

# Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

JANUARY 2003

## STARTING POINT



By Bruce Smith  
Director

Colorado may soon have an abbreviated dialing pattern to give individuals quick and easy access to emergency financial assistance, food, shelter, support groups or other community services.

The Public Utilities Commission has granted the Colorado 2-1-1 Steering Committee the authority to be the provider of 2-1-1 services across the state. Similar to 9-1-1 for access to emergency services and 7-1-1 for access to relay services, 2-1-1 dialing would provide an easy-to-remember number for people to obtain Information and Referral (I&R) services.

The Federal Communications Commission approved 2-1-1 as a nationwide number for community I&R in July of 2000. Since then, all 50 states have begun the process to implement 2-1-1 systems. A pilot phase of 2-1-1 dialing could begin in Colorado as early as the first quarter of 2003 in certain counties.

The Colorado 2-1-1 Steering Committee is comprised of various I&R organizations from across Colorado. Working with Qwest and PUC staff, the group has been meeting since February of 2001 to design a system to simplify access to community health and human service information.

Under the plan developed by the Steering Committee, the statewide 2-1-1 system will be divided into seven regions. Each regional office will provide I&R services for multiple counties. This model will provide comprehensive community I&R to counties with low populations, where it is highly unlikely that an I&R agency would ever exist, giving all Colorado citizens access to a broader range of community services as close to home as possible.

Implementation of the 2-1-1 system will occur in several phases covering approximately three years. Qwest has worked with the Steering Committee to plan the 2-1-1 implementation date for each of its wire centers.

The four comprehensive I&R programs that are currently in operation—Helpline at Mile High United Way, Helpline at Weld County United Way, FirstCall in Larimer County, and Mesa County Health and Human Services—have been designated pilot sites for 2-1-1 services. During the pilot year, people in Adams, Arapahoe, Denver, Douglas, Jefferson, Larimer, Mesa and Weld counties will be able to dial 2-1-1 and access community health and human service information.

Approximately one year after the pilot sites begin utilizing 2-1-1 in their existing service areas, they will begin to provide expanded 2-1-1 service to their multi-county regions.

(Continued on page 2)

## PUC chairman leaving after term is up

### *Gifford to take reins of Washington-based public policy group*

Chairman **Raymond L. Gifford** will leave the Colorado Public Utilities Commission when his term expires to become president of a Washington, D.C.-based public policy foundation.

The Progress & Freedom Foundation (PFF) announced Dec. 16 that Gifford has been selected to replace Jeffrey Eisenach, who will step down on Feb. 1. Gifford's four-year PUC term expires Jan. 13.

The PFF, started 10 years ago, is a market-oriented think tank that studies the impact of the digital revolution and its implications for public policy.

"I am excited about the opportunity because of the issues PFF concentrates

on—telecommunications and electricity regulation, antitrust, privacy and intellectual property law," Gifford said. "PFF's think-tank niche will allow me to focus on, what I hope, is my core competency of utility law and regulation, but also expand into the compelling issues of antitrust and intellectual property law."

Gifford was appointed to the PUC in February of 1999 and named chairman five months later by Gov. Bill Owens. He has steered the PUC through a number of competitive-transition issues, especially in the telecommunications arena, including the two-year effort to evaluate the opening of Qwest's local network to competition in advance of its federal application to re-enter the long-distance market in its 14-state territory.

"This has not been an easy decision for me to make," Gifford said. "For my purposes, I am leaving much unfinished business here at the PUC. Nevertheless,



Ray Gifford

the opportunity of becoming president of PFF is a one-time chance that I cannot pass up."

Gifford said his new position would allow him to split his time between Washington and Denver.

## Proposal would add new telephone fee

A coalition of local and long-distance telephone companies have filed a joint application with the Public Utilities Commission seeking to reduce intrastate access charges while adding a new monthly fee to local telephone bills.

The joint application was filed in October by AT&T, WorldCom, Sprint, Qwest and the Colorado Telecommunications Association on behalf of 27 local independent phone companies.

The application proposes to reduce the charges that long-distance companies pay to the local companies to originate and/or terminate long-distance calls over their local networks—also called access charges. Access charges are based on per-minutes of usage.

Under the plan, access charges for intrastate long-distance calls would be reduced to the same rates that Qwest charges for interstate calls. Since this would result in less revenue for Qwest and the other local carriers, the

application proposes to offset that revenue loss by establishing an "intrastate subscriber line charge" on each residential and business line in the state.

The companies estimate that the amount of the new intrastate subscriber line charge (ISLC) would be approximately \$1.47 per month. It would appear on customers' local telephone bills, similar to the "federal access charge" or "federal subscriber line charge" that already appears on local bills. Customers receiving assistance from the Colorado low-income telephone assistance program would be exempt from the new charge.

Because long-distance companies would be paying less to local companies for access to the local network under this proposal, it is expected that intrastate long-distance rates would go down. However, the companies' proposal would specifically prohibit the PUC from

requiring that long-distance companies reduce their rates "in any amount of the savings realized through any of the switched access rate reductions provided in this (stipulation)."

At its Nov. 20 meeting, the PUC noted that the application puts at issue the legality of an intrastate SLC to be imposed on residential lines, given the rate cap for residential basic service currently in statute.

"The proposal to impose an (intra-state) SLC on residential access lines raises the question of whether such a charge would violate the statutory rate cap," the PUC said. "It also raises the general question of the Commission's authority to authorize a SLC."

The PUC directed interested parties to file opening briefs on the legal issues by Dec. 9, with reply briefs due on Dec. 19. After the PUC resolves the legal question, it will establish further procedures to consider the application.

## PUC staff recommends Xcel rate decreases

Staff of the Public Utilities Commission is recommending that base rates for Xcel Energy's electric, gas and steam customers in Colorado be reduced by about \$62 million from their current levels.

PUC staff proposed the revenue decreases in its testimony filed on Nov. 22 in Xcel's combined rate case. The PUC staff is one of many parties participating in the case. The PUC commissioners will weigh evidence from all sides in making a decision.

The company in May filed a proposal seeking a \$107 million increase in electric base revenues, a \$12.9 million decrease in gas revenues, and a \$454,124 increase in steam revenues. It also included an estimated \$113 million increase in expenses for generation fuel and purchased power.

After examining the proposal for several months, PUC staff recommended in its testimony that base revenues from all three areas of Xcel's operations be reduced. Excluding the fuel cost adjustment, the staff proposed that electric revenues be reduced by \$16.7 million, gas revenues be reduced by \$45

million, and steam revenues be reduced by \$135,000 from their current levels.

Staff's proposed decreases are primarily due to reduced depreciation expenses, differences in the cash working capital allowance, eliminating the effects of an accounting change in gas inventory valuation, and a lower authorized return on equity. Xcel requested that its authorized rate of return on equity be set at 12 percent for electric operations and 12.25 for gas operations. Staff is recommending 10.75 percent for both.

If the Commissioners were to adopt PUC staff's proposals, electric base rates would be reduced by 3.46 percent for all customers. For typical residential customers, this would result in a \$1.55 decrease in monthly bills. Small commercial customers would see their bills lowered by \$2.86 per month.

If staff's recommendations were accepted for gas customers, rates would be lowered by 10.17 percent from their current levels. Typical residential customers would pay \$2.53 less per month, and small commercial customers would pay \$8.10 less per month.

Other recommendations in staff's

testimony include:

- That the Commission adopt an electric fuel adjustment mechanism that recovers 100 percent of eligible costs with no incentive component.
- That the Commission not authorize Xcel to engage in speculative energy trading activities after the authorization for the current pilot program expires on Dec. 31, 2002. Xcel would be free to continue to engage in speculative trading through an unregulated subsidiary if it so desires.
- That Xcel be required to file an annual plan, similar to the current gas purchase plan, that describes the electric department's planned fuel and purchased power acquisitions and its efforts to mitigate electric price volatility.
- The formation of a study group to examine service quality issues and make recommendations to the Commission.

The PUC will conduct formal hearings on Xcel's rate request for two weeks beginning Feb. 24. Public comment hearings also will be scheduled. A final PUC decision is expected by late April.



# Report on PUC suggests staggered sunset reviews

The Colorado Public Utilities Commission (PUC) should continue to exist and subsequent reviews should be established by industry or function.

That's the central recommendation of the PUC 2002 Sunset Review, conducted by the Department of Regulatory Agencies (DORA). The 49-page sunset report was issued on Oct. 15.

State law requires a periodic review of all state regulatory agencies to evaluate the need for and the effectiveness of the agency's functions. The PUC's last sunset review was in 1997.

In recommending the continuation of the agency, DORA's auditors recognized that the PUC impacts the lives of virtually every Colorado resident in one way or another.

"In the absence of federal regulation, the Colorado Public Utilities Commission is the state agency that ensures the smooth functioning of this important sector of Colorado's economy and at the same time acts to protect public health and safety," the report said.

However, the auditor noted, it has become apparent that the PUC is too large and complex for performance evaluation purposes to review effectively under current guidelines and requirements.

tively under current guidelines and requirements.

"A review schedule that accommodates the complexity of the Commission's functions would lead to better targeted and effective regulatory reforms," the report said.

The report recommends that the review of PUC's functions be staggered every two years, beginning in 2006 with telephone and the gas, gas pipeline and water industries. External affairs and administrative hearings would be reviewed in 2008, followed by electricity and administrative services in 2010, and railroads and transportation in 2012.

The report makes a number of other recommendations to assist the PUC in fulfilling its mission of achieving a flexible regulatory environment that provides safe, reliable and quality services to utility customers on just and reasonable terms while managing the transition to effective competition where appropriate.

One recommendation would grant the PUC the authority to directly fine telecommunications companies up to \$2,000 per day per violation of its rules. Under current statutes, the PUC must seek fines through district court.

"In the emerging competitive envi-

## Proposed Sunset Dates by Function

	2006	2008	2010	2012
Telephone	●			
Gas, Gas Pipeline and Water	●			
Electricity			●	
Railroads				●
Transportations				●
PUC Administrative Hearings		●		
PUC External Affairs		●		
PUC Administrative Services			●	

ronment that now exists, quicker action is required to ensure equity for all parties," the report stated. "Without the ability to deter inappropriate behavior, the PUC is faced with the difficult task of ensuring compliance with legislative directives without appropriate tools."

Other recommendations included in the PUC sunset report include:

- Establish bond or other financial requirements for telecommunications companies.
- Establish non-consensual towing rates based on industry and market conditions.

- Increase permit fees for towing carriers from \$10 to \$150.
- Reform the process for establishing annual compensation levels for members of the PUC.
- Increase funds paid into the Highway Crossing Protection Fund.
- Increase civil penalties for transportation related violations.
- Eliminate unnecessary restriction on Commissioners' outside employment.

The Colorado Legislature will consider the report and its recommendations during the 2003 session.

## INSIDE CONNECTIONS

*"When you buy quality, my friend, you cry but only once,"*

—from a poem by Peter Marino

Pipeline safety inspector **Paul Niemi** looks for quality wherever he can find it—both on and off the job.

Paul has been with the Public Utilities Commission's Gas Safety section since June of 2000. His primary responsibility is the field inspection of intrastate gas transmission and distribution installations to determine compliance with federal and state pipeline safety regulations. His territory includes the high-growth areas of the Front Range, where his inspections help safeguard life and property.

"I like when I see quality workmanship and compliance with the regulations," Paul said. "I enjoy observing and learning from the gas crews that do quality work."

Once construction is completed at a site, PUC inspectors focus on the operation and maintenance of the system, and the operator's plans in case of an emergency. Inspectors also

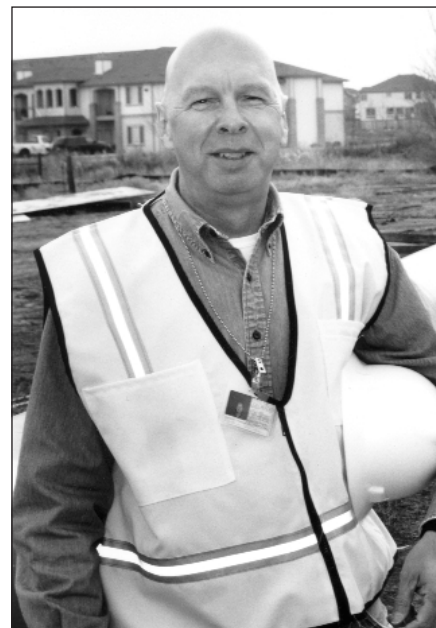
investigate natural gas incidents and participate in administrative hearings where necessary.

Last year, Paul prepared testimony in a proceeding that included the issue of developer-built gas distribution pipelines, which are being considered in the Denver-metro area. This year, he will be taking an active role with the gas safety unit in hosting the annual Transportation Safety Institute Seminar in April. The seminar offers an opportunity for pipeline operators in Colorado to receive updates on pipeline safety regulations and related emerging issues.

Prior to his employment with the Commission, Paul worked in the electric power, nuclear and mineral process industries. His primary background is industrial plant project work, including management, design and analysis of plant systems and equipment.

Paul holds a degree in mechanical engineering from Michigan Tech University and is a member of the American Society of Mechanical Engineers. This year, he will complete the seven-week training required by the U.S. Department of Transportation's Office of Pipeline Safety for gas pipeline safety inspectors.

Another goal is to develop some expertise in welding, which, in addition



PUC pipeline safety engineer **Paul Niemi** inspects a gas main at a construction site in the Denver metro area.

to a personal interest, would be helpful in his work, Paul says.

Away from work, home improvement projects have become the latest hobby for Paul and his wife.

"My wife and I enjoy day hikes. But this year we bought a house, so all of our hikes have been to Home Depot."

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

## POSITIVE CHARGES

⚡ Kudos to the PUC trial and support staff for their long hours and hard work in preparing testimony for the Xcel Energy rate case. **Saeed Barhaghi, Inez Dominguez, Pam Fischhaber, Randy Garrouette, Sandy Jones, Vivian Pederson, Gary Schmitz, Larry Shiao, John Trogonoski and Warren Wendling** all filed testimony in the case. **Denise Coven, Bonnie Ford, Elizabeth Hayes, Eric Jorgensen, Bridget McGee-Stiles and Sharon Podein** provided key support. Kudos as well to the attorneys who pulled everything together—**David Beckett, Anne Botterud, Dave Nocera and Michael Santisi**.

⚡ The 2002 Colorado Combined Campaign was another success. Campaign coordinators **Deb Fagen** and **Randy Garrouette** report that more than \$5,000 was donated by PUC employees.

⚡ Congratulations to **Doug Platt**, who was named manager of the PUC's Consumer Complaint group. Doug will replace **Judy Dunn**, who is retiring in mid-March.

⚡ Welcome to new PUC employees **Debbie Biays**, an administrative assistant in the Administrative Services section; **Darlene Del Valle**, an administrative assistant in the Operating Rights section; **Leslie Handmaker** and **Judy Fester**, consumer complaint specialists in the External Affairs section; **Larry Herold** and **Deborah Collette**, general professionals in the Administrative Services section, and **John Opeka**, a compliance investigator in the Transportation Section.

## Hearings in Atmos rate case moved to April

Hearings for the rate design phase of Atmos Energy's rate case in Colorado have been pushed back from the end of January until early April.

The new hearing dates are April 7-11 at the Public Utilities Commission in Denver. The additional time was requested by the parties to negotiate a possible settlement.

The PUC in April of 2001 authorized a \$2.75 million revenue increase for Atmos (formerly known as Greeley

Gas). The increase was applied equally to all customer classes as an interim rider. The rate design phase will determine how the rates are permanently spread among the company's residential, industrial, irrigation and transportation customers.

Overall, the total average monthly impact of the new proposal for residential customers would range from a 76-cent decrease in the Southeast division to a \$1.31 increase in the

Northeast division. Commercial customers would see a monthly decrease ranging from \$3.93 in the Southeast division to \$10.66 in the Southwest division.

The PUC also will determine whether Atmos can require its transportation customers to install electronic flow measurement (EFM) devices. Daily information from the devices would allow the company to more accurately identify imbalances between gas supplies being put into and taken from its system by transportation customers. Under the proposal, customers would be required to pay an estimated \$2,000 to \$3,000 to install the EFM device, as well as purchase the telephone line for the device.

Atmos serves about 90,000 natural gas customers in Colorado, including the towns of Greeley, Canon City, Lamar, Durango, Steamboat Springs and Craig.

### Starting Point

(Continued from page 1)

Three new comprehensive I&R agencies, serving the regions of Colorado Springs, Pueblo and Durango, also will be implemented during this phase. By late 2004 or early 2005, all remaining

counties will be incorporated into one of the seven regional sites, providing statewide coverage of 2-1-1 services.

Initial funding for the 2-1-1 service will come from federal, state and local government sources, along with United Way, corporate and other charitable entities.

CONNECTIONS is the news-letter of the Colorado Public Utilities Commission. It covers Commission cases and actions of importance to consumers, utilities, consumer groups and decision makers.

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# PUC preparing to go live with webcasts



IT technician Steve Kim monitors a PUC weekly meeting during a test of the agency's webcasting system.

Live proceedings from the Colorado Public Utilities Commission (PUC) may soon be coming to a computer screen near you.

The PUC is testing the technology that will enable it to broadcast weekly meetings, hearings and other proceedings over the Internet. Live webcasts are expected to begin early in 2003.

Equipment has been installed in both PUC hearing rooms that will carry both video and audio streams. A live signal will be sent from the PUC to the Department of Regulatory Agencies' web server, which will then broadcast the signal to the Internet.

"We regularly receive requests from folks who do business here to be able to monitor PUC proceedings from off-site," PUC Director **Bruce Smith** said. "The use of this technology is another way of improving the service that we provide the customers of this agency."

People interested in viewing the webcasts will be able to link to them directly from the PUC web site. Notification of when the webcasts will be available to the public will be posted at [www.dora.state.co.us/puc/](http://www.dora.state.co.us/puc/).

# State USF charge drops in January

The Colorado Universal Service Charge has been reduced to 2 percent through at least the first quarter of 2003.

The Public Utilities Commission approved the change, beginning Jan. 1, 2003, after reviewing the fund's contributions and distributions from 2002, along with projections for the upcoming year.

All Colorado telecommunications customers pay the surcharge, which provides money for a fund to reimburse telephone companies that serve areas with higher than average costs. This allows local phone rates to remain reasonably comparable across the state.

The decrease is the second in as many quarters for the surcharge. The PUC lowered the rate from 2.8 percent to 2.3 percent on Oct. 1 of 2002.

The Colorado Universal Service Charge is assessed as a percentage of a customer's in-state monthly telecommunications charges for local, wireless, paging, in-state long distance and optional services. The surcharge does not apply to interstate long-distance calls.

The PUC reviews the contributions to the fund each quarter and adjusts the surcharge as necessary. A change in the high cost fund computer model for 2003 lowered the projected distributions from the fund by about \$12 million. As a result, the surcharge was reduced to 2 percent.

Until the 1995 Colorado law that allowed local telephone competition, most support for high cost areas was recovered through implicit subsidies built into then-existing rates. However, with the introduction of competition, those implicit subsidies were replaced with explicit ones to provide fair market conditions for all competitors. That is why the universal service surcharge shows explicitly on the monthly bill.

Customers of Qwest Communications will continue to receive a 46-cent a month credit for the first line at a residence or business to offset the Colorado universal service charge. That credit was part of an agreement reached between the PUC, Office of Consumer Counsel and then-U S West Communications in 1999 that established a pricing and service quality regulatory plan for the company. The credit will run through 2003.

# PUC grants 9-1-1 surcharge increases

The Public Utilities Commission (PUC) has granted requests by two emergency telephone service authorities in Colorado to increase 9-1-1 surcharges on customers' monthly telephone bills.

The Las Animas County Emergency Telephone Service Authority and the Gunnison-Hinsdale County Emergency Telephone Service Authority received approval to raise the 9-1-1 surcharge beginning Jan. 1, 2003.

The PUC approved a hike in the surcharge from \$.70 to \$1.25 a month for the Las Animas County authority. The authority provides 9-1-1 service to the towns of Trinidad, Aguilar, Kim, Branson, Cokedale and the rest of Las Animas County, which at 4,771 square miles is the largest county in Colorado.

The increase was needed to meet

current expenses as well as budgeting for 2003 and beyond, the authority said. The additional funds will be used to cover training and maintenance expenses for state-of-the-art equipment in the 9-1-1 communications center, as well as to hire new dispatchers.

The PUC also approved a request by the Gunnison-Hinsdale authority for a \$1 surcharge, an increase of 30 cents per month. The authority serves two mountain counties, characterized by rugged, high-altitude terrain, seasonal weather extremes and isolated populations. In addition to virtually no extra cash flow to address infrastructure needs in 2002, the authority was facing a projected budget deficit for 2003 of nearly \$50,000.

Under current law, a 9-1-1 authority

board may assess a surcharge of up to 70 cents per customer per month for 9-1-1 service without the permission of the PUC. Anything over that amount requires PUC approval.

In addition to Las Animas and Gunnison-Hinsdale, two other authority boards in Colorado have received approval to exceed the 70-cent surcharge cap. Authorities in both Grand County and San Juan County assess a \$1 surcharge per month.

All 64 counties in Colorado have some form of 9-1-1 service. All of the state's wireline and wireless customers pay the monthly surcharge to cover the costs of equipment, personnel and access to telephone lines. The money is collected by the telephone company and passed on to the authority boards.

# Qwest refunds taxes to 'Lifeline' customers

Qwest Corporation has refunded approximately \$190,000 in taxes that it overcollected from low-income telephone customers for five months in 2000.

The refunds were issued as one-time bill credits during the company's billing cycle from Oct. 10 to Nov. 10, after it was discovered that Qwest incorrectly charged Colorado Low-Income Telephone Assistance Program (LITAP) recipients certain taxes associated with Colorado LITAP credits.

The low-income program, also known as "Lifeline," was established by the legislature in 1990. Residential and

business telephone customers pay a 6-cent monthly charge per access line to fund the program. The fund is used to offset the costs of providing local service at a discounted rate for some low-income customers.

Eligible customers receive a 25 percent reduction in basic local telephone service rates. To be eligible for the discount a person must receive Old Age Pension, Aid to the Blind, Aid to the Needy Disabled or Supplemental Security Income. The Colorado Department of Social Services determines eligibility.

The LITAP customers were assessed a

higher federal excise tax and sales tax than required during the period of August 2000 through December 2000. The taxes were calculated as a percentage of the gross amount on the bill when they should have been calculated by using the net amount after reduction by the LITAP credits.

Qwest calculated the refunds based on the actual tax credit for each individual LITAP customer based on the taxing jurisdictions and a uniform interest payment of \$2.20 per customer. The refunds appeared a separate line-item credits on customer bills between Oct. 10 and Nov. 10.

# Byers, Deer Trail now part of Denver local calling area

Local calling between Qwest customers in the Denver metro area and customers of Bijou Telephone Co-op Association east of Denver began November 20.

The Public Utilities Commission approved the change to allow Bijou Telephone to offer expanded local calling into the entire Denver metro area. As part of the agreement, customers in the Denver local calling area received local calling to Bijou Telephone's customers, with no change in monthly rates.

Bijou Telephone provides local telephone service to the towns of Byers and Deer Trail and their surrounding rural areas east of Denver. Prior to the

change, Bijou customers could only make local calls to Strasburg, Bennett, Watkins and parts of the Aurora exchange.

Under the new calling area, Bijou offers unlimited local calling into the entire Denver local calling area at \$28.09 per month for residential customers and \$34.90 for business customers, an increase of \$14.50 per month over the previous Bijou rates.

Bijou customers who do not wish to pay for the expanded local calling area were given the option of keeping the smaller local calling area at \$13.59 per month for residential customers and \$20.40 per month for business customers.

For customers choosing this option, Bijou will charge a "measured" local rate of 10-cents per minute for calls into the Denver metro area.

Bijou's two exchanges serve customers in three counties—Adams, Arapahoe and Elbert. The PUC ruled that a community of interest existed between the Bijou exchanges and exchanges in the Denver metro area for governmental, business, medical and emergency services purposes. The PUC also said customer calling patterns, demographics and the location of primary business and transportation centers warranted the expanded local calling.

# Rye customers get touch-tone refund

Rye Telephone Company has refunded almost \$44,000 to customers for erroneously charging for touch-tone service over a 13-month period.

The refunds were made in the form of a one-time credit issued to customer bills in November. Individual customer refunds ranged from \$1.51 to \$19.59.

Rye Telephone serves about 2,400 customers in southern Colorado, including the towns of Rye and Colorado City.

During 2001, the company discovered that it incorrectly charged its customers \$1.50 per month per access line for touch-tone dialing, in addition to the basic monthly service charge. Under Public Utilities Commission (PUC) rules, touch-tone dialing is included in the definition of basic local service and companies are prohibited from charging extra for it.

The company researched its billing records and determined that the erroneous charge was assessed during the period of October 2000 through October 2001. The refund included \$43,747 in touch-tone fees collected during the period, plus interest based on the PUC-approved interest rate during the period.

# PUC sets registration fees for telemarketers in 2003

The Public Utilities Commission has established the registration fees for 2003 that telemarketers will pay to obtain the state's no-call list.

The fees, which are based on the number of employees of the soliciting company, have been reduced from 2002 due to the expected number of registered telemarketers. The annual fees are used to administer the no-call program.

For 2003, the fees will range from \$0 for telemarketers with less than five employees, to \$250 for companies with more than \$1,000 employees.

In December, a Georgia-based mortgage company became the first telemarketer to incur a financial penalty for violations of Colorado's no-call law.

The Colorado Attorney General announced that a follow-up enforcement action was taken against First Atlantic Mortgage, LLC, a lending company based in Norcross, Ga., which

had previously been issued a cease-and-desist notice by the Attorney General's office.

Under terms of the enforcement, First Atlantic Mortgage has agreed to refrain from making any future commercial telephone solicitations that would violate the Colorado No-Call law and pay a \$5,000 penalty.

In addition to the First Atlantic Mortgage, the Attorney General said six other businesses currently are under investigation for continuing violations of the no-call law after receiving cease-and-desist notices. Since the July 1, 2002, start of the no-call program, the Attorney General has issued 162 cease-and-desist notices.

During the first five months of the program, consumers made 13,397 complaints against telemarketers alleging no-call violations. The top three categories of complaints were against

mortgage companies/consumer loans, telephone/cell phone services and credit card/credit card protection services.

Colorado's no-call program permits residential telephone subscribers to notify solicitors of their objection to receiving solicitations by telephone or fax. Residential subscribers can place their telephone numbers on the no-call list at no charge. A state enforcement action may be brought against commercial telemarketers for three or more violations in a month.

More than one million telephone numbers will be on the next updated quarterly list distributed to telemarketers in January. New subscribers who signed up between Oct. 1 and Dec. 31, 2002, will be eligible to file complaints as of Feb. 1.

Consumers may file complaints about possible violations of the no-call law by either calling toll-free 1-888-600-5688 or by going on-line at

The Public Utilities Commission has established the following fees for 2003 for telemarketers registering for the Colorado no-call program:

Number of Employees	Fee Amount
1-4	\$ 0
5-10	\$ 25
11-50	\$ 75
51-100	\$ 100
101-250	\$ 150
251-400	\$ 200
401-1,000	\$ 225
More than 1,000	\$ 250

[www.ColoradoNoCall.com](http://www.ColoradoNoCall.com). To register a residential phone number, go to the web site, or call 1-888-249-9097.

## Agreement sets new line extension policy for Qwest

An administrative law judge has approved an agreement to modify the manner by which Qwest determines construction charges for extending facilities to end-use customers.

The line extension agreement was reached between Qwest, staff of the Public Utilities Commission, and the Office of Consumer Counsel, and was accepted by the judge in a recommended decision issued Dec. 4.

Under the old policy, Qwest customers requesting a line extension were given a \$4,000 credit to cover construction charges. Any costs above

that amount were divided equally between the company and the customer.

The new policy modifies the formula for calculating construction charges by providing a construction credit based on costs, high cost fund support, and customer revenues by wire center. The credits will range from a minimum of \$3,000 for residential customers and \$4,000 for business customers, to a maximum of about \$16,000, depending on the wire center in which the customer wishes to establish service.

Under the agreement, Qwest will discontinue apportioning construction

charges in excess of the construction credit on a 50-50 shared basis. Instead, all charges in excess of the construction credit will be the responsibility of the customer.

However, the agreement establishes a new "pioneering" provision, which allows an initial customer in a line extension project to be partially reimbursed for a portion of their line extension project costs when any new applicants join that project in the 36 months following the date that the initial applicant's service was first established. The previous line extension policy

did not contain a pioneering provision.

When construction is required to serve a new applicant, Qwest must survey other prospective subscribers to determine whether they want to be included in that construction project.

The new construction credit does not apply to land development agreements between Qwest and developers. Those credits are determined under a separate policy. However, the parties have agreed to meet with any interested land developers by March 31 to discuss revisions to the developer cost calculations.

## Most gas bills take fall dip

Most Colorado gas customers will enjoy lower heating bills this winter, despite national projections of rising natural gas prices.

Most of the state's regulated natural gas utilities filed for decreases in their gas cost adjustments this fall, including Xcel Energy, the state's largest gas utility.

Utilities make gas cost adjustments at least once a year, usually in the fall, to reflect estimated gas supply prices for the ensuing year, as well as to true up actual costs from the previous 12 months. Wholesale gas prices, which are deregulated, are passed on to customers on a dollar-for-dollar basis. Utilities do not make any profit from the gas commodity itself.

Xcel reduced its gas rates by \$64.6 million on Oct. 1, despite a slight increase in the forecasted price of natural gas for the upcoming year. The rate reduction stemmed from an over-collection the previous year, resulting

from natural gas prices that were lower than forecasted.

As a result of the adjustment, the monthly bill of a typical Xcel residential natural gas customer, using 77 therms, was reduced by \$3.52, an 8.74 percent decrease. Monthly bills for typical commercial customers, using 376 therms, were lowered \$17.18, or 10.43 percent.

The most recent adjustment was the third decrease in Xcel's natural gas rates in the last 12 months. The company reduced gas rates in October 2001 by \$571 million, and in March 2002 by \$79.2 million. The combined reductions more than offset the \$605 million in gas price increases sought by Xcel between July of 2000 and January of 2001, when wholesale prices spiked to record levels.

Aquila Networks, Kinder Morgan, ComfurT Gas Inc., Eastern Colorado Utility Company and Colorado Natural Gas also lowered gas rates to Colorado customers this fall.

## Aquila rate request suspended

The Public Utilities Commission (PUC) has suspended a proposal by Aquila Networks-WPC to increase its electric rates by \$23.4 million.

The PUC will hold hearings, probably next spring, to determine whether the proposed rates are just and reasonable.

Aquila, formerly known as West Plains Energy, serves about 85,000 customers in more than 21 communities in southern Colorado, including the cities of Pueblo, Canon City, Rocky Ford and Florence. It last filed a general electric rate case in 1983.

Since that time, the company said it has increased investment in its network by 142 percent, non-fuel and energy costs have increased by 154 percent, and annual capacity payments are expected to increase by \$9.4 million starting in 2003. In addition to those operational changes, Aquila is requesting a return on equity of 13.25 percent. Currently,

Aquila's authorized rate of return is 15.20 percent for its electric operations. The PUC sets an allowable rate of return for the company, but it is not guaranteed.

The changes proposed by Aquila would increase electric rates across the board by about 21.8 percent. Under the proposal, an average residential customer bill would increase by \$9.38 per month, while an average small business customer's bill would increase by \$70.16 per month.

Public hearings to allow public comment on the proposed changes likely will be scheduled for spring. A schedule of dates and locations will be announced at a later date. Customers may also submit comments in writing to the PUC, 1580 Logan St., OL2, Denver, CO 80203. Comments should be addressed to Docket No. 02S-594E.

The PUC must issue a decision on the proposed rates by June 13.

  
**Connections**  
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