a credit on their monthly bills this month as part of an \$11.2 million refund by Qwest for its service quality performance in 2000.

The Public Utilities Commission (PUC) in May accepted Qwest’s calculation of the total refund amount that must be returned to Colorado customers. The refund will amount to \$4.29 per customer line and will be implemented as credits on customer bills beginning June 1.

A five-year regulatory plan approved by the PUC in 1999 requires Qwest to meet certain service standards or provide up to \$15 million a year in automatic customer bill credits. The standards measure the company’s performance in the areas of timely provisioning of service, speed of repair, call completion, and telephone access to company business offices.

Based on results filed by Qwest on April 2, the company owes \$11,177,585 for its performance in 2000, including nearly \$5.5 million for service orders that were not filled within 150 working days. The company also was penalized the maximum amount for missing standards

for customer requests for service held more than 30 days, and the percentage of out-of-service trouble reports cleared within 24 hours. Both categories carry a maximum \$2 million penalty.

PUC staff and the Office of Consumer Counsel, who helped develop the performance plan, reviewed the company's calculations and agreed with the total amount to be refunded.

This is the second filing made under the terms of the 1999 agreement. Last year, Qwest refunded approximately \$7.4 million to customers based on its performance over the last eight months of 1999. The service quality plan runs through March of 2003.

Commission sets taxi rate proposals for hearing

The Public Utilities Commission has suspended proposals by Denver Yellow Cab and Boulder Yellow Cab to increase their "flag drop" charge by 90 cents per trip.

The companies had asked to implement the changes on May 11. However the PUC said it would hold further investigation to see whether the proposed changes are just and reasonable. Hearings were set for Aug. 28 at the PUC.

The taxi companies have proposed to increase their initial flag drop charge from \$1.60 to \$2.50 for the first eighth of a mile. The rate of \$1.60 per mile after that would not change. Denver and Boulder Yellow Cab contend that they are not recovering their administrative and overhead costs on short trips, and want to collect more of the fare up front.

The proposed changes for Denver Yellow Cab would result in a 56.3 percent increase for the first one-eighth mile and a 9.4 percent increase on the company's average 5.23 mile trip. For Boulder Yellow Cab, the increase would be 56.3 percent for the first one-eighth mile and 7.6 percent on its average 7.46 mile trip.

The PUC said the financial data provided by the companies did not include sufficient detail to support the proposed increases in fares.

"The proposed increases are loaded on the front end," said PUC financial analyst **Phil Smith**. "The Commission wants to examine the proposal from the standpoint of rate design to determine if it is appropriate."

The PUC also is concerned about the impact that the proposed increases would have on the Denver International Airport zone system. Under PUC rules, all taxi companies are required to offer a uniform flat fare for trips between the airport and three zones – downtown Denver, the Denver Tech Center and Boulder – which make up about 70 percent of the airport taxi business.

Under the current rules, the increases proposed by Yellow Cab, if granted, would automatically increase the airport flat fares for all companies, resulting in increases somewhat higher than the average metered trip. The PUC said the companies had not provided "justification sufficient to support changes in the structure of taxi cab rate making which would include all taxi companies' DIA zone traffic."

Yellow Cab is one of four taxi companies serving the Denver metro area. Freedom Cab and Metro Cab currently have rates of \$1.60 for the first eighth mile, while the flag drop charge for Zone Cab is \$1.40. All companies charge \$1.60 per mile after that.

Santos-Rach named PUC's new chief of Utilities

After an extensive search, **Geri Santos-Rach** was hired in April as the new Chief of Utilities of the Public Utilities Commission.

Santos-Rach, formerly with the Colorado Office of Consumer Counsel (OCC), was chosen from three finalists for the position, which had been vacant for about 16 months. As Chief of Utilities, she is responsible for managing the staff and caseload in the areas of telecommunications, energy and water.

Santos-Rach brings more than 22 years of technical and managerial public utility experience to her position, including 19 years in the private sector and more than three years in the government sector.

“I am excited about joining the PUC staff,” she said. “It is a great group of people with immense knowledge and skill. I am looking forward to helping guide the decision making in the changing environment of utility regulation.”

Santos-Rach holds a bachelor’s degree in mathematics and accounting from Moorhead State University in Minnesota, and a master’s in business administration, with an emphasis in economics, from the University of Nebraska at Omaha.

She worked in the telecommunications industry for 19 years, first at Northwestern Bell and later U S West Communications after divestiture. Her primary responsibilities included cost and economic analysis for the company, and she served as the company’s cost study expert in proceedings before state regulatory agencies.

In 1997, Santos-Rach joined the OCC as a rate analyst, where she participated in policy review, price and service quality plan development, and financial and industry analysis.

“My background and experience has given me a broad understanding of the complex issues facing the telecom and energy markets,” Santos-Rach said. “I am looking forward to the many challenges of this new position.”

Last Colorado county to implement 9-1-1 service

Statewide availability of emergency reporting telephone services (9-1-1) could become a reality in Colorado by this summer.

San Juan County, currently the only county in Colorado without 9-1-1 service, has taken steps to implement an enhanced 9-1-1 telephone system within the county, located in the mountains in southwest Colorado. It could be up and running within a couple of months.

The Public Utilities Commission in May approved a request by the San Juan County Emergency Service Authority to assess a \$1 per month surcharge to telephone customers within the county. The authority board was formed in November by the town of Silverton and San Juan County officials.

With a population of 560, San Juan County has been unable to financially support a 9-1-1 system. However, the Colorado Trust has agreed to supply the technical expertise necessary to acquire the equipment and data necessary to supply the system. The Colorado Trust also has agreed to consider a grant to cover the initial non-recurring costs of the system.

Under the law, an authority board can assess a surcharge of up to 70 cents per customer for 9-1-1 service without the permission of the PUC. Anything over that amount requires PUC approval. A 10-year financial analysis, submitted with the San Juan authority’s application,

showed that the 70-cent amount would not be sufficient to cover the costs of providing the service.

The implementation of 9-1-1 service in San Juan County will accomplish one of the key goals of the Colorado 9-1-1 Advisory Task Force. Nine years ago, more than a third of Colorado's 63 counties did not have any form of 9-1-1 service. Callers in areas without 9-1-1 service were required to dial seven-digit numbers to reach police or fire dispatchers.

Enhanced 9-1-1, or E-9-1-1, automatically provides the caller's name and location to the dispatcher.

The 9-1-1 task force, established by the PUC in 1992, makes recommendations to the Commission on technical standards and other issues concerning the provision of emergency reporting services. It includes representatives from local telephone companies, consumer groups, safety and law enforcement agencies, county and municipal governments, and authority boards.

Inside Connections —

Annette Quaintance is the keeper of the PUC's extensive records.

Whether it's for pinpointing a document from an archived file at the Public Utilities Commission, or the bulls-eye on a dart board, **Annette Quaintance** is the person to see.

Annette works as an administrative assistant in the PUC Information Center, helping both staff and external customers target the information they need about proceedings before the Commission. She accepts official filings, organizes dockets and updates records. She also is responsible for the archiving and retention schedules of all the records the PUC keeps.

"I like the times that I am able to help someone out," she said. "If I can make someone's day go a little easier by getting them information that they couldn't find, then I feel pretty good."

Annette has worked at the PUC since February of 2000, starting as the receptionist. She moved to the Information Center when Joyce Reed retired last October. Her husband, Guy, also works at the PUC as a compliance investigator.

Annette is a graduate of Chatfield High School in Jefferson County and attended Barnes Business School for its secretarial program. She also attended Emily Griffith Opportunity School, where she obtained her manicuring license.

Prior to joining the PUC, Annette worked in various offices around the Denver area. She also was a bartender for three years at the Northshore Bar and Restaurant, and it was there that she took up the game of competitive darts.

"My very first season, I got a three darts in a double bulls-eye," Annette said. "It's called a six bull hit and I got a plaque for it. I haven't done it again since."

Annette belongs to the Rocky Mountain Dart Association, and although she has taken the past two seasons off, she plans to return to throwing darts soon. Taking care of her family, which includes 8-year-old son Jake, is a top priority. But Annette also finds time for scrapbooking, crocheting, stamping her own cards, learning to ride her motorcycle, cooking and camping.

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

Positive Charges —

A much-deserved pat on the back to the PUC's consumer complaint group, which fielded a record number of phone calls during April. **Judy Dunn, Joe Eaglesfether, Thedora Jackson, April Filley, Harry DiDomenico, Doug Platt** and **Trudy Reinmuth** handled 2,400 phone calls during the month. Contributing to the increase were Public Service Company power outages caused by a major storm, and the Qwest notice of a rate increase for Caller ID service. The section received a record 335 calls on April 21, the highest call volume since phone statistics have been kept. The previous high was 135 calls during the storm/power outages earlier in the month.

The PUC's Gas Pipeline Safety section deserves special recognition for hosting another successful gas pipeline safety seminar. More than 140 gas distribution and transmission system operators attended the three-day event, which was held at the Sheraton Colorado Springs Hotel in Colorado Springs. Operators. Thanks to **Steve Pott, Mark Schumann, Ernie Tronco, Paul Niemi, Jewell Beach** and **Marisela Chavez** for their efforts in organizing the annual conference.

Welcome to new PUC employees **Geri Santos-Rach**, the new Chief of Utilities for the PUC, and **Jean Brown**, an administrative assistant in the Administrative Services section. Jean, who is the PUC's new receptionist, transferred to the PUC from the Department of Education on April 9.

Congratulations to **Ken Kirkpatrick**, who was named head of the Administrative Hearings section in February. Also to **Bob Laws**, who was named manager of the Safety and Compliance unit in April.

Increases in towing rates to go into effect June 30

Towing carriers will be allowed to charge more for tows from private property under new rules adopted by the Public Utilities Commission.

Towing carriers will be allowed to charge more for towing vehicles from private property under new rules that go into effect the end of June.

The Public Utilities Commission recently adopted changes proposed by PUC staff, the Department of Revenue, the Colorado State Patrol, and the towing industry. The rule changes were promulgated largely to reflect changes in state law and to revise mileage and storage charges last reviewed seven years ago, according to PUC Transportation chief **Terry Willert**.

Under the new rules, towing carriers will be able to charge up to \$130 for towing passenger vehicles from private property, up from the current \$100. The maximum rate includes charges for all towing and storage services rendered, including hookup fees, use of dollies or go-jacks, gate fees, commissions paid, and storage for the first 24 hours.

The new rules also increase the maximum release fee from \$35 to \$50 if the owner of a vehicle that is parked without authorization on private property attempts to retrieve the vehicle before it is removed.

One-way mileage charges may be assessed for all private property tows at a maximum rate of \$2.50 a mile. Maximum storage charges after the first 24-hour period cannot exceed \$20 per day for passenger vehicles under the new rules.

The new rules also allow additional charges for the recovery of vehicles from mountain areas, which are defined as those parts of the state west of a line drawn 10 miles west of, and parallel to, Interstate 25. Towing companies may tack on an additional 12 percent to towing, mileage and storage charges in mountain areas.

Towing carriers are still required to obtain proper authorization before a tow can be made. Authorization must come from a law enforcement officer, the owner or authorized operator of the vehicle, or, in the case of a non-consensual tow, the property owner. Authorization for a private property tow must be filled out in full, signed by the property owner, and given to the towing carrier at the time the vehicle is to be removed from the private property.

The new rules include definitions for abandoned and trespassing vehicles, and add consequences for failure to comply with the statute or PUC rules. If the tow is performed in violation of any statute or PUC rule, the towing company cannot collect any charges for the unauthorized services it performs. Violating companies also could be subject to civil penalties and revocation of towing permits.

The rules also allow the Department of Revenue to bring show cause proceedings before the PUC against carriers violating its regulations concerning abandoned vehicle tows.

Towing carriers must have a valid permit from the PUC and at least \$750,000 combined single limit liability insurance to operate.

Qwest seeks changes in line extension policy

A hearing is scheduled for Aug. 10 on a proposal by Qwest Corporation to change the method in which it determines construction charges for extending facilities to serve new customers.

The company's proposal includes a uniform construction allowance of \$4,500 per applicant, removing the 50/50 split of the remaining cost between Qwest and the applicant, allowing the first engineering quote per applicant to be free, and reducing the time for a customer to accept an estimate from 90 to 60 days.

The Public Utilities Commission in April suspended the request to further investigate whether the proposed changes are just and reasonable.

Under the current Qwest policy, an individual applicant requesting a line extension is given a \$4,000 credit to cover construction charges. Any costs above that amount are split 50-50 by the company and the customer.

If a group of people requests an extension of telephone facilities, the credit is \$4,000 for the first premise, \$3,000 for the second premise, and \$2,500 for each additional premise. All of the individual credits are added together and divided by the number of premises to determine each customer's credit. And each customer's share of construction charges over the credited amount are summed up and divided by the number of premises.

In its proposal, Qwest said the existing policy is confusing to administer and to explain to customers. It said the new policy will simplify the manner in which construction charges are determined.

Under the proposal, the construction credit will be \$4,500 for each customer, regardless of whether it is a group or a single applicant. All costs above the credited amount would be borne by the customer.

The current \$200 fee for an engineering quote would be modified to be free of charge on the initial quote and would only be charged if a customer requests a second engineering quote within a three-year time frame. The period for a customer to accept an engineering estimate would be reduced from 90 to 60 days under the proposal.

The line extension policy applies only in those circumstances where the company must extend its facilities to serve a customer. Reinforcement of existing lines to meet additional demand is done at the company's expense, unless special construction charges apply.

The PUC must make a decision on the new proposal by Nov. 26.

FCC orders 'contract' for long distance service

The Federal Communications Commission (FCC) has announced changes that will soon affect how customers interact with their interstate long-distance telephone company.

As of July 31, interstate long-distance companies no longer will be required to file tariffs with the FCC. A tariff is a legal document that describes the rates, terms and conditions of service that a company provides. These tariffs included the cost per minute of calling at various times, cancellation procedures, and other elements of service that a company was obligated to provide.

Beginning July 31, interstate long distance companies will no longer file tariffs, but will make this information, which includes all their interstate long distance services and rate plans, available directly to the customer.

Generally, customers and long-distance companies will deal with each other by means of an individual contract, similar to a credit card contract. Your long-distance company must make available to you the rates, terms and conditions of service, and you may choose to agree to them, as in any other contract. If you do not approve of your company's terms, you may find another company that offers you terms that better suit your needs.

Under FCC rules, long distance companies are required to post a schedule of their rates, terms and conditions on their web page. Each company also must keep copies of this schedule at a business place of each choosing. Customers should also read bill inserts and letters to obtain information about a company's interstate long distance service.

The FCC said consumers still will be protected under state laws governing contracts, consumer protection and deceptive practices. After July 31, customers with complaints about interstate long distance service contracts should contact the Better Business Bureau or the state Attorney General's Office.

The changes only apply to interstate long distance service. Companies must still file tariffs with the Public Utilities Commission for in-state long distance services, and complaints about in-state long distance services should be filed with the PUC.

Bills target 'cramming,' telemarketing calls

The Colorado Legislature passed several bills this session that will have an impact on the Public Utilities Commission.

Early in the session, lawmakers passed a bill that prohibits telecommunications providers from "cramming" unauthorized charges on a customer's bill. The new law will take effect this summer.

The bill prohibits telecommunications providers from:

- Charging a customer for goods or services without the customer's authorization;
- Adding charges for goods or services to the customer's bill without the customer's authorization;
- When providing billing services for a telecommunications provider, knowingly or recklessly participating in charging or billing a customer for goods or services without the customer's authorization to add such goods or services to the customer's bill.

Under the bill, customers are not liable for any amount charged in violation of the law. Wireless providers who do not engage in third-party billing are exempt from the law.

In addition to the "cramming" bill, the legislature also gave final approval on the last day of the session to a telemarketing no-call bill. Colorado residents and businesses who don't want to receive solicitations by telephone or fax can put their phone numbers on a "do-not-call" list for free.

The law directs the PUC to hire a "designated agent" by July 1, 2002, to maintain the list. Telemarketers who make three or more calls per month to numbers on that list would violate the Colorado Consumer Protection Act and could be subject to fines.

Lawmakers also gave last-minute approval to a utility siting bill. The measure allows utility companies to appeal adverse decisions by local governments to the PUC. The bill is intended to balance land-use decisions with the public's need for electricity.

PUC seeks reply comments in gas pricing docket

The Public Utilities Commission has asked for another round of comments from utilities and others in its investigation into measures that might help reduce volatility in natural gas prices.

The PUC received initial comments in March from nine parties, addressing issues such as longer term gas purchasing contracts, fixed-rate tariff offerings by utilities and full retail choice of gas suppliers by customers. After reviewing the comments, the PUC decided to allow responses to discuss and expand on the suggestions presented. The reply comments are due June 18.

Initial comments were filed by Public Service Company, Greeley Gas, Kinder Morgan, Peoples Natural Gas, Citizens Utilities Company, Colorado Springs Utilities, Totem Gas Storage Company, Western Gas Resources and the Office of Consumer Counsel.

Under the traditional gas purchasing approach, many utilities purchase natural gas based on spot market prices. Although this strategy benefitted consumers for most of the 1990s, it resulted in large price increases during the past heating season, prompting the PUC to open its investigation.

Several of the parties offered suggestions regarding the amount of a utility's gas portfolio that might be obtained using longer term contracts. The comments ranged from each utility determining the appropriate level based on utility and market circumstance, to a percentage specified by the Commission, to fixing 100 percent of normal November through February purchases.

The Office of Consumer Counsel presented information about other utilities that establish a fixed price basis for prudence comparison. This fixed price target spans three years and is established through a working group.

In its comments, Peoples Natural Gas mentioned that it has a fixed price option in Lincoln, Neb. Public Service also discussed the possibility of implementing a fixed price option for its customers. Under such a plan, a customer might choose to pay a fixed amount to the utility for natural gas for the year, regardless of whether the wholesale price goes up or down. The PUC said it was interested in further exploring this possibility.

The PUC also said it would hold a Commissioners' Information Meeting on June 28 to discuss the various suggestions with utilities and other interested parties. The meeting will be held at 9 a.m. at the PUC offices, 1580 Logan St. in Denver.

Following the informational meeting, the PUC will determine what the next steps of the investigation will be.

The initial comments are available on the PUC web site at www.dora.state.co.us/puc/.

PUC adds wind project to Xcel's resource portfolio

The Colorado Public Utilities Commission has directed Xcel Energy to add a proposed wind generation project to its portfolio of resources that will supply the company's electricity needs for the next five years.

The PUC in March approved the company's plan to contract for five natural-gas fired generation projects that will add 1,270 megawatts of electricity through 2005. In addition, the PUC ordered Xcel to negotiate a contract for a 162-megawatt wind plant near Lamar.

Last December, the PUC approved eight projects in the first phase of hearings on the company's 1999 integrated resource plan. In total, the company's approved resource plan will add 1,834 megawatts to the system by 2005.

"We believe this is a reasonable plan that, with the addition of the wind project, will result in the lowest cost of electricity to Colorado ratepayers over the next five years," PUC Chairman **Ray Gifford** said.

Regulated electric utilities are required to file a plan with the PUC every three years outlining their resource needs for the next six years. The PUC evaluates the plans against eight criteria outlined in its integrated resource planning rules. Those criteria include: (1) the attainment of fair, reasonable and low prices for electricity; (2) the preservation of adequate and reliable electric service; (3) the protection of public health and safety; (4) the preservation of environmental quality and sustainability; (5) the management of risks attributable to electric

resource acquisition; (6) the development of diversified electric resource portfolios; (7) the impact of utility decision-making on Colorado and local economies; (8) the maintenance of utility financial integrity.

Based on the evidence presented during hearings in December and January, the PUC concluded that Xcel's preferred plan, in which it selected 13 projects from more than 300 separate proposals from 30 independent power producers, was a reasonable plan for meeting the company's supply needs at the least cost to consumers. But the PUC also ruled that the proposed wind project was a cost-effective bid that should be included in the company's portfolio.

Greeley Gas granted rate hike

The Public Utilities Commission has granted Greeley Gas Company an overall increase of \$2.75 million in natural gas rates to offset investments in the company's gas delivery system.

The PUC in April accepted a settlement reached by the company, PUC staff and the Office of Consumer Counsel. As a result of the settlement, rates will increase by 12.82 percent in Greeley's northeast division, 2.71 percent in the southeast division, and 0.67 percent in the southwest division. Rates in the company's northwest/central division will decrease by 2.43 percent.

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 had requested a \$4.28 million increase to pay for investments it had made in the natural gas delivery system to serve new customers and maintain the existing system. After negotiations, the parties agreed to the reduced amount.

The agreement retained Greeley's existing 11.25 percent return on equity, which is a maximum profit level. The PUC authorizes a return on equity, but it is not guaranteed. The company originally had requested a 12.5 percent return on equity.

The increase for investments is separate from several rate hikes this past heating season due to the sharp rise in natural gas commodity prices. Those prices are passed on to customers on a dollar-for-dollar basis. The company does not earn any profit on the price of natural gas.

The new rates are expected to show up on customer bills beginning with the June billing cycle.

Number pooling trial begins

Colorado has launched a trial that changes how telephone numbers are assigned in hopes of pushing out for several years the need to add another area code in the state.

A number pooling trial began in Colorado on May 1. Number pooling allows telephone numbers to be assigned to local telephone companies and competitive providers in blocks of 1,000 at a time instead of 10,000. This reduces the likelihood of having large blocks of unused numbers.

Under current projections, the 303/720 area code faces exhaust by the third quarter of 2003. The use of number pooling could extend that date by several years, according to **Becky Quintana**, chairman of the Public Utilities Commission's Numbering Task Force.

Number pooling wasn't possible in the past due to technical obstacles with the way calls were billed and routed over the telephone network. Each central office prefix (the middle three digits of a 10-digit telephone number) with its 10,000 numbers was assigned to a single company in a single telephone exchange. The advent of local telephone competitions and the growth of wireless providers and services only worsened the problem.

Technological advancements have solved many of those issues, and numbers out of the same 10,000 prefix block can now be assigned to different land-line companies. Wireless companies have until November of 2002 to implement number pooling, according to an order by the Federal Communications Commission.

In addition to forestalling the need for new area codes in the state, number pooling also is being counted on to help postpone the exhaust of available area codes on a national level. Current projections indicate that the pool of useable three-digit area codes will run out sometime between 2008-2012. If number pooling is successful on a national basis, it could buy another 40-50 years before area code exhaust, numbering officials say.

Colorado had just one area code (303) until 1988, when 719 was introduced in southeastern Colorado. In 1995, the 970 area code was added to serve customers in the northern and western part of the state. Then, in 1998, the 720 area code was overlaid on top of the 303 code to provide number relief in the Denver metro area.