

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

JANUARY 2007

STARTING POINT



By Greg Sopkin
Chairman

Back in 2003 in the Connections newsletter I made the statement that "I look forward to a great four years." Now at the tail end of my service, I can, indeed, say it has been a great four years in many ways. It has been exciting, rewarding, sometimes trying, but always eventful:

- We experienced the filing of numerous rate cases from Xcel Energy and Aquila, representing a new era of rising costs. While our staff had not seen many rate cases in the previous 10 years, it more than stepped up to the challenge with in-depth investigation, analysis and recommendations. Some seemed to even enjoy the process.
- We restructured telecommunications regulation in Colorado, eliminating zone charges, expanding local service areas, deregulating toll services, and lessening the regulation of certain services where there is market competition (at long last implementing Warren Wendling's beloved acronym for zones of competition, "ZOC").
- We approved new transmission lines and the first new coal plant in Colorado in decades to ensure reliable electric service at a reasonable price. We also promulgated rules to implement the first-ever renewable portfolio standard in Colorado.
- We traveled to many venues, including Colorado Springs, Fort Collins, Grand Junction, Leadville, Pueblo, Steamboat Springs, and Telluride. We heard the people of Colorado give their thoughts on rate increases (rarely liked), generation choices, and telecommunications regulation.
- We presided over the demise of the Fort St. Vrain Rider, the IAC, QFCCA, ICA, and other meddlesome acronyms.
- We experienced huge increases in the commodity price of natural gas, affecting both gas and electric rates throughout the state. We did our best to address this by implementing a monthly gas cost adjustment (and soon to be quarterly electric commodity adjustment), requiring greater hedging in utilities' gas and electric departments, and begging the state for more low-income customer support.
- We cracked down on roving bands of rogue home movers.
- We rewrote our entire set of

(Continued on page 2)

Commission preparing for March move

Move to consolidate all regulatory agencies within same building

After 22 years, the Colorado Public Utilities Commission (PUC) will be moving soon to new offices.

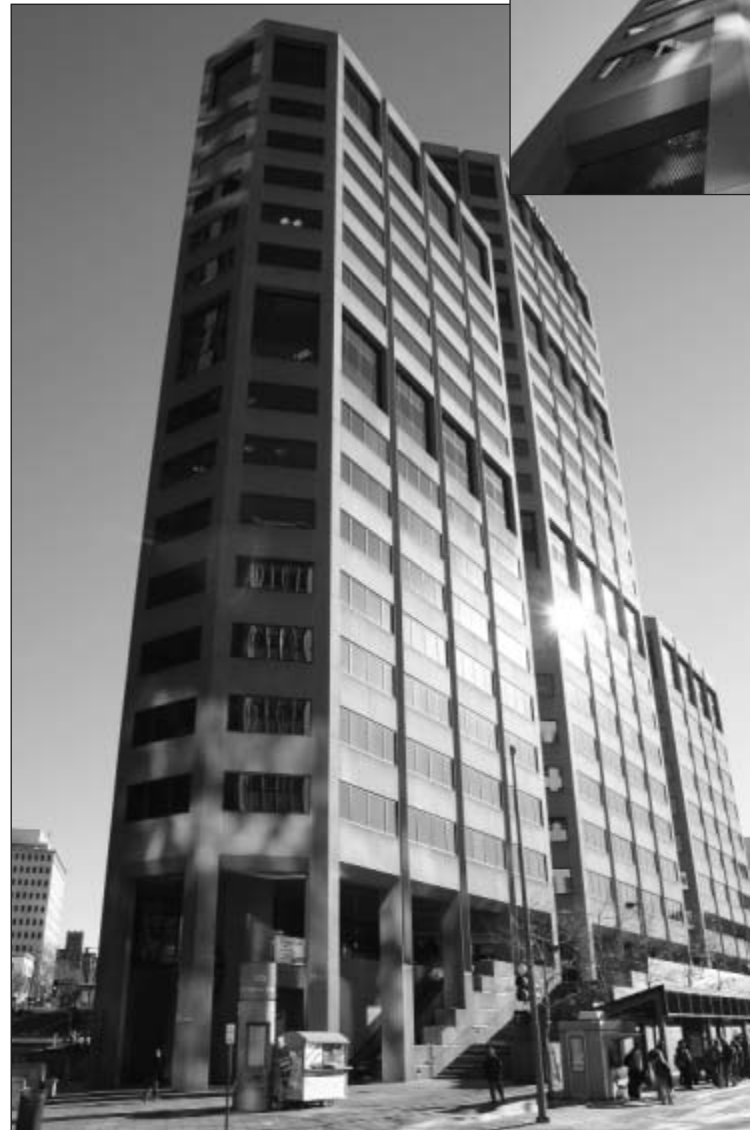
The PUC is relocating its offices to the second floor of 1560 Broadway, occupying space recently vacated by *The Denver Post* newspaper. The move is expected to occur in mid-March.

The PUC has been in its current location at 1580 Logan St. since August of 1984, when it moved from its Sherman street location. The PUC's move to 1560 Broadway is the final stage of an effort to bring all of the agencies within the Department of Regulatory Agencies (DORA) under one roof. The Office of Consumer Counsel, also located in the Logan Tower building, is making the move at the same time.

In addition to consolidation within DORA, the move has the added benefit of consolidating Commission offices onto a single floor, PUC Director **Doug Dean** said. Currently, PUC offices occupy space on three floors of the Logan Tower building.

The new location also will provide added convenience for PUC employees who take the bus or light rail to work, Dean said. RTD's Civic Center terminal is located next to the Broadway building.

The PUC's telephone numbers will not change as a result of the move.



The Public Utilities Commission is preparing to move into new offices in the former Denver Post building at 1560 Broadway next March.

PUC approves Xcel electric settlement

Xcel Energy was expected to implement new electric rates in January to reflect changes contained in a settlement agreement approved by the Public Utilities Commission (PUC) last month.

The PUC in December approved a settlement agreement allowing the company to increase its electric base rates by \$107 million annually. The settlement agreement, which was negotiated by Xcel Energy, PUC staff, the Office of Consumer Counsel and other major parties in the case, trimmed \$65 million from Xcel Energy's original \$172 million request.

Xcel Energy is the largest electric utility in Colorado, serving about 1.1 million customers.

The new base rates, combined with

increases in purchased power and capacity costs—which are passed through to customers on a dollar-for-dollar basis—will increase residential and small business overall monthly electric bills by about 11 percent. For residential customers, that means an increase of \$5.78 per month, from \$52.27 to \$58.05, based on use of 625 kilowatt-hours per month. For small business customers, the increase would be \$9.17 per month, from \$83.62 to \$92.79, based on use of 1,025 kilowatt-hours per month.

The settlement established a rate of return on equity (ROE) for Xcel's electric department of 10.5 percent, down from the current 10.75 percent. The company originally sought an ROE of 11 percent. Although the PUC sets

and authorizes the ROE, it is not guaranteed.

Under the settlement, the company will begin charging residential customers a 1 percent late fee on electric and natural gas bills that are not paid by the billing date shown on the following bill, unless the electric or combined electric and gas bill is less than \$50. A customer can request forgiveness of the late fee once per 12-month period. Xcel Energy's commercial customers already were subject to late payment penalties.

Other major provisions of the settlement:

- Windsource will continue as a voluntary option for customers. Windsource rates will be based on the actual costs of the company.
- All purchased power capacity costs will be recovered as part of a line item on customer bills called the Purchased Capacity Cost Adjustment (PCCA) rider. The company buys about half of its power from third-party suppliers.
- The Electric Commodity Adjustment (ECA), a rider on the bill that recovers fuel costs and purchased energy, will be updated quarterly instead of once a year.
- Large commercial and industrial customers will have an option to take service under a time-of-use ECA rate, where rates are differentiated between peak and off-peak periods.

Chairman's term expires in January

The term of Public Utilities Commission (PUC) chairman **Greg Sopkin** expires on Jan. 8, 2007, with a replacement to be named by Gov.-elect Bill Ritter.

The PUC consists of three commissioners appointed by the governor and confirmed by the Colorado Senate. The commissioners serve four-year, staggered terms and no more than two appointees may be from the same political party.

Sopkin's term is the first of the three current PUC commissioners to expire

since Ritter's election in November. Commissioner **Polly Page's** term expires in January of 2008, and the term of Commissioner **Carl Miller** expires the following year.

As of Dec. 15, no replacement for Sopkin had been named.

The PUC regulates intrastate telecommunication services; investor-owned electric, gas and water utilities; and for-hire motor carrier utilities. For fiscal year 2005–06, the PUC oversaw about \$7.5 billion in annual jurisdictional utility revenues in Colorado.

PUC sets 2007 registration fees for telemarketers

The Colorado Public Utilities Commission (PUC) has established the registration fees for 2007 that telemarketers will pay to obtain the state's do-not-call list.

The fees are set on a sliding scale based on the number of employees of the soliciting company. The fees collected are used to pay for administration of the program by an outside vendor, and to support enforcement activities provided by the Colorado Attorney General's office.

For 2007, the fees will range from \$100 for telemarketers with five to 10 employees, up to \$500 for companies

with more than 1,000 employees. Telemarketers with less than five employees are not charged an annual registration fee.

PUC staff estimates that about 625 telemarketers will pay registration fees in 2007, generating an estimated \$152,820 in revenue.

Colorado's no-call program permits residential and wireless telephone subscribers to notify solicitors of their objection to receiving solicitations by telephone or fax by placing their telephone numbers on a no-call list at no charge. Telemarketers must update their solicitation lists four times a year

to help reduce the number of unwanted telephone calls.

A state enforcement action may be brought against commercial telemarketers for three or more violations in a month. Certain types of calls are excluded from no-call rules, including political calls, calls from charitable organizations, and calls from businesses that have an existing relationship with a customer.

As of Dec. 5, more than 2.7 million telephone numbers had been placed on Colorado's no-call list.

Customers may register a residential or wireless phone number, or file a

complaint about possible violations of the no-call law, by either calling toll-free at 1-800-309-7041 or by going on-line at www.coloradonocall.com.

2007 TELEMARKETER REGISTRATION FEES

Number of Employees	Fee Amount
1-4	\$0
5-10	\$150
11-50	\$275
51-100	\$400
101-250	\$475
251-400	\$490
401-1,000	\$495
1,001+	\$500

PUC's Benedetto reappointed to Commission for deaf



Joe Benedetto

Joe Benedetto, administrator of the telecommunications relay services program for the Public Utilities Commission (PUC), has been reappointed by Gov. Bill Owens to the Colorado Commission for the Deaf and Hard of Hearing (CCDHH).

Benedetto has been a member of the CCDHH since it was established in 2000 to address the needs and concerns of Colorado's deaf and hard-of-hearing population. Benedetto's new four-year term runs through 2010 and is subject to confirmation by the Colorado Senate.

"The establishment of the Commission for the Deaf and Hard of Hearing by Gov. Owens was a very vital and significant step towards addressing

the multitude of issues and concerns facing this segment of our population, which is greatly underserved," Benedetto said. "The task before us is to work together to make the Commission stronger, better and fully funded."

The CCDHH is governed by a seven-member commission appointed by the governor, with all programs and daily operations administered by an executive director. Daily operations include information and referral, telecommunications equipment distribution, assisting state agencies in improving or becoming communication accessible, and providing case management to deaf and hard-of-hearing consumers with individual problems and concerns.

"I have heard from many Coloradans that your efforts are making a difference in their lives," Owens wrote in his reappointment letter. "Your willingness to continue to serve the state of Colorado is appreciated."

Benedetto noted that he was looking forward to using his second term to help the CCDHH fulfill the objectives of its "Agenda for the Future," the commission's long-range strategic plan, which was developed with statewide input from the deaf and hard-of-hearing community.

"I am proud to have worked together with our commissioners to set these common goals designed to meet the needs of our citizens," Benedetto said.

INSIDE CONNECTIONS

Always be prepared.

It's a motto that John Opeka adhered to while making Eagle Scout many years ago. And it's a motto that still applies to his life today.

John is a criminal investigator in the PUC's Transportation Safety and Compliance unit. His responsibilities include conducting safety and compliance reviews of regulated transportation carriers; enforcing Colorado statutes, state and federal rules; mediating complaints between motor carriers; and tracking down those carriers that are operating without insurance.

He might be out at the Pepsi Center on a weekend night, checking luxury limousines for proper registration and insurance. The next day he could be in a mountain town, investigating whether a shuttle company is operating outside of its authority. Or he could be in the office of a Denver taxi company, checking to make sure that driving records are complete and up-to-date.

Because his duties are so varied,

John needs to be ready for most anything.

"I like the fact that no two days are the same," he said. "Things change often and quickly requiring you to be flexible."

John started at the PUC in November of 2002. Prior to that, he spent one year working for the Colorado Department of Revenue as a Port of Entry Officer. He also worked three years with the Colorado State Patrol as a Trooper in Summit County.

John holds a bachelor's degree in criminal justice from Metropolitan State College of Denver with a minor in sociology. He's a member of the Colorado State Investigator's Association, Commercial Vehicle Safety Alliance, Limousine Association of Colorado, Diver's Alert Network, and Colorado Association of Public Employees.

He strives to "do the best job I can in the positions I've been entrusted to," but tempers that with a philosophy of



John Opeka

"don't sweat the small stuff...it's all small stuff."

Away from work, John enjoys scuba diving and building model airplanes. He and his wife, Janel, will celebrate their second anniversary next summer.

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

Starting Point

(Continued from page 1)

regulatory rules for utilities. Here, the "we" is misplaced as the real work was done by our staff. Plowing through thousands of pages to make our rules more concise, thoughtful, and less burdensome is no small task. Dino Ioannides, our rules administrator, still has nightmares about misplaced decimals.

- Speaking of our staff, over the past four years DORA has given numerous awards to PUC personnel: the Team Award to those who developed the Colorado Performance Assurance Plan for Qwest; two Citizenship Awards; two Peer Service Awards; the Outstanding Service Award; Employee of the Year Award; and Diversity Award.
- During all of this, Neil Langland reparked his car approximately 787 times.

I discovered through my (now famous) meetings with other state commissioners that the independence and integrity of the Colorado PUC are second to none. Staff tells the Commissioners what they think (including about the 'Huskies); Commissioners are not afraid to dissent; we are a Type I agency, not subject to political dictate or whim; and our procedures are tighter than the FCC or FERC.

As I stated four years ago, I have great respect for the institutional knowledge and hard work of the persons who make this place work. Moving forward, I have every confidence that new commissioners who come on board will show the same respect, and maintain the independence and integrity of the PUC.

POSITIVE CHARGES

Thanks to everyone who contributed to the 2006 Colorado Combined Campaign. PUC employees donated \$7,600 this year to support charitable organizations. As a department, DORA received contributions from 187 employees and raised \$38,534 for this year's campaign. Special thanks to Deb Fajen and Elizabeth Hayes for coordinating this year's campaign.

The PUC's annual Thanksgiving Food Drive, spearheaded by Joe Benedetto, made the holiday a little brighter for many underprivileged people this year. The PUC donated 287 pounds of food and

\$50 in cash to the non-profit Food Bank of the Rockies, Inc. An additional \$70 was collected for the Denver Rescue Mission for the purchase of Thanksgiving turkeys.

Welcome to new PUC employees Joseph Kelley and Michael Williams. Both are criminal investigators in the Transportation's Safety and Compliance unit.



Joseph Kelley



Michael Williams



Kudos to Joe Molloy in the Gas Pipeline Safety unit and to John Opeka, Tony Munoz, and Monita Pacheco in the Transportation Safety and Compliance unit for designing new logos for their respective field shirts. The shirts raise the visibility of the PUC and promote safety when these unit staff members are out in public.

Task force recommends transmission cost rider

An interim task force established to study electric transmission issues in Colorado is recommending that an expedited cost recovery charge be developed that will provide electric utilities more certainty in recovering investments and expenses related to new transmission facilities in the state.

That was one of four recommendations contained in a report issued Nov. 1 by the Task Force on Reliable Electricity Infrastructure. The task force was created by the Colorado General Assembly to look at the state's future electric infrastructure needs and make recommendations to the governor and legislature.

The task force was comprised of 15 members appointed by the governor and legislative leaders representing various electric industry, governmental and consumer groups. The task force held four meetings at the Public Utilities Commission (PUC) during the summer and fall and received comments on a wide range of electric reliability and infrastructure issues.

In the executive summary of its report issued Nov. 1, the task force stated that "Colorado's ability to ensure continued affordable, reliable electricity

and to build a vibrant economy depends on sufficient transmission capability. Today the system is strained and, if current trends continue, there will not be adequate transmission to meet the needs."

The task force noted that utility investment in transmission has been hampered by concerns that costs will not be recovered in a timely manner. It recommended an automatic, annual cost recovery rider on customer bills for a utility's transmission projects.

Such recommended legislation "would provide timely, efficient and certain cost recovery for (utilities) to attract capital necessary to undertake new, large transmission investments for the benefit of Colorado's economy and its energy consumers," the task force said.

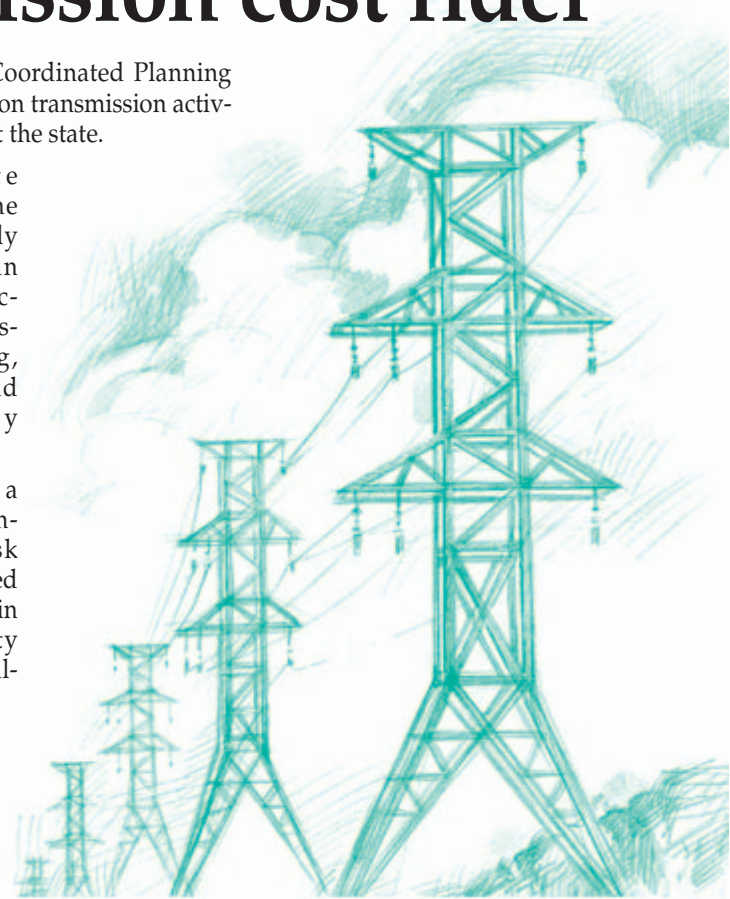
Other recommendations adopted by the task force:

- Identify renewable generation resource development areas that have potential to support competition among renewable energy developers.
- Municipal and county government involvement with organizations like

the Colorado Coordinated Planning Group to focus on transmission activities throughout the state.

- Appropriate funding for the PUC to actively participate in regional electricity transmission planning, reliability and regulatory forums.

Although not a formal recommendation, the task force also identified a critical shortage in the electric utility industry of specialized and highly-trained workers. It encouraged the governor and general assembly to facilitate Colorado utilities' ability to



increase their workforce through apprenticeships and the utilization of available training funds to develop Colorado's workforce.

A copy of the task force's full report is available can be viewed at: <http://www.dora.state.co.us/puc/projects/ReliableInfrastructure/ReliableInfrastructure.htm>.

PUC conducts review of efficiency standards

The Colorado Public Utilities Commission (PUC) has wrapped up an investigation required by the Energy Policy Act (EPA) of 2005 to look into possible implementation of new efficiency standards for electric utilities.

The PUC issued a decision on Dec. 6 summarizing its consideration of standards in the areas of net metering, fuel diversity, fossil fuel generation efficiency, smart metering and interconnection. The PUC concluded that no modifications to its rules were required at this time.

The Public Utility Regulatory Policies Act (PURPA) of 1978 established certain standards to encourage conservation of energy supplied by electric utilities; to optimize the efficiency of use of facilities and resources by electric utilities; and provide for equitable rates to electric customers. Each state regulatory authority is directed to make determinations concerning whether it is appropriate to implement the standards to carry out the purposes of PURPA.

The 2005 EPA Act amended certain sections of PURPA by adding five new standards and setting deadlines for state consideration for implementation:

- Net metering—Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves.
- Fuel diversity—Each electric utility shall develop a plan to minimize dependence on any single fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.
- Fossil fuel generation efficiency—Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.
- Smart metering—Each electric utility shall offer each of its customer classes, and provide individual customers upon request, time-based metering and rate schedules.
- Interconnection—Each electric utility shall make available, upon request, interconnection service to any electric consumer with on-site generation that the electric utility serves.

The PUC opened an investigation last March to begin consideration of each of the new standards. The Commission solicited comments from interested parties on changes or modifications that should be made to PUC rules regulating electric utilities consistent with the EPA Act.

After reviewing the comments, along with a comprehensive staff report, the Commission determined that PUC rules are in accord with the net metering, fuel diversity and interconnection standards without modification; that the fossil fuel generation efficiency standard is not appropriate for implementation because the current least-cost planning rules result in a better balance between fuel-efficiency and least-cost resources for the selection of future production units; and that consideration of the smart metering standard should be deferred until March 31, 2008, to allow for a review of the results of Xcel Energy's Residential Price Response pilot program.

The final report to the PUC on this docket is available on-line at: http://www.dora.state.co.us/puc/docket_activity/HighprofileDockets/06I-169E.htm.

Xcel Energy seeks gas base rate hike

The Colorado Public Utilities Commission (PUC) has suspended a proposal by Xcel Energy to increase natural gas distribution rates by \$41.5 million annually, and likely will hold hearings on the request next spring.

The proposal would increase residential customers' monthly bills by about 3.3 percent. The PUC last approved a base rate increase for Xcel Energy's gas customers in 2005, adding about 73 cents a month, or 0.92 percent, to a typical residential customer bill.

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 Energy receives no profit from the monthly gas cost adjustment.

If approved by the PUC, the new proposal would increase a typical residential customer's bill by about \$2.10, to \$65.06 per month, based on an average use of 65 therms. The average bill for a commercial customer would increase by \$7.14, or 2.4 percent, to \$300.96 per month, based on an average usage of 329.9 therms.

In its filing, Xcel Energy said it has invested nearly \$110 million in its natural gas facilities in Colorado since its last rate case. Costs associated with rehabilitating a retired manufactured gas facility near Fort Collins, and decommissioning the Leyden natural gas storage facility in Arvada are also part of this rate case.

As part of the case, the company is asking the PUC to set a new authorized rate of return on equity of 11 percent, up from its currently authorized 10.5 percent. The return on equity is the profit that a utility is authorized to earn, but it is not guaranteed.

The PUC must issue a decision on the rate filing by July 29, 2007.

PUC adopts new Xcel quality of service plan

A new, four-year service quality plan for Xcel Energy that targets bill credits to individual customers who experience frequent or extended outages is expected to take effect at the beginning of the year.

The Colorado Public Utilities Commission (PUC) last fall adopted with only minor clarifications a settlement agreement proposed by Xcel Energy, PUC staff, the Office of Consumer Counsel and the City and County of Denver. The new plan, which runs from 2007 through 2010, replaces the current service quality plan, which expired at the end of 2006.

The new plan provides automatic bill credits of more than \$11 million annually if Xcel Energy fails to meet service quality standards for reliability, repair, telephone response and customer complaints. Unlike the previous plan, however, which spread bill credits among all Xcel Energy customers on a statewide basis, the new plan directs

the credits to specific regions where problems occur, and in some cases to individual customers.

Under the plan, a reliability standard will be determined for each of Xcel's nine operating regions, and bill credits will be payable to customers within an operating region if the company's performance fails to meet the standard for two consecutive years. A total of \$7.064 million will be allocated among the nine regions for purposes of the bill credits.

Two new thresholds have been established to measure the level of service delivered to individual customers in certain regions that have the technical capability to capture the data. Those regions include Denver Metro, Boulder, Western and Northern.

In those regions, the company has agreed to pay a \$50 bill credit to each customer who experiences more than five outages a year lasting more than five minutes, or for each instance in

which electric service is not restored within 24 hours following an interruption. Certain major events, such as major storms, and other interruptions beyond the company's control are excluded. Bill credits will be limited to \$1 million for each of these standards.

The company also will pay bill credits of up to \$1 million if the number of customer complaints to the PUC exceeds more than 0.8 per 1,000 customers annually, and up to \$1 million if 70 percent of telephone calls are not answered within 45 seconds.

The PUC also approved a separate settlement agreement filed by more than 15 municipalities setting reliability and performance standards for street-light installation and repair, traffic signal repairs, and relocation of Xcel facilities for public projects.

Xcel Energy has issued more than \$40 million in bill credits to customers since the PUC implemented a service quality plan for the company in 1998.

PUC grants Metro Taxi \$1 per trip fare increase

The Colorado Public Utilities Commission (PUC) allowed Metro Taxi to increase its initial passenger charge by \$1 per trip effective Nov. 30.

The increase raised Metro Taxi's "flag drop," or the charge for the first one-eighth of a mile that a passenger travels in the taxi, from \$1.60 to \$2.60. The subsequent mileage rate of \$2.00 per mile did not change.

Metro Taxi cited higher operating costs, a need to provide more competitive earnings for its drivers, and fairer and more consistent pricing to its customers as justification for the additional \$1 charge. Metro Taxi last received a rate increase in August of 2004.

Metro stated that 82 percent of the

increased flag drop revenue would go to its drivers, who are responsible for fuel costs. The remaining revenue would be used by the company to cover its increased operating expenses.

As part of the rate filing, Metro Taxi eliminated charges for extra passengers, baggage or pets.

Metro Taxi, which also operates Taxi Latino, is one of three companies authorized by the PUC to provide taxi service in the Denver metro area. Metro Taxi has authority for 492 cabs, Yellow Cab has authority for 300 vehicles, and Freedom Cab is authorized to put 150 cars on the street.

Yellow Cab, which was granted a rate increase in January of 2006, charges

\$2.50 for the initial flag drop and \$2 per mile after that. Freedom charges \$1.80 for the first one-ninth mile and then \$1.80 per mile after that.

The changes in metered rates for Metro Taxi 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 must 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: between DIA and downtown, \$43; between DIA and the Denver Tech Center, \$45; between DIA and Boulder, \$70. Any applicable airport gate fees may be added to the flat fare.

DENVER AREA TAXI RATES

	Metro	Yellow	Freedom
Flag Drop	\$2.60	\$2.50	\$1.80
Per Mile	\$2.00	\$2.00	\$1.80

State high cost surcharge expected to rise in April

Staff of the Public Utilities Commission (PUC) is projecting that Colorado telephone customers will need to pay about 33 cents a month more beginning the second quarter of 2007 to fund the state's universal service program, which is designed to help keep basic local telephone service affordable across the state.

In its annual report issued Dec. 1, PUC staff estimates that the Colorado Universal Service Charge will need to increase to 2.7 percent next spring to meet budget projections for 2007. The charge was set at 2.9 percent for the first nine months of 2006 and was decreased to 1.6 percent for the fourth quarter to

order to obtain the target reserve balance.

The monthly charge provides money for a fund to reimburse telecommunications providers that serve areas with higher than average costs. This allows local phone rates to remain reasonably comparable across the state.

Most Colorado telecommunications customers pay the surcharge, which 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 PUC reviews the fund on a quarterly basis and reports to the legislature each Dec. 1 on the previous year's

contributions and disbursements, along with projections for the coming year. PUC staff is projecting that nearly \$64 million will be disbursed to telephone providers in 2007.

The short-term reduction of the surcharge to 1.6 percent for the fourth quarter of 2006 was due to an anomalous increase in surcharge revenues reported in the first quarter because several wireless providers corrected for previous under-reporting of revenues. It is projected that the surcharge will need to be increased starting in the second quarter of 2007 to 2.7 percent in order to maintain the funding and to meet the desired level of reserve balance. Based

on a local telephone bill of \$30 a month, the change will add another 33 cents to a customer's monthly bill.

The Colorado Universal Service Charge was established in 1999 at 3.2 percent of intrastate retail revenues and had steadily decreased to 2 percent until 2006, when an increase was necessary to offset a projected decline in contributions due to the growth in Internet phone service. Internet phone services currently are not subject to the Colorado universal service surcharge.

Area code exhaust dates pushed further out

Colorado's forecast for an adequate supply of telephone numbers continue to improve, with the latest projections pushing out all three of the state's area code exhaust dates by another one to two years.

According to the latest figures from the North American Numbering Plan Administrator (NANPA), Colorado's 970 area code in western and northern

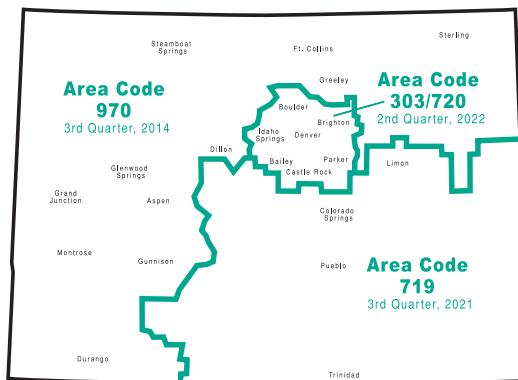
Colorado will be the first to run out of useable telephone numbers—but not until the third quarter of 2014. That's an improvement from the 2012 fourth quarter projection issued a year ago.

Colorado's 303/720 area code now is expected to reach exhaust in the second quarter of 2022, back from a 2020 date last year. And the forecast for the 719 area code now extends to third quarter of 2021, 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 mea-

Latest Colorado Area Code Exhaust Projections



asures 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 telecommunications providers. Those number conservation measures were successful, pushing back exhaust dates in all three Colorado area codes. Without those measures, the 303/720 area code likely would have reached exhaust in 2008.

Relay surcharge drops

The monthly surcharge that provides funding for the state's telecommunications relay services (TRS) for disabled telephone users program decreases to 7 cents a month beginning on Jan. 1, 2007.

The Colorado Public Utilities Commission (PUC) approved the three-cent reduction in the monthly surcharge, which is assessed to all residential and business telephone lines in Colorado.

The Colorado legislature established the TRS program in 1989. The relay program allows people who are deaf, hard-of-hearing or speech disabled to communicate on the telephone with a hearing party through the use of various technologies, including Captioned Telephone service.

The PUC reviews the fund balance, revenue and expenditure projections each year and adjusts the surcharge as necessary. The monthly surcharge had previously been set at 10 cents per month since July 1, 2006. PUC staff has estimated that a 7-cent surcharge will be adequate to meet the relay program's projected expenditures over the next 18 months.

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.

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