

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

Bill Owens, Governor • Rick O'Donnell, DORA Executive Director

MAY 2004

STARTING POINT



By Bruce Smith
Director

It wasn't too long ago that telecommunications was sending most of the busy signals our way. Between telephone quality of service issues, implementation of local competition and Qwest's long-distance application, telecommunications issues were overloading this agency's circuits.

Now, it seems, energy is taking more of the PUC's energy.

That's not to say there still aren't a number of important telecom issues facing us in the near future. But, for the moment, it is energy matters that are creating the current buzz and keeping things humming for commissioners and staff.

One of the hot issues is our continuing inquiry into Xcel Energy's electric service reliability. PUC staff and the Office of Consumer Counsel released an initial report in January outlining a number of possible PUC actions to turn around troubling trends of increased outages and consumer complaints. Xcel presented a proposed action plan to address issues covered in the report at a meeting in February, and the public was given an opportunity to comment in March. PUC staff is now reviewing both the company and public input and will make its final recommendations in the near future.

Another case that will divert much of our attention this summer is Xcel's blueprint on how it expects to acquire the resources to meet the future electricity needs of its Colorado customers. The "least cost plan" was due at the end of April, and was expected to include a proposal for building a 750-megawatt base-load coal plant in Pueblo. That plan will likely generate plenty of heat and debate through the summer.

In addition, both Xcel and Aquila, the state's two largest investor-owned electric utilities, both have rate cases pending before the PUC. Aquila has a phase I (revenue requirement) case set for hearing in June and phase II (rate design) case set for hearing in July. Xcel's phase II electric case, which likely will be heard this fall, includes a proposal to establish seasonal electric rates that would have customers paying more for power during peak summer months and less during winter months.

Throw in concerns about high natural gas prices, noise from power lines and renewable energy standards, and it is clear that there will be plenty of sparks flying in the immediate future as we address these critical energy issues for Colorado.

Senate seconds Page's reappointment

Just when Commissioner Polly Page was starting to feel comfortable with the complex and challenging issues involved in utility regulation, her term expired. So it's no wonder that she is pleased to have an opportunity to spend four more years at the Public Utilities Commission (PUC).

Page, whose initial term expired in January, was reappointed to the three-member PUC by Gov. Bill Owens and unanimously confirmed by the Colorado Senate on March 15. Her new term extends until January of 2008.

"I am very honored to have the opportunity to continue in this position," Page said. "I appreciate the confidence that the governor and the legislature have shown in me."

Page, a Republican, who is a former county commissioner and city council member from Aurora, admitted that she

faced a steep learning curve during her first term. But with four years of experience behind her, Page said she is looking forward to continuing to help shape regulatory policy in utility industries over the next four years.

"I want to continue to broaden and deepen my knowledge in these areas, and with the help of PUC staff and my colleagues on the bench, continue to make decisions that are fair and reasonable to both utilities and their customers," she said. "I also want to continue to manage the transition to competition in utility markets where it is appropriate."

Page serves with Chairman Greg Sopkin, a Republican, and Commissioner Jim Dyer on the PUC. Dyer, a Democrat from Durango, has announced that he will retire in June, but a replace-



Polly Page

ment for his position has yet to be named. By law, the governor may appoint no more than two commissioners from the same political party.

PUC staff: Qwest deals violated law

Qwest Corporation and certain competitors intentionally violated federal and state law and Public Utilities Commission (PUC) rules and impeded telecommunications competition in Colorado by entering into secret deals, and the PUC should open a proceeding to consider appropriate remedies, according to a report filed by PUC staff.

The staff's comments were filed Feb. 27 as part of a PUC investigation into the execution of a series of interconnection agreements between Qwest and competitive local exchange companies (CLECs). The agreements set out the rates, terms and conditions under which competitors use parts of Qwest's network to provide competitive services.

Under federal and state law, interconnection agreements must be submitted to the PUC for approval. Upon PUC approval, the rates, terms and conditions of those agreements must then be made available to all other competitive providers in a non-discriminatory manner.

In its comments, PUC staff alleged that

Qwest withheld dozens of interconnection agreements from proper scrutiny from 1999 to 2002, until their existence was revealed in a proceeding in Minnesota. Generally, the unfiled, secret agreements provided particular competitors with discounts and preferential treatment while denying the same beneficial prices, terms and conditions to other providers.

"The favorable terms went generally to smaller, less threatening CLECs, thus offering an advantage to those companies over the larger CLECs, which represent a greater competitive threat to Qwest," PUC staff said. "Such agreements are unduly discriminatory, anti-competitive and damaging to non-benefiting providers."

Some of the agreements also contained additional terms that required a CLEC to withdraw from participation in certain PUC proceedings, the staff said.

"Qwest, with the CLEC's participation, effectively bought silence and absence of opposition in important matters such as the U S West/Qwest

merger and the Section 271 (long-distance approval) proceedings," the report said.

Because the current investigation docket does not allow for imposition of remedies, PUC staff recommended that a separate enforcement proceeding be initiated to consider a range of penalties for the alleged violations, including possible refunds, price concessions to harmed competitors, or the seeking of fines against Qwest and the CLEC parties.

"It is staff's opinion that the nature of the offenses are so egregious, fundamental and systematic that the Colorado Commission should pursue corrective action," PUC staff said.

Reply comments to staff's initial report were filed in April, including a \$7.5 million settlement offer proposed by Qwest and the Office of Consumer Counsel. Neither PUC staff nor any of the participating CLECs signed that proposed settlement. A final round of rebuttal comments is due by May 28. Once all the comments are received, a PUC administrative law judge will issue a recommended decision on how to proceed.

5-1-1 on road to implementation in Colorado

Colorado is on the road to joining at least 15 other states in offering easy access to traffic and transportation information.

The Public Utilities Commission (PUC) was expected to approve in late April a petition by the Colorado Department of Transportation (CDOT) to implement 5-1-1 service in Colorado. The abbreviated 5-1-1 code is a simple and easy-to-remember number that will provide statewide traveler information.

Similar to other abbreviated dialing patterns—like 9-1-1, 2-1-1 and 7-1-1—5-1-1 service will provide a simple number for travelers to remember, instead of having to dial local 7-digit or toll-free 10-digit numbers.

In July 2000, the Federal Communications Commission assigned the 5-1-1 abbreviated dialing code on a national basis for the provision of transportation and traveler information and granted responsibility for it to government transportation agencies. In June 2001, the first 5-1-1 calling system was

Abbreviated Dialing Codes in Colorado

2-1-1	Community Information and Referral Service
3-1-1	Non-Emergency Governmental Services
5-1-1	Traffic and Transportation Information
7-1-1	Telecommunications Relay Service
9-1-1	Emergency Services

implemented in the Cincinnati/northern Kentucky area. As of December 2003, there were 20 5-1-1 calling systems nationwide, of which 15 provided service on a statewide level.

CDOT currently has an automated phone system as part of its Advanced Traveler Information System. Road condition and weather information, trucker information, road closures, statewide

road maintenance and construction where potential delays might exist and ongoing Denver metro construction projects information can be obtained from the system. The initial 5-1-1 implementation is expected to be a conversion or "translation" to the current telephone system.

Based on discussions with the two largest landline telephone providers in the state, CDOT said it believes initial implementation costs will be minimal. A combination of currently available state and federal funds will be used to pay for 5-1-1 translation, sign production, marketing and customer education.

CDOT said it would look for opportunities in the future to expand the 5-1-1 service to include features such as connection to public transportation, airports, taxi service and tourism services.

A timeline for the implementation of 5-1-1 service in Colorado is still to be established. PUC rules require that within 30 days of granting a petition,

(Continued on page 4)

PUC grants Omnetrix request to discontinue service

Customers transferred to Qwest to keep from losing local dial tone

The Public Utilities Commission (PUC) in April granted a request by Omnetrix International to discontinue providing local telephone service and approved a transition plan to transfer its customers to a different provider.

The PUC ordered Qwest to take back about 1,350 customers of Omnetrix, also known as the Home Phone Company, to ensure that the customers did not lose

telephone service during the transition. Omnetrix customers were to be notified about the transfer and given an opportunity to choose a different provider from a list provided by PUC staff and the Office of Consumer Counsel.

Under PUC rules, companies wishing to discontinue or curtail jurisdictional telecommunications service must receive PUC approval before abandoning service. That allows the PUC to ensure that adequate safeguards and operational procedures are in place to ensure a smooth transition of customers to a new provider without a loss of basic phone service.

Due to financial difficulties, Omnetrix filed an application to discontinue offering local telephone service earlier

this year. After Omnetrix and Qwest were unable to reach a settlement regarding past due amounts for wholesale services owed by Omnetrix to Qwest, the parties sought an expedited hearing to approve a transition plan.

A disconnection notice sent to Omnetrix customers by DHS West, as a secured creditor to Omnetrix, added confusion to the situation. The PUC noted that the disconnection notice was unauthorized and that a failure to pay would not result in phone service being disconnected.

Under the transition plan, former Omnetrix customers were to be transferred to Qwest within 30 days with the same telephone number and, to the extent

possible, the same services and features that they had with Omnetrix. Customers who also had Omnetrix as their long-distance provider were to be transferred to a similar Qwest long-distance plan. Customers who had a long-distance provider other than Omnetrix would retain their chosen provider. Customers could choose a local or long-distance provider other than Qwest at any time.

Customers who owe Qwest a previous bill for local telephone service were still to be transferred. However, those customers must pay Qwest what is owed, make acceptable payment arrangements, or choose another provider to ensure that their service is continued without disruption.

Captioned telephone service now on display in Colorado

Captioned Telephone (CapTel) Telecommunications Relay Services (TRS) commenced in Colorado on March 12.

This new telecommunications service for the deaf and hard of hearing is considered to be an enhanced form of Voice Carry Over relay. It allows callers to listen to the other party and read written captions of the conversation at the same time, similar to captioned television.

The service was recently approved by the state of Colorado through the recommendation of the State Relay Administrator and the Public Utilities Commission. Sprint Communications, which currently provides regular relay services for the state, was awarded the contract for Captioned Telephone TRS.

"This new service will provide deaf and hard of hearing citizens who utilize speech with an opportunity to communicate effectively over the telephone by utilizing real-time captions," said **Joe**

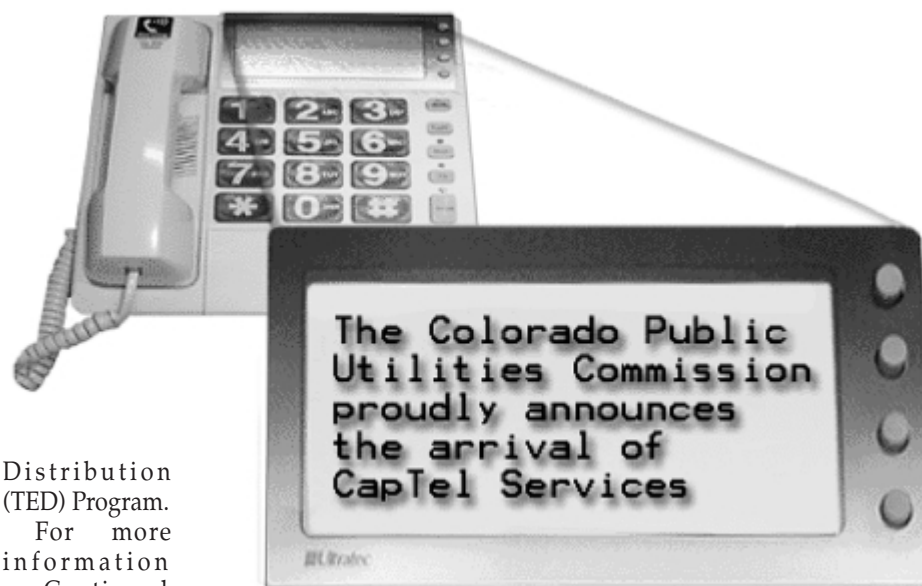
Benedetto, State Relay Administrator.

The cost of the captioning service is covered by TRS funds. In Colorado, each residential and business access line is charged 6 cents per month to pay for relay services.

The Captioned Telephone is a special telephone unit that includes a display window. When a call is made from a Captioned Telephone, an operator at the captioning service transcribes everything the other party says into written text. The captions appear almost simultaneously with the spoken word.

The phone units are manufactured by Ultratec, Inc. and will be available for purchase from Sprint Communications by deaf and hard of hearing customers.

Colorado residents who meet income requirements will also be able to obtain CapTel units by applying with the Colorado Commission for the Deaf and Hard of Hearing's (CCDHH) Telecommunications Equipment



Distribution (TED) Program.

For more information on Captioned Telephone Units, please contact:

Sprint Relay
1099 18th Street, Suite 1400
Denver, CO 80202
Voice/TTY 800-230-8609

To determine eligibility for the CCDHH TED Program for Captioned Telephone units, please contact:

Colorado Commission for the Deaf and Hard of Hearing
Telecommunications Equipment Distribution Program
1575 Sherman Street, 10th Floor
Denver, CO 80203
Voice 303-866-4824
TTY 303-866-4734

INSIDE CONNECTIONS

For **Reinhard Wolf**, job satisfaction can be summed up in a single word—"safety".

Reinhard is a Compliance Investigator in the PUC's Transportation Section. He is one of five investigators responsible for ensuring that Colorado motor vehicle carriers comply with state and federal safety laws and PUC rules. Among his duties are performing audits of motor carriers' records; performing safety inspections of motor carriers' vehicles; investigating and resolving complaints; and issuing civil penalty assessment notices (CPANs) when necessary.

What he enjoys most about the position is that it has the ability to actually make an impact on public safety.

"The greatest thing is when you end up citing a carrier for violations and they come back and tell you they appreciate the findings before they resulted in a safety incident, even though they are paying a penalty," Reinhard said.

Reinhard has been a state employee since 1987, working for the Department of Corrections and 15 years at the

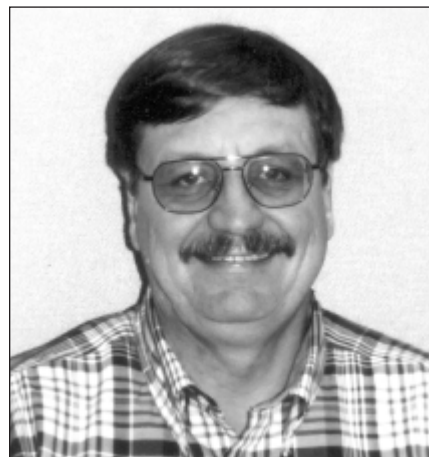
University of Colorado Health Sciences Center before coming to the PUC in October of 2002. He was an Office Designer and Planner for the DOC, and the Administrator of a psychiatric facility for the UC-HSC, overseeing a staff of 20.

Prior to his state employment, Reinhard was in charge of safety and purchasing for a geophysical company for 12 western states.

Away from work, Reinhard enjoys spending time with his wife Barbara and two kids, Mackenzie and ER—"seeing 27 years of family progress makes it worthwhile and fun," he said—and with his assortment of toys. He currently owns a 50th Anniversary Limited Edition Corvette, two motorcycles (a Goldwing and CBR900R) and two jet skis.

He also enjoys traveling and tries to get away once a year to Las Vegas and Mexico (top spots Ixtapa, Mazatlan and Puerto Vallarta). Another favorite destination is Europe, where he visits family in Germany and Switzerland.

While retirement is definitely on the



Reinhard Wolf

radar, Reinhard won't have any problems finding things to do.

"I would like to start several enterprises that I have not had time to do," he said. "My wife and children already have all kinds of businesses they would like to see me involved in. One of my goals is to give something back to the community through starting new businesses."

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

Make sure prom limo is registered

With the arrival of prom and graduation season, many students will be renting limousines to carry them in style to spring dances and parties. Customers of limousine services should choose carefully to avoid any problems.


Luxury limousine companies are required by law to register their vehicles with the Public Utilities Commission (PUC). Registration ensures that the companies have obtained the proper amount of insurance, and that the vehicles have been inspected for safety.

Anyone who wants to check to see if a limousine company is properly registered, or has any questions about limousine service, may call the PUC at 303-894-2867 or search on-line at www.dora.state.co.us/pls/real/PUC_Permit.Search_Form.


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

Comments, suggestions and requests for more information should be directed to:


Terry Bote
1580 Logan Street, Office Level 2
Denver, Colorado 80203.

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POSITIVE CHARGES

 Congratulations to Commissioner **Polly Page**, who will be with us for four more years following her recent reappointment and confirmation. Polly was sworn

in for her second term on April 21 by PUC Administrative Law Judge **Mana Jennings-Fader**.

 Congratulations to **Bob Laws**, **Ted Barrett**, **John Opeka**, **Reinhard Wolf** and **Tony Munoz** who, in cooperation with **Larry Williams**, **David Nocera** and **Michael Santisi** from the Attorney General's

Office, did some excellent enforcement work to stop some individuals from continuing to provide illegal transportation without insurance.

 Welcome to new PUC employees **Ellie Friedman** and **Walter Gaines**. Both started in January as rate/financial analysts in the Utilities section.

Freedom fares increase; Metro Taxi seeks hike

Freedom Cabs, Inc. received approval from the Public Utilities Commission (PUC) in April to increase its taxi rates by an average of 11 percent.

The rate increase was the first in nearly five years for Freedom, which is one of three cab companies serving the Denver metro area. Freedom is authorized to operate 150 cabs in Denver.

The new rate schedule, effective April 9, increases the initial "flag drop" from \$1.60 to \$1.80 and increases the metered mileage rate from \$1.60 to \$1.80 per mile. The charge for waiting time increased from 30 cents to 50 cents per minute. The mileage rate for out-of-town trips also increased from \$1.60 to \$1.80.

Under the new rate schedule, Freedom's fare for an average Denver trip (7.35 miles) will increase 11 percent to \$14.40. Shorter trips will see less of an increase. For example, the fare for a three-mile trip will be \$6.80, an increase of 9.7 percent over the previous rate.

Metro Taxi, the largest cab company

in the Denver area with authorization for 492 vehicles, also recently applied to the PUC for a rate hike, including an increase in its standard mileage rate from \$1.80 to \$2 per mile. The PUC is expected to rule on that request in May.

Yellow Cab, the other taxi company serving the Denver area, received a rate increase in February for its 300 vehicles.

The changes in metered rates do not affect the flat-rated fare system that is in place between Denver International Airport and downtown Denver, the Denver Tech Center and Boulder. Under PUC rules, all taxi companies are required to offer a uniform, flat fare for trips between the airport and those three zones, which make up about 70 percent of the airport taxi business.

Under the system, the following fares are in place, regardless of the company used: DIA to downtown, \$45.74; downtown to DIA, \$43; DIA to Tech Center, \$47.75; Tech Center to DIA \$45; DIA to Boulder, \$72.75; Boulder to DIA, \$70.



Freedom Taxi raised its fares in April, the company's first increase in nearly five years.

Denver Taxi Rates

(As of 4/20/04)

	Denver Taxi/Yellow	Freedom Cab	Metro Taxi
Flag drop			
per 1/9 mile		\$1.80	\$1.60
per 1/8 mile	\$1.60		
Each additional 1/9 mile		\$0.20	\$0.20
Each additional 1/8 mile	\$0.25		
Waiting time			
per 40 seconds	\$0.25	\$0.25	\$0.20
per 45 seconds			
per minute			
Extra passenger			
	\$0.40	\$0.40	\$0.40
Traffic delay			
per 40 seconds	\$0.25 below 15 mph	\$0.25 below 11.25 mph	\$0.20 below 15 mph
per 45 seconds			
per minute			
Extra baggage			
per piece	\$0.10	\$0.10	\$0.10
Trunks, skis, etc.			
per item	\$0.25	\$0.25	\$0.50
Dogs			
	\$0.25	\$0.25	\$0.25
Out of town rates			
per mile (Denver Taxi)	\$1.60		
per mile (Freedom)		\$1.80	
per mile (Metro)			\$1.60
Out of town, return trip			
per mile (Denver Taxi)	\$1.60		
per mile (Freedom)		\$1.60	
per mile (Metro)			\$1.60

Chaffee County asks for increase in 9-1-1 surcharge to \$1

The Chaffee County Emergency Telephone Service Authority Board has asked the Public Utilities Commission (PUC) to approve an increase in its 9-1-1 surcharge to \$1 per month.

The authority, which encompasses Chaffee County, the City of Salida, the Town of Buena Vista, the Town of Poncha Springs, the Chaffee County Fire Protection District and the South Arkansas Fire Protection District, is responsible for administering emergency telephone services in the telephone exchanges in those areas. Currently, wireline and wireless cus-

tomers in Chaffee County pay a 70-cent per month surcharge to fund the equipment and operational expenses of the 9-1-1 system.

The authority serves an area of approximately 1,100 square miles, and has a combined population of 16,500 (as determined by the 2000 census). Much of the area is extremely rugged and communities are isolated, yet it is a destination point for many outdoor enthusiasts.

In its application, the authority board said the current surcharge, while covering budget expenses, provides little

cash flow to address capital projects and infrastructure needs for the future. It is seeking the 30-cent increase in the monthly surcharge to make the necessary enhancements to provide continued public safety support.

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.

A number of 9-1-1 authority boards in Colorado that serve remote or rural areas have applied for surcharge increases in recent years. Grand County, San Juan County and Gunnison-

Hinsdale 9-1-1 authorities assess a \$1 per month surcharge, and the Las Animas authority assesses a \$1.25 per month surcharge.

The Chaffee County board is asking that the \$1 surcharge become effective on Jan. 1. The PUC is expected to consider the matter at its meeting on May 26.

All 64 counties in Colorado have some form of 9-1-1 service. All of the state's wireline and wireless customers pay a 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.

Atmos completes acquisition

About 1,800 natural gas customers in the Buena Vista area began receiving service from a new local distribution company at the end of February.

Following Public Utilities Commission (PUC) approval in early February, Atmos Energy Corp. completed its purchase of Buena Vista-based ComFurT Gas Inc.'s natural gas distribution system and began serving ComFurT's former customers.

Atmos Energy paid \$1.95 million for ComFurT Gas' 49-mile natural gas distribution system. ComFurT, which also serves about 2,000 propane customers, will continue to own and operate its propane business.

Prior to acquiring ComFurT, Atmos Energy had a retail customer base of approximately 104,000 in 60 communities across Colorado, including Greeley and Canon City. Atmos also serves the communities of Gunnison, Crested Butte and Salida, adjacent to ComFurT's former territory in Buena Vista.

"Atmos's size, scope and national

presence result in significant economies of scale relative to its operations. As a result, it is better able to meet the increasing operational and regulatory demands that appear to be overwhelming ComFurT," wrote PUC Administrative Law Judge **Mana Jennings-Fader** in approving the application to transfer ComFurT's natural gas assets to Atmos.

Base gas rates for customers in Buena Vista will not increase as a result of the change. As part of the PUC approval, Atmos agreed to adopt the existing ComFurT base rates, terms and conditions of service until at least Jan. 1, 2006.

The agreement not to increase rates does not apply to changes in the gas cost adjustment (GCA), in which changes to wholesale natural gas commodity prices are passed on to customers on a dollar-for-dollar basis. The utility does not make any profit from the sale of the gas commodity, but prices fluctuate based on competitive wholesale market forces.

Qwest refund report delayed

The Public Utilities Commission (PUC) has granted Qwest Corporation a two-month extension of time in which to file its 2003 quality of service refund report.

The report, which sets forth any bill credits for the company's previous year's retail performance, is normally due by April 1. However, Qwest, PUC staff and the Office of Consumer Counsel in March filed a joint request to push the deadline back 60 days.

In seeking the delay, the parties stated they had entered discussions to examine and modify the various service quality measures contained in the plan. They said they needed the 60-day extension to reach agreement on the modifications to the measures and present those modifications to the Commission.

Under the current regulatory plan adopted by the PUC, Qwest is required to meet certain service standards or provide up to \$15 million a year in auto-

matic 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 Qwest's business offices.

The quality of service plan has been in place for four years. Qwest refunded \$7.4 million to customers for its 1999 performance (April-December); \$11.2 million for 2000; \$4.1 million for 2001; and \$2.2 million for 2002.

The PUC said interest would begin accruing on June 1 for any bill credits that may be due for the year 2003, but haven't been received by customers. The bill credits normally are issued during the June billing cycle.

The PUC also said that by granting the extension it was not giving preliminary approval to any changes in the retail quality of service plan or any retroactive application of those changes.

Hearings set for Aquila electric cases

The Colorado Public Utilities Commission (PUC) will conduct hearings this summer on two proposals by Aquila Networks that would affect electric rates for about 87,000 customers.

Aquila provides electric service to 21 communities in southern Colorado, including the cities of Pueblo, Canon City, Rocky Ford and Florence.

One proposal would change the way Aquila allocates costs among its various customer classes. The proposal would not increase overall revenues above the level approved by the PUC last summer, but prices could change slightly within different customer classes, including residential and commercial.

For example, the average Aquila residential customer would receive an increase of 2.8 percent, or about \$1.23 per month, while an average small business customer would receive a decrease of about 1 percent, or \$3.14 per month.

Under the proposed new rate structure, more of the costs of Aquila's delivery system would be included in the fixed monthly customer charge, and less would be billed on actual energy usage. For residential customers, the monthly customer charge would increase from \$5.60 to \$8. For small commercial customers the monthly customer charge would go from \$7.10 to \$8.

Hearings on this proposal are scheduled for June 23 through July 2 at the PUC in Denver. Members of the public may submit comments about the proposal by letter or e-mail to the PUC, 1580 Logan St., OL2, Denver, CO 80203. Comments should be addressed to Docket No. 03S-539E and should be received by June 22. E-mail comments should be submitted to pucconsumer.complaints@dora.state.co.us

A second proposal, filed at the end of

2003, would increase the company's overall electric revenues by about \$11.4 million, or 9.13 percent annually. The company said the "limited" rate filing was intended to recover the company's changes in operational and investment costs since June of 2003, when the previous rate settlement was approved by the PUC.

Under the new proposal, a typical residential customer using about 600 kilowatt-hours (kWh) of electricity per month would see an increase in electric rates of about \$4.94 per month, while a typical small business customer using about 2,350 kWh per month would receive an increase of \$16.71 per month.

Hearings on this proposal are scheduled for July 26-30 at the PUC. Customers who wish to submit written comments about this proposal should address them to Docket No. 04S-035E.

5-1-1 Implementation

(Continued from page 1)

local telephone providers must submit cost information and an estimate of the time required to perform the necessary translations. Once that information is received, the PUC will set a timeline for implementation of the 5-1-1 abbreviated dialing code.

Xcel, Homebuilders come to agreement

Xcel Energy has agreed to pay the Home Builders Association of Metropolitan Denver (HBA) \$682,081 to resolve a 3-year-old complaint challenging the method used by the company to credit customers a portion of the costs for new construction.

The Public Utilities Commission (PUC) on March 30 approved a settlement agreement reached between Xcel and HBA. The settlement resolved all issues arising out of HBA's formal complaint against Xcel, which alleged that the company failed to update its construction allowance as required by its tariff.

Under Xcel's construction allowance policy in effect at the time, new customers applying for natural gas extensions received an initial credit of \$360. Construction costs in excess of the allowance were paid by the customer, or in most instances, by the homebuilder on behalf of the customer.

HBA filed its complaint in February of 2001. The association alleged that the \$360 construction allowance, which was established as part of a 1995 gas rate case, was too low because Xcel failed to update it as required by its natural gas extension tariff.

Following numerous legal disputes and hearings, the PUC ultimately found that Xcel did not follow the terms of its tariff, which required the company to annually review and recalculate the construction allowance, or seek a waiver from the PUC. The PUC ruled that HBA was entitled to reparations as a result of the failure to update the construction allowance, but limited reparations to two years prior to the filing of the complaint under the statute of limitations.

The PUC ordered HBA to provide a list of affected members and to identify the specific line extensions subject to reparations. And it ordered Xcel to prepare and file a plan of reparations based on HBA's list. As a result of that order, the parties entered into settlement negotiations and reached an agreement on the \$682,081 to be paid to HBA's members.

The PUC also stated that its authorization of the settlement agreement was not to be construed "in any way as Commission approval of any attempt by (Xcel) at recovery of these settlement dollars in any future (Xcel) rate case."

Xcel proposes seasonal electric rates

Xcel Energy is proposing to implement seasonal electric rates to reflect higher costs for producing electricity during summer peak usage months.

The proposal is part of the second phase of Xcel's 2002 general rate case. The phase II request would not result in an overall increase or decrease in revenues for the company, but it could change rates within the different customer classes, including residential, commercial and industrial customers.

The Public Utilities Commission (PUC) has suspended the proposal and will hold hearings on the matter later this year. A final decision must be issued by Nov. 22.

As part of a comprehensive settlement in the first phase of Xcel's rate case, approved last spring by the PUC, elec-

tricity base rates decreased annually by \$230,000, natural gas base rates decreased \$33.3 million, and steam base rates decreased \$26,000. The reduction in electricity rates was offset by a \$93.1 million increase in pass-through costs for generation fuel and purchased power.

In its Phase II filing, Xcel is proposing to charge seasonal rates that will include an additional 1 cent per kilowatt-hour for residential customers for the months of June through September. Rates would be 1 cent per kilowatt-hour lower the remaining eight months.

Xcel said it was asking for the seasonal rate because the cost of supplying electricity is higher during the summer months. Added demand during peak periods requires the company to purchase additional generation from other sources

or utilize its own natural gas-fired power plants. Electricity from these natural gas peaking facilities usually costs more.

The company also said that customers who aggressively conserve electricity during peak periods would be able to lower their year-round bills under this proposal.

Xcel also is proposing to remove all fuel and purchased energy costs from base rates and recover them through the "electric commodity adjustment" rider.

Members of the public may submit written comments about the proposal by letter or e-mail to the PUC, 1580 Logan St., OL2, Denver, CO 80203. Comments should be addressed to Docket No. 04S-164E. E-mail comments should be submitted to pucconsumer.complaints@dora.state.co.us.

Xcel's 2003 report card pushed out 45 days

Xcel Energy has received a 45-day extension for submitting its 2003 performance under its annual quality of service review.

The Public Utilities Commission (PUC) granted the company's request for additional time to complete its 2003 calculations, which were originally due April 1. The report is now expected in mid-June.

As part of Xcel's regulatory plan, the company is required to meet certain annual service standards in three categories—electric service unavailability, customer complaints to the PUC, and telephone response time. If the company fails to meet the standards in any of the

categories, it must refund money to customers.

The maximum amount of the possible refund is adjusted from year to year, depending on the company's past performance. For 2003, the total amount at risk for possible refund by Xcel is \$8.1 million.

Since the quality of service plan was established in 1997, Xcel has been required to issue bill credits only once—a combined credit of \$7.4 million for 1999 and 2000. The company met the standards in 2001 and 2002.

However, based on results through the first three quarters of 2003, it is expected that Xcel will owe customers money for its 2003 performance. Through the first

nine months of the year, the company already had exceeded the yearly standard for the average customer outage minutes and the number of PUC customer complaints.

Once the company submits its 2003 data, PUC staff has 30 days to review the calculations and report its findings to the Commission.

Under the quality of service plan, bill credits, if warranted, are to be issued during the July billing cycle. If the refunds are not completed by the end of the July billing cycle, the company could be subject to interest payments. The PUC said the granting of the extension would not change that requirement.



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