Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION JANUARY 2006

STARTING POINT

By **Doug Dean**
Director

April 1, 2006 will mark a significant milestone for the Public Utilities Commission. That's the date all of the PUC's current rules will be repealed and new recodified rules will go into effect, resulting in a final published product that has been several years in the making.

The ambitious project, formally launched in 2002 although groundwork for the recodification effort had begun several years before that, entailed looking at each and every PUC rule—some 2,400 pages of them—with an eye to streamlining, consolidating, clarifying and even eliminating, where possible. Although I'm sure some tweaking will be required as we go forward, I believe these rules are a major step in the direction of making our rules more user-friendly and lowering regulatory costs for utilities.

Among the benefits of the new rules:

- Consolidation of many industry-specific rule sets into single unified sets. Previously, the PUC had 49 separate sets of rules, each dealing with specific topics. There were 25 separate rules dealing with telecommunications topics alone. Under the new system, the rules are organized in series format by general topic. For example, all telecom rules are contained in the 2000 series; electric rules are contained in the 3000 series, etc.
- Analogous rules across industries are (1) consistent where possible, and (2) numbered similarly. For example, rules dealing with operating authorities can be found in similarly numbered sections (2100s, 3100s, 4100s), whether they are for transportation, telecommunications, electricity, etc., to retain consistency and ease of location throughout the rules.
- Out-dated rules have been deleted. The old rules contained provisions that were cumbersome or no longer applied. Those have been eliminated. The new rules reflect current Commission practices.
- A significant reduction in volume. Roughly 2,400 pages have been reduced to less than 650 through deletions, consolidations and formatting changes. This will make our rules much more manageable and much less cumbersome.

I would like to acknowledge the efforts of the Commissioners and every PUC staff member who had a hand in ultimately bringing this laborious project to fruition—it was a true team effort. A special thanks goes to **Dino Ioannides**,

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PUC adopts renewable energy rules

Process put in place for utilities to meet voter-approved quotas

The Public Utilities Commission (PUC) has adopted rules to implement renewable energy standards in Colorado as part of the voter-approved Amendment 37 initiative.

The PUC on Dec. 15 issued a written decision on the rules following oral deliberations in October. The rules establish the process by which qualifying retail utilities (QRUs) in Colorado must gradually increase their reliance on renewable energy resources over the next 10 years.

Colorado voters approved Amendment 37 in November 2004. The ballot initiative requires that a percentage of retail electricity sales be derived from renewable resources, beginning with 3 percent in 2007 and increasing to 10 percent by 2015. Of the required renewable amount, at least 4 percent must come from solar electric resources.

As a means to encourage economic development in Colorado, Amendment 37 also allows participating utilities to count each kilowatt-hour (kWh) generated in Colorado as 1.25 kWh for purposes of compliance with the renewable energy standards.

The renewable standards apply to retail electric utilities that serve more than 40,000 customers. However, the law allows municipal utilities and rural electric cooperatives to opt out of the requirements of Amendment 37 by a vote of their customers. Customers of Intermountain REA and United Power already have voted to withdraw from the program.

Amendment 37 as passed by voters originally included a 50-cent rate cap on residential customers to fund the renewable programs. However, the law was later modified by the legislature to allow up to a 1 percent maximum retail rate impact for both residential, commercial and industrial customers.

After lengthy negotiations, a number of the participants in the rulemaking proposed consensus rules resolving many of the issues of the renewable standards. In its decision, the PUC largely adopted the proposed consensus rules intact, with only minor modifications in some instances. On issues where no consensus was reached, the PUC adopted rules it believes will best serve the public interest and reflect voters' intentions. Among the major provisions of the new rules:

- The PUC declined to mandate the use of a regional system of tracking renewable energy credits (RECs) because the existing system is in its infancy and is not fully consistent with Colorado rules. Each QRU will develop its own internal database to track RECs.
- The PUC adopted a QRU compliance plan approach rather than a third-party administrator approach to keep administrative costs as low as possible and prevent duplicative effort.

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New year rings in new no-call vendor

As of the first of the year, the Public Utilities Commission (PUC) had a new vendor for the Colorado No-Call program, which allows residential and wireless telephone subscribers to register their numbers to reduce the number of unwanted telemarketing calls they receive.

The PUC and the Department of Regulatory Agencies in December signed a contract with the Data Protection Group of Longmont to administer the state's no-call list for the next three years, with two possible one-year extensions. The previous vendor, InsightAmerica, chose not to continue as administrator when its contract expired at the end of 2005.

Data Protection Group, LLC was formed in 2005 by the former founder of InsightAmerica, who left that company when it was acquired by an out-of-state business earlier in the year. Both founding managers of Data Protection Group have worked previously with the state providing customer software for on-line services.

Under the new vendor, the website for the Colorado No-Call program remains the same. People can register for the list at www.coloradonocall.com. However, the toll-free telephone number has been changed to 1-800-309-7041. Those who already have signed up for the list do not have to re-register with the new vendor.

The Colorado no-call program, which began on July 1, 2002, permits residential and wireless telephone subscribers to notify solicitors of their objection to receiving solicitations by telephone or fax. Subscribers can place their telephone numbers and zip codes on the Colorado no-call list, and solicitors are required to remove those numbers from their marketing lists.

Under the law, telemarketers who make three or more calls per month to numbers on the no-call list are subject to possible penalties from the Colorado Attorney General's Office. Certain calls are excluded from the no-call provisions, including calls from charitable or political organizations, or calls from companies with established business relationships with consumers

Registration for the Colorado no-call list is free. The program is funded by annual fees paid by telemarketers to obtain the state's no-call list. The fees range from $100 to $500, depending on the number of employees of the

(Continued on page 3)

Settlement proposed in Xcel gas rate case

A settlement reducing Xcel Energy's proposed natural gas base rate increase by $12 million and resolving all other rate case issues has been presented to the Public Utilities Commission (PUC).

The settlement, signed by all major parties in the case, including Xcel, PUC staff, the Office of Consumer Counsel and Energy Outreach Colorado/AARP, was filed on Dec. 20. Hearings on the proposed settlement were scheduled for Jan. 3–4, and the PUC must issue its decision by Feb. 6.

The proposed settlement would increase Xcel's annual revenues for its gas distribution system by about $22.5 million. The company originally requested a $34.5 million increase last May. If approved, it would be the first increase in natural gas base rates since 2000.

The base rates for the natural gas distribution system are separate from the rates for the gas commodity itself, which are passed on to customers on a dollar-for-dollar basis through a separate monthly charge. Xcel receives no profit from the monthly gas cost adjustment.

Wholesale prices for the natural gas commodity have risen significantly in the last year, and are up more than 300 percent since 2002. For Xcel residential customers, the gas component represents about 80 percent of a typical winter gas bill.

Under the proposed settlement, the fixed monthly metering and billing charge would increase from $9.00 to $10.00 for residential customers, while the volumetric distribution charge would decrease by about 1.2 cents per therm. Overall, monthly bills for average residential customers would increase about $0.73, or 0.92 percent.

Average commercial customers would see an overall monthly bill increase of about $8.13, or 2.26 percent, with their fixed metering and billing charge going from $16.20 to $20 per month.

The settlement also lowers Xcel's authorized rate of return on equity on its natural gas business in Colorado from 11 percent to 10.5 percent. The return on equity is the profit that a utility is authorized to make, but it is not guaranteed.

Annual customer service award winner selected

April Woods was selected by co-workers at the PUC to receive the Dom Hidalgo Customer Service Award for 2005.

Woods, a complaint specialist in the External Affairs section, was one of three finalists nominated by a panel of PUC employees. The other 2005 finalists were **Neil Langland** and **Roxi Nielsen**.

The award was established in 1998 to recognize the PUC employee who displays consistent and superior customer service throughout the year. The award is named for former PUC employee Dom Hidalgo, who exemplified exceptional customer service for more than 35 years in the PUC's Transportation section before he died in 1997.

In her nomination form submitted by a co-worker, Woods was cited for providing exceptional customer service to customers who call or write with utility complaints, as well as establishing positive working relationships with utilities and co-workers.

"She demonstrates patience and tolerance with difficult customers while balancing a demanding complaint case load," her nomination form said. "Since April has such an approachable friendly attitude, the utilities don't hesitate to call her for problem solving."

Woods also served as the section's "point person" in implementing the new consumer complaint system over the last two years.

"In cooperation with the IT department, she did an outstanding job at relaying our needs and wants for an effective new system," her nomination said. "Even though the task was grueling, she maintained a positive attitude and managed to make the transition a tolerable one for all."

Nominations for the award were solicited from all PUC employees. After the panel narrowed the field to the three finalists, the winner was chosen by a vote of all PUC employees.

Woods received $250 and an individual plaque and her name was engraved on a permanent plaque in the reception area on Office Level 2 at the PUC. The other finalists each received $100 and individual plaques.

Other PUC employees nominated this year were: **Noel Giesige**, **Marsha Nemo**, **Lloyd Petersen**, **Becky Quintana** and **Warren Wendling**.

PUC Director Doug Dean (center) poses with 2005 Dom Hidalgo award winner April Woods (right) and runner-up Roxi Nielsen.

PREVIOUS WINNERS

2004	**Suzette Scott**
2003	**Jonell Poley**
2002	**Michele Gronewold**
2001	**Marisela Chavez**
2000	**Frank Shafer**
1999	**Barbara Fernandez**
1998	**Joyce Reed**

POSITIVE CHARGES

A much-deserved pat on the back goes to **Tony Munoz**, an investigator in the Transportation section, for his efforts in spearheading the PUC's household goods mover program. Tony recently assisted a federal task force investigating Colorado moving companies with poor safety and complaint records. The investigation resulted in the Federal Motor Carriers Safety Association taking action against two moving companies for violations of federal rules, and may be used as a model for enforcement in other states.

Congratulations to **Gary Klug**, chief engineer in the Utilities section, who was appointed to a joint federal/state task force created to address issues concerning the Federal Communications Commission's Voice over Internet Protocol (VoIP) E-9-1-1 rules. Klug is one of 10 members selected for the task force, which will discuss topics such as developing educational materials to educate consumers about their rights and the requirement of the FCC's VoIP rules, how best to ensure compliance and facilitate enforcement, and data collection and sharing of best practices.

Thanks to everyone who contributed to the 2005 Colorado Combined Campaign. PUC employees donated $10,639 this year to support charitable organizations. The PUC total was the highest of all DORA divisions for the third year in a row. As a department, DORA employees contributed $43,751 to this year's campaign. Special thanks to **Deb Fajen**, who coordinated the campaign again this year.

Kudos to **Roxi Nielsen** for organizing the PUC's annual Nebraska-Colorado football game fundraiser again this year. The challenge generated $305, which was donated this year to the Christmas Crusade for Children.

Congratulations to **Marisela Chavez**, an administrative assistant in the PUC's executive office, who recently received a $25 Cross-Division DORA Award. The nominations are made by a member of a DORA division for an employee who works in a different DORA division. Marisela was recognized by the Division of Registrations and the Executive Director's Office for her assistance in Spanish translation.

INSIDE CONNECTIONS

Managing changes in business processes in today's complex and increasingly technical workplace is a full-time job. At the Public Utilities Commission (PUC), that job belongs to **Sandi Kahl**.

In her position as Business Analyst, Sandi works to keep the PUC's business practices, processes and automated systems—such as the critical Integrated Filings Management System (IFMS)—up to date and serving the agency's needs. As well as analyzing and recommending process and system changes, Sandi also identifies training needs for staff, and develops, establishes and manages documentation of core PUC business processes. She also serves at the PUC's liaison with the Department of Regulatory Agencies' Information Technology unit.

"I really enjoy the interaction with the people here at the PUC," she said, noting that her previous job involved a lot of telecommuting. "And I also like the challenges that my position offers."

Sandi is well-suited to the position, having worked previously as a market entry specialist and business analyst at MCI Communications, where she was involved in researching and analyzing business requirements for offering local telephone service. She worked with change management groups, documenting of ordering requirements, testing system interfaces and implementing training for incumbent local exchange carrier and MCI systems. She came to the PUC in September of 2004.

Sandi Kahl

Sandi also assists and provides backup for the PUC case manager, and is working with management and consultants on the current administrative centralization project. She also expects to participate on the PUC's electronic filing project in 2006.

"I think it is important to continue learning and being challenged, it keeps you young and makes life interesting," said Sandi, who earned a bachelor's degree in economics from Indiana State University and attended two years of graduate school before taking a job with the Indiana Department of Welfare as a case worker.

Away from the job, Sandi enjoys patio gardening, reading, baking and gourmet cooking, water sports, and traveling. She has visited relatives in Europe, traveled to the Central American countries of Mexico, Costa Rica, Honduras and Nicaragua, and visited most every U.S. state, including multiple trips to Hawaii to support her father in Ironman triathlon competitions.

Sandi also makes time to give back to the community. She is a regular blood donor (having been a blood recipient after a near-fatal automobile accident in high school) and supports animal charities.

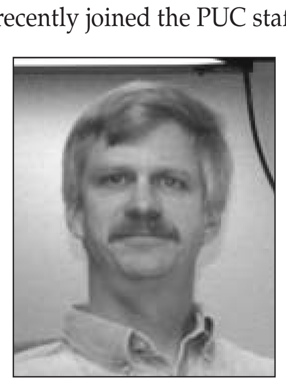
(Inside Connections will feature a PUC employee each edition as selected by PUC section chiefs.)

Meet New PUC Faces

Welcome to the following employees who have recently joined the PUC staff:

Donna Acierno
Program Assistant, Executive Office

Steve Brown
Engineer, Utilities section



Gene Camp
Engineer, Utilities section

Ron Davis
Economist, Utilities section

Tom Finn
Engineer, Utilities section

Mark Gdovin
Economist, Utilities section

Jeff Hein
Engineer, Advisory section

Rich Mignogna
Engineer, Utilities section

Lynn Notarianni
Rate analyst, Utilities section

Bob Skinner
Rate analyst, Utilities section

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:

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Photographer .... Tony Munoz

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PUC to take up Xcel plan to abolish bill credits

The Public Utilities Commission (PUC) has scheduled a hearing March 6–10 in Denver on Xcel Energy's proposal to eliminate the automatic bill credits associated with its quality of service plan.

The PUC has required Xcel since 1997 to meet certain annual service standards in three categories—electric service unavailability (outages), 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 current quality of service plan expires at the end of 2006. The company has proposed to replace it with a plan in which it will monitor and report outage and other quality of service measures in 2007 and 2008, but it would not be subject to the automatic bill credits. Xcel also has proposed to limit outages tracked under the plan to electric distribution system outages only.

At least 18 Colorado cities have intervened to participate in the March hearing, including Denver, Boulder and Aurora.

Since the quality of service plan was implemented, Xcel has returned more than $27 million to customers in the form of bill credits. It is expected that the company will pay an additional $13.6 million for failing to meet outage standards in 2005. Those refunds will appear on customer bills next June.

In a related case, the PUC in December approved a settlement reached this fall to resolve issues concerning the company's quality of service plan for 2004 through 2006. As part of the agreement, negotiated by Xcel, PUC staff, the Office of Consumer Counsel and Energy Outreach Colorado, Xcel will invest an additional $11 million in electric system reliability in lieu of bill credits in 2006.

The $11 million is in addition to a $13 million commitment Xcel made last year to settle an earlier service reliability case. The $11 million will target specific outage causes in the electric distribution system, such as underground residential distribution cable.

In approving the agreement, the PUC said the company must verify that the $11 million investment is on top of what was already budgeted for 2006 capital improvements in order for Xcel to be relieved of any possible outage penalties. The agreement only relates to the outage measure in the quality of service plan. The potential bill credits related to telephone response and customer complaints remain in effect for 2006.

The agreement also resolved disputed issues in Xcel's 2004 quality of service report, including how outage minutes are captured and tracked.

As part of the agreement, the company also agreed to match its customers' contributions to Energy Outreach Colorado, a non-profit organization that provides energy assistance to low-income customers, up to $1 million for 2007.

New no-call vendor

(Continued from page 1)

telemarketing company.

As of Jan. 1, nearly 2.5 million Colorado telephone numbers had been placed on the no-call list.

Subscribers who put their numbers on the Colorado list after June 30, 2005, should also register their numbers with the National Do Not Call Registry. The Federal Trade Commission (FTC), which administers the National Do Not Call Registry, stopped taking automatic updates from state lists last summer. Colorado subscribers wishing to add their numbers to both lists can do so online at www.coloradonocall.com.

2006 TELEMARKETER FEES

Number of Employees	*Fee Amount*
1–4	**$0**
5–10	**$100**
11–50	**$200**
51–100	**$300**
101–250	**$375**
251–400	**$425**
401–1,000	**$475**
1,001+	**$500**

Starting Point

(Continued from page 1)

who led the recodification effort. Dino will continue on as the Rules Administrator for the PUC.

We also appreciate the input and cooperation received from the utilities and other stakeholders during this process, and we hope the final outcome will prove to be a benefit to all who conduct business here.

Small gas companies seek base rate hikes

The Colorado Public Utilities Commission (PUC) has scheduled hearings this winter on requests by two small natural gas companies to increase base rates for their natural gas distribution systems.

The PUC suspended the filings by Colorado Natural Gas (CNG) Inc. and Eastern Colorado Utility Company this fall and ordered hearings to determine if the proposed new rates are just and reasonable.

The base rates for the natural gas distribution system are separate from the rates for the gas commodity itself, which are passed on to customers on a dollar-for-dollar basis through a separate monthly charge. The utility receives no profit from market fluctuations in the wholesale price of natural gas.

Colorado Natural Gas serves about 5,100 customers in its Bailey and Cripple Creek divisions in the foothills south and west of Denver. The company, which last received a rate increase in 1997, is seeking a 12.5 percent increase in annual revenues.

Under the proposal, the fixed service and facilities charge would remain at $10 a month for residential customers and $20 a month for commercial customers in both divisions. However, the variable distribution rate would increase from 44-cents per therm to 59.5-cents per therm for customers in the Bailey division and from 41-cents per therm to 59.5-cents per therm in the Cripple Creek division.

Hearings on the CNG proposal are scheduled for Feb. 9–10 in Denver before a PUC administrative law judge.

Eastern Colorado Utility Company serves about 3,300 customers in eastern Colorado, including the towns of Deer Trail, Byers, Strasburg, Bennett, Sheridan Lake and Kit Carson. Its current base rates have been in effect since 1991.

Eastern is seeking an overall revenue increase of about 4.85 percent, and is proposing to shift more of its costs to the fixed portion of customers' bill. The company is asking to increase the monthly service and facilities charge to $11.23 for both residential and commercial customers. Currently, residential customers pay $4.47 a month and commercial customers pay $8.00 in fixed charges.

Under the proposal, monthly bills for typical residential customers would increase by 7.7 percent, or about $4.84 a month, while rates for a typical commercial customer would decrease by 1.1 percent, or about $1.70 per month.

A hearing on the Eastern Colorado proposal is scheduled for Feb. 13 before a PUC administrative law judge.

San Miguel members vote for deregulation

The last Colorado-based rural electric cooperative under Public Utilities Commission (PUC) control has removed itself from state regulation.

San Miguel Power Association notified the PUC by affidavit in September that members of the southwest Colorado rural electric association had voted to remove the association from PUC oversight.

According to the affidavit, San Miguel members voted 1,558 to 1,244 by mail-in election in August to deregulate the association. The deregulation was effective as of Sept. 21, when the certification was sent to the PUC.

San Miguel had been regulated by the PUC since 1993, when members voted to place the electric association back under PUC control.

The deregulation vote means that San Miguel no longer has to obtain PUC approval before changing its rates, terms or conditions of service. The association's board of directors may implement rate changes after giving 30 days' notice to customers prior to the changes.

The PUC does retain safety jurisdiction and jurisdiction over complaints signed by 25 or more customers, or complaints signed by the mayor or a majority of the council, commission or other legislative body of an affected city, county or town.

San Miguel was one of only two member-owned electric cooperatives still under the jurisdiction of the PUC. The other is Wheatland Electric Cooperative, Inc., a Kansas-based cooperative that serves some customers in southeast Colorado.

Customers of a deregulated electric cooperative may attempt to bring the association back under PUC authority through a vote of its membership. To initiate a re-regulation election, petitions must be submitted to the board of directors containing the signatures of 5 percent of the members and customers of an association. If the petitions are certified as valid, the PUC will conduct an election within 45 days.

Renewable energy rules

(Continued from page 1)

- The PUC approved a consensus "borrow forward" provision that allows a QRU to count for compliance purposes renewable energy that has not yet been generated, with the understanding that the generation will be made up in future years.
- A QRU is allowed to annually pre-collect the anticipated costs of the renewable energy program provided that they pay interest on unexpended collections. This interest will offset future year's collections.
- A QRU is required to separately identify the Amendment 37 cost recovery amount on its customers' bill.

The new rules are still subject to requests for reconsideration by any of the participants of the rulemaking. By law, the PUC must have final rules adopted by March 31, 2006.

Agreement reduces Qwest's recovery for relocation costs

A PUC administrative law judge (ALJ) has recommended approval of an agreement that will reduce by more than $5 million what Qwest can recover from customers to pay for relocation of its facilities to accommodate the widening of Interstate-25 in Denver.

ALJ **William Fritzel** issued his recommended decision approving the stipulation on Dec. 16. The agreement, negotiated by PUC staff, the Office of Consumer Counsel and Qwest, limits the company to collecting $1.8 million of its actual relocation expenses instead of the $7 million originally sought by Qwest. The agreement calls for a 5-cent per month charge for 27 months to be assessed on all Qwest retail customers in the seven-county 303/720 area code.

A law passed in 2003 permits local telephone providers to seek recovery of actual costs for the relocation of infrastructure or facilities requested by a state or a political subdivision. The PUC must verify the actual costs that may be recovered, determine the allocation of costs to various customers and services, and prescribe the method of such recovery.

Qwest filed in January of 2005 to recover nearly $6.4 million for moving facilities to accommodate the Transportation Expansion Project in Denver, also known at "T-REX." The company also sought to collect $640,000 for relocation of facilities to make way for the new Colorado Convention Center.

However, all of the convention center work and much of the T-REX construction was completed prior to Aug. 6, 2003, the effective date of the new statute, leading the parties to eventually reach agreement on the $1.8 million figure.

The 5-cent monthly charge will be assessed only on Qwest's retail customers residing in the counties of Denver, Boulder, Broomfield, Adams, Arapahoe, Douglas and Jefferson, since it is these customers that most directly benefit from the required relocation of Qwest's facilities. At the end of the 27 months, a true-up process will be used to ensure that Qwest does not over or under collect the actual costs.

If the recommended decision becomes final, it is expected that Qwest will begin collecting the fee in early 2006. The charge will be identified on customer bills as "Facility Relocation Cost Recovery Fee TREX."

Settlement resolves PUC probe into Qwest deals

$5.5 million for state's low-income program part of final agreement

The Colorado Public Utilities Commission (PUC) has approved with minor modifications a settlement that resolves allegations that Qwest entered into preferential deals with some competitors in violation of state and federal law between 1999 and 2002.

The PUC's decision in December brought to a close a lengthy investigation into dozens of so-called "unfiled" interconnection agreements between Qwest and certain competitors. The agreements set out the rates, terms and conditions under which competitors could use parts of Qwest's network to provide competitive telecommunications services.

The settlement, negotiated by Qwest, PUC staff, the Office of Consumer Counsel, AT&T and Covad, calls for Qwest to pay $5.5 million to the state's Low-Income Telephone Assistance program (LiTAP), $2 million to fund a new 9-1-1 resource center, and to issue bill credits to competitors operating between Jan. 1, 2001 and June 30, 2005 of up to $6.5 million.

In deliberations, the PUC approved most of the provisions of the settlement, but it withheld a final decision on the $2 million for a 9-1-1 emergency resource center until the parities could provide additional information. The Commission said it had questions about the value of such a center, the adequacy of the $2 million to fund such a center, where future funding would come from, and any changes to the PUC's 9-1-1 rules that may be required.

The Commission ordered the settling parties to conduct informal workshops during the first quarter of 2006 and to submit a report to the PUC addressing those issues.

The settlement prohibits the signing parties from participating in any future case relating to the unfiled agreements at issue in this particular docket, and it allows competitors operating in Colorado at the time of the agreements in question to opt in to the settlement and receive applicable credits.

Under federal and state law, interconnection agreements between Qwest and competitors 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.

An investigation launched in 2002 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. The unfiled agreements allegedly provided particular competitors with discounts and preferential treatment while denying the same beneficial prices, terms and conditions to other providers.

As part of the settlement, Qwest agreed to pay up to $100,000 for an independent auditor to verify that Qwest has implemented and is following processes to ensure that the company is reviewing interconnection agreements to determine if they should be filed with the PUC for approval.

Quality Telecom completes customer refund

Quality Telecom, Inc. filed an affidavit with the Public Utilities Commission (PUC) on Dec. 16 stating that it had completed a refund to customers for failure to comply with Commission tariff requirements prior to offering local exchange service in Colorado.

The PUC earlier had approved a refund plan requiring Quality to return $1,720 plus interest to 86 customers after PUC staff discovered the company was operating in violation of a previous PUC order.

A 2003 PUC decision granting the company a certificate to operate in Colorado required an approved tariff containing rates, terms and conditions before Quality could begin serving customers. Quality began offering residential local exchange service to its customers on Jan. 4, 2005. However, a local exchange services tariff was not filed until April 18, 2005.

Quality filed the refund plan after being notified by PUC staff of the violation. The plan called for Quality to refund the non-recurring installation charge of $20 per customer for all customers initiating service prior to the filing of the tariff.

According to the affidavit, the $20 per customer was credited on July 29, and an additional $.32 per customer for interest was credited on Dec. 9. Notification of the reason for the refund was mailed to customers on Dec. 12.

ALJ approves Avon at-grade rail crossings

Union Pacific tracks currently not in use at crossing locations

A PUC Administrative Law Judge (ALJ) has recommended approval of two new at-grade public railroad crossings in the town of Avon.

In a recommended decision issued Nov. 22, ALJ **Dale Isley** found that Avon had demonstrated that a public need exists for the crossings, and that the crossings can be constructed in a manner that will prevent accidents and promote public safety. Parties were given until Jan. 10 to file exceptions to the recommended decision.

In its application, Avon proposed to construct two new at-grade crossings about 370 feet apart across the right-of-way and railroad tracks of the Union Pacific (UP) Railroad. The crossings are intended to connect the Avon town center with the "Confluence Site," a presently undeveloped area south of the railroad tracks.

Proposed development of the Confluence Site, which is expected to begin in summer of 2006, includes resort lodging, residential and commercial facilities, and a high-speed gondola to provide access to the Beaver Creek ski area. The proposed crossings would provide both pedestrian and vehicle access between the two areas.

The proposed crossings are located on a portion of the UP rail system called the Tennessee Pass Line, which is currently inactive. The UP discontinued freight service over the line in 1997 and has used the track only in connection with construction, inspection and maintenance activities. However, railroad officials say they may have to consider reactivating the line in the future if the Moffat Tunnel line reaches capacity.

Both the railroad and PUC staff opposed the crossings on safety grounds that were based on the possibility that the UP may reinstitute service over the Tennessee Pass Line at some point in the future. While the judge agreed that if that occurs it would certainly raise significant safety issues at the crossings, the possibility that the line will ever be reactivated, based on the evidence presented, "is entirely speculative and it is reasonable to assume that the line will remain inactive for the foreseeable future."

As recommended by the judge, the crossings initially will be protected by crossbuck signs, stop signs and related pavement markings. If the railroad decides to reactivate the line in the future, there will be sufficient opportunity for the Commission to address whether the changed circumstances require further safety measures, the judge said.

Latest forecast shows no need for area code until 2012 at earliest

Despite the growth in wireless, Internet and other telecommunications services, Colorado shouldn't need a new area code until at least the next decade.

According to the latest figures from the North American Numbering Plan Administrator (NANPA), Colorado's 970 area code in western and northern Colorado will be the first to run out of useable telephone numbers—but not until the fourth quarter of 2012.

Colorado's other three area codes—303/720 and 719—are not projected to reach exhaust until 2020, according to the NANPA report, which was issued in October.

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.

In 2001, the Colorado Public Utilities Commission (PUC) implemented measures to slow the need for additional area code relief in the state, as more and more telephone numbers were being assigned to wireless, computers and competitive telecom providers. Those number conservation measures were successful, pushing back exhaust dates in all three Colorado area codes, including by 12 years in 303-720.

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