

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2007

STARTING POINT



By Doug Dean
Director

We've had about two months now to settle into our new offices within DORA, and for the most part, I'm extremely pleased with our new location. The feedback from staff and others who conduct business here has been very positive. Of course, there are always some glitches that are going to occur, and we are working to address those as quickly as we can.

After 22 years in the previous building, it was no small task to pack up all the offices, files, libraries, archives, phones, computers and other equipment and transport it four blocks down the street in the span of a weekend. But thanks to the tremendous efforts of DORA, PUC staff and the movers, we were able to shut down on a Friday afternoon and open for business at 8 a.m. the following Monday with a minimum of disruption and very few "misplaced" items.

Although it seemed strange to be in a new building (though I had been here previously with the Division of Insurance), the advantages of the new location quickly became apparent. New cubicles and offices provided much nicer working areas. The layout, with everyone on the same floor, is much more efficient. And, overall, the floor plan and design conveys a much more professional atmosphere for staff and visitors.

It is also a benefit to now be housed under the same roof as the rest of DORA's divisions and boards, executive office and support staff. And, for me, it's been delightful to see staff out enjoying themselves on the 16th Street Mall at lunchtime.

As mentioned previously, there are still some bugs to be worked out. We still have a few "climate change" issues of our own to worry about, but we are working diligently with building management to resolve the temperature issues.

It also became clear very early on that Hearing Room A would need some significant modifications. We essentially decided to start from scratch, moving the rail back to create more room up front, and redesigning the shape of the commissioners' bench and witness box to improve the sight lines during hearings. Although the changes will result in fewer seats in the audience area, there still will be more seating capacity than at the old location.

These improvements to Hearing Room A should be completed within a short period of time. Once they are finished, I think everyone will be much more pleased with the hearing room arrangements.

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Chairman brings new energy to PUC

Binz sees 'revolution' driven by policy shift at state, federal level

New Public Utilities Commission (PUC) Chairman **Ron Binz** is something of a regulatory history buff, having researched a few of the PUC's more colorful commissioners over its history. But while he finds the Commission's history fascinating, it's the days ahead that really pique his interest.

"These will be some of the most interesting times in the PUC's 98-year history. This is not mere rhetoric," said Binz, who is three months into his four-year term as the new PUC chairman.

"Big changes are in store on the transportation side of the house, as we glimpsed in the legislature this year," he said. "On the fixed utilities side, we are facing nothing short of a revolution."

That revolution, Binz noted, is being driven in Colorado by Gov. Ritter's energy and telecom agenda and by a shift in national energy and environmental policy.

"That said, our mission is unchanged—ensuring that consumers get safe, reliable and high-quality service at fair prices," Binz said. "I look forward to working with my colleagues on the Commission and with everybody on the staff to meet these challenges."

Binz, a regulatory consultant and former head of the Colorado Office of Consumer Counsel (OCC), was appointed by Gov. Bill Ritter in January to replace Greg Sopkin. His term runs through January of 2011. The three-member PUC, which



Administrative Law Judge Mana Jennings-Fader (left) administers the oath of office to new PUC Chairman Ron Binz in January.

includes fellow commissioners **Polly Page** and **Carl Miller**, regulates Colorado's investor-owned telecommunications, gas, electric and water utilities, as well as for-hire motor carriers.

"These will be some of the most interesting times in the PUC's 98-year history."

PUC Chairman Ron Binz

"Throughout his distinguished career, Ron has demonstrated a common-sense understanding of how public policy and utility-company operations intersect and impact the lives of ordinary people," Gov. Ritter said in making the appointment. "His fact-based approach allows him to see all perspectives. The people of

Colorado and our utility industry will be well-served with Ron as chairman of the PUC."

Binz was the state's first utility consumer advocate, serving as the first director of the OCC from 1984 to 1995. He later was president of Public Policy Consulting, and was recognized as a national expert in telecommunications and energy-industry policy and regulatory issues. During that time, he served on two high-level advisory commissions to the Federal Communications Commission.

The switch from advocate to decision-maker has come without difficulty, thanks in part to the efforts of PUC staff, Binz noted.

"I'm very impressed with the competence and dedication of the Commission staff," Binz said. "I appreciate the way everybody has worked together to offer me a smooth transition to this job. The briefings I've received have been top-notch."

Gov. Ritter early visitor to new offices



Gov. Bill Ritter (left) and PUC Chairman Ron Binz stand in front of photos of past commissioners during a tour of the new PUC offices in March.

One of the first visitors to the Colorado Public Utilities Commission's (PUC) new offices in March was Gov. Bill Ritter.

Ritter toured the PUC's remodeled space as part of a visit to the Department of Regulatory Agencies (DORA), where the governor shared his vision and philosophy for the department, and encouraged state employees to suggest improvements in state government.

The governor's visit came just eight days after the PUC had moved from 1580 Logan St. to 1560 Broadway, joining the rest of DORA's boards and commissions in a single building. The PUC and the Office of Consumer Counsel share the second floor of the building, the former location of *The Denver Post* newspaper.

For correspondence, the PUC's new address is: 1560 Broadway, Suite 250, Denver, CO 80202. The Commission's telephone numbers and e-mail addresses did not change as a result of the move.

PUC staff members chosen for two DORA awards

Public Utilities Commission (PUC) employees captured two department-wide performance incentive awards this year. The DORAwards, announced in March, will be presented at the Department of Regulatory Agencies' annual employee appreciation reception in May.

Criminal investigator **John Opeka** claimed the Peer Service Award, and the 2006 electric rate case trial staff team won the Executive Director's Productivity Award. Members of the team included **Gene Camp, Ron Davis, Inez Dominguez, Jerry Enright, Billy Kwan, Bridget McGee-Stiles, Rich Mignogna, Jonell Poley, Ellie Friedman, Bonnie Ford, Bill Harris, Larry Shiao, John Trogonoski, Karl Kunzie, and Julie Haugen.**

The DORAward program was begun in 2001 to recognize outstanding performance by individuals and teams in customer service at the department level.

The Peer Service Award is for an employee or group of individuals providing assistance or encouragement to fellow state employees beyond what is expected as part of the job. Opeka played a significant role in the successful effort to upgrade the PUC transportation enforcement staff to criminal investigator status. He also volunteers as the unit's lead field training instructor for new investigators and serves as an invaluable resource to his fellow investigators, supervisors and staff both within the PUC and to outside departments as well.

"In addition to handling his busy caseload with an exceptional degree of professional excellence and productivity, John has spent countless hours providing guidance and documentation supporting our goal of having the equipment and tools necessary to efficiently and safely perform our duties as State Peace Officers within the PUC," noted his nomination form.

The Executive Director's Productivity Award is for a group of DORA employees or a team demonstrating outstanding initiative and creativity that results in improved service to customers, greater efficiency and effectiveness, or cost savings. The trial staff team was recognized for its work on the 2006 Xcel electric rate case.

The group worked together to file

testimony and prepare for a three-week evidentiary hearing, and ultimately negotiated a settlement that reduced the proposed increase to customers by more than \$70 million and avoided the high cost of litigating a three-week hearing.

The rate case also enabled staff to create a new regulatory framework for Xcel Energy that will probably suffice for a decade or more.

As part of the recognition, Opeka will receive a \$200 cash award. The trial staff rate case team will share a \$2,000 award.

Other PUC employees nominated but not selected for DORAwards this year were: **Terry Willert, Bob Laws, Sandi Kahl, Joe Molloy, and Deborah Collette.**



Mana Jennings-Fader

Here's a bit of friendly advice for witnesses who might want to bend the truth when testifying before PUC Administrative Law Judge (ALJ) **Mana Jennings-Fader**—she knows when you are bluffing.

In her spare time, Mana is an avid poker player and would like to deal poker professionally after she retires from the PUC.

As one of five ALJs at the Commission, Mana presides at hearings and workshops, writes recom-

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mended decisions and interim orders and handles dockets assigned for disposition by the Commissioners. She was hired as an ALJ in August of 2002, after serving as an Assistant Attorney General representing the Commissioners and PUC staff since 1990.

"I like the variety of the work, the challenge of the work and, especially, the people at the Commission," she said. "I am constantly amazed at both the tremendous volume of the work and at the consistently high quality of the work performed by Commission personnel. The folks here keep me on my toes, and I relish that challenge."

Mana earned her bachelor's degree from the University of Wisconsin and her law degree from Georgetown University Law Center. She is a member of the bar in three states and the District of Columbia. She worked as a judicial law clerk following graduation from law school, and worked at various legal jobs within the U.S. Consumer Product Safety Commission in Washington, D.C., for about 12 years before taking a job with the Colorado Attorney General's Office.

Not surprisingly, one of her favorite quotes comes from the late U.S. Supreme Court Justice Thurgood Marshall, "History teaches that grave threats to liberty often come in times of urgency, when Constitutional rights seem too extravagant to endure."

When not at work, Mana enjoys reading, gardening, knitting/crocheting, following professional and college sports teams, walking and playing with her three dogs, and playing and dealing poker, especially Texas Hold 'Em. She wants to be a professional poker dealer in the future.

In addition, over the past several years, Mana has taken up hunting and has applied for a combined license to hunt deer and elk this fall.

"Work and play hard," she advises. "Take pride in what you do, no matter what it is; and 'fess up to, and learn from, mistakes when you make them. When you reach a stumbling block or bump in the road, then it's D-G-M (deal with it, get over it, move on)!"

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

POSITIVE CHARGES

Welcome to the following additions to the PUC staff: **William Dalton**, an engineer in the Fixed Utilities section; **Mike Hydock**, a rate analyst in the Policy Advisors section; **Fred Johnson**, an investigator in the Gas Pipeline Safety unit; **Chris Lowe**, a fiscal officer in the Administrative Services section; and **John Reasoner**, an engineer in the Policy Advisor section.

William Dalton



Mike Hydock

Fred Johnson



Chris Lowe

John Reasoner



Consumer affairs unit expands complaint role

The Public Utilities Commission (PUC) has consolidated all of its consumer complaint functions within the Consumer Assistance unit.

Starting at the first of the year, the Consumer Assistance group, headed by **Doug Platt**, began taking complaints involving transportation companies, in addition to those concerning fixed utilities, such as Qwest and Xcel Energy. Previously, transportation complaints were handled separately within various units of the Transportation section.

"Consumers who have complaints,

inquiries or concerns about any regulated utility now need only one phone number to obtain assistance from PUC staff," Platt said.

In addition to phone, electric, gas and water issues, consumer assistance specialists now handle complaints concerning household goods movers, towing companies, taxis and other passenger carriers. The specialists refer the complaints to the company for resolution, and ensure that the utility is complying with PUC rules and state law. If a field investigation is needed, the complaint is forwarded

to the Transportation section for follow-up.

For the first three months of 2007, the Consumer Assistance unit handled 92 transportation complaints.

To file a complaint about a transportation company, or any other regulated utility, call the PUC Consumer Assistance office at 303-894-2827 (Denver metro area) or 1-800-456-0858 (outside the Denver metro area). Complaints may also be filed via the Internet at the following link: http://www.dora.state.co.us/pls/real/CCTS_oWEB.trans_complaint_form

Universal service surcharge jumps in April

The Colorado universal service surcharge, paid by telephone customers to help keep basic local service affordable across the state, increased to 2.7 percent on April 1, 2007.

Based on a local telephone bill of \$30 a month, the change will add another 33 cents to a customer's monthly bill. The increase is required to meet the fund's targeted reserve balance for 2007. The surcharge was 2.9 percent for the first nine months of 2006 and was decreased to 1.6 percent for the fourth quarter. The Colorado

Public Utilities Commission (PUC) reviews the fund on a quarterly basis and adjusts the surcharge as necessary.

Money from the fund is used to reimburse local 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 telecommu-

nications charges for local, wireless, paging, in-state long distance and optional services.

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.

Starting Point

(Continued from page 1)

I want to thank everyone—staff and those outside customers who do business here—for your patience during this relocation. Ultimately, the goal is to help us provide better service to the people of Colorado. I think we're well on our way.

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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Legislature doubles renewable energy benchmarks



The Colorado Legislature has approved a bill doubling the renewable energy standard established by voters

with the 2004 passage of Amendment 37.

The legislation, signed by Gov. Bill Ritter on March 27, requires Xcel Energy and Aquila Inc. to produce 20 percent of their energy from renewable sources by 2020. Municipal utilities with 40,000 customers or more and rural electric associations, most of which had been excluded under the requirements of Amendment 37, must meet a 10 percent renewable standard by 2020.

Under the new law, the Public Utilities Commission (PUC) has until October 1, 2007 to revise its renewable energy standard rules to reflect the higher standards.

For Xcel Energy and Aquila, the new standards require that 3 percent of their retail electricity sales be derived from renewable resources in 2007; 5 percent

for the years 2008 through 2010; 10 percent for the years 2011 through 2014; 15 percent for the years 2015 through 2019; and 20 percent for the years 2020 and thereafter. Of the required renewable amount, at least four percent must come from solar electric generation technologies.

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

For rural electric associations and municipal utilities with more than 40,000 customers, the new standards require that 1 percent of retail electricity sales come from renewable sources for the years 2008 through 2010; 3 percent for the years 2011 through 2014; 6

percent for the years 2015 through 2019; and 10 percent for the years 2020 and thereafter. Each kWh of electricity generated at a community-based project will be counted as 1.5 kWh for purposes of compliance.

For customers of utilities other than rural electric associations, the law increases the maximum retail rate impact to 2 percent of the total electric bill annually for each customer, up from the 1 percent maximum contained in Amendment 37. For customers of rural electric associations, the cap is 1 percent.

In addition to increasing the renewable energy standards, lawmakers also approved a bill requiring utilities to identify and improve transmission capacity to carry new renewable energy sources, while allowing them to recover the upgrade costs during construction.

Alamosa PV plant something new under sun

Construction has begun in Colorado on what is being touted as the largest photovoltaic solar electric generation plant in North America.

SunEdison, Xcel Energy and Gov. Bill Ritter took part in a ground breaking ceremony on April 23 at the site in Alamosa. The 8.2 megawatt facility is part of Colorado's statewide renewable energy initiative, and will help Colorado reach its renewable portfolio goal of 20 percent by 2020.

The Colorado Public Utilities Commission (PUC) in February

approved a Solar Energy Purchasing Agreement (SEPA) between Xcel Energy and SunE Alamosa1, LLC. Under the contract, which was the first of its kind in Colorado, Xcel Energy will purchase the electricity generated by the plant to help it meet the solar requirements of the renewable energy standards first adopted by Colorado voters in 2004 and increased by the legislature this session.

The purchasing agreement calls for the facility to be in operation by Dec. 31, 2007 in order for Xcel Energy to start generating solar renewable energy

credits as soon as possible. It will also ensure that the developer, SunE Alamosa1, LLC, can take advantage of a 30 percent federal investment tax credit available for non-utility solar facilities placed into service before Jan. 1, 2008, which will benefit Colorado ratepayers.

The PUC found that the agreement was reasonable and in the public interest and noted that it was not opposed by any of the parties to the legal case heard by the PUC. However, the PUC also found that the bidding process used for the solar facility



did not fully comply with its rules.

"In future similar filings, we expect a full, open and well-documented bid evaluation and award process," the commissioners said in their written decision approving the contract. "Doing so will ensure cost effectiveness and prudence of the project, resulting in the lowest cost to Colorado ratepayers."

Bill requires background checks for taxi, limo drivers

Drivers of taxis, luxury limousines, and certain other types of passenger carriers must submit their fingerprints to the Colorado Public Utilities Commission (PUC) for criminal background checks under a new law approved by the Colorado Legislature.

House Bill 1065, which was passed and sent to the governor's desk in April, would disqualify people with certain criminal offenses from driving commercially. The law applies to taxi companies and Article 16 passenger carriers, which include luxury limousine, charter scenic bus, off-road scenic charter, children's

activity bus and fire crew transport services.

Under the bill, prospective drivers must submit a set of fingerprints to the PUC. Drivers currently employed have 30 days from the effective date of the law to comply with the requirements. The PUC will forward the fingerprints to the Colorado Bureau of Investigation (CBI), which will conduct a state and national criminal background check utilizing CBI and FBI records. Results will be reported to the PUC.

Individuals will be allowed to drive in connection with their employment,

pending the results of the background check, for up to 60 days after the PUC forwards the fingerprints to the CBI.

Individuals will be disqualified and prohibited from driving if the criminal background check reveals that:

- The individual was convicted in Colorado of a crime of violence (as defined by statute) within the last 10 years; or convicted of a comparable offense in any other state;
- The individual was convicted of driving under the influence, driving with excessive alcoholic

content, driving while ability impaired, or driving while an habitual user of a controlled substance (as defined by statutes) within the last two years; or convicted of a comparable offense in any other state.

Companies and/or individuals who violate the provisions of the bill are guilty of a Class 2 misdemeanor.

The bill directs the PUC to promulgate rules concerning the employment and retention of drivers consistent with the requirements of the bill.

Aquila seeks approval to sell electric, gas business in state

Aquila, Inc. filed in April an application with the Public Utilities Commission (PUC) to transfer ownership and control of all of its electric and natural gas utility operations in Colorado to Black Hills Corporation of South Dakota.

The proposed transfer is part of two larger transactions, announced in February, in which Aquila is seeking to sell off electric and gas operations in Colorado, Kansas, Nebraska and Iowa before its remaining assets are acquired by Missouri-based Great Plains Energy. PUC review of the proposal is expected to take several months.

In Colorado, Aquila currently serves about 92,000 electric customers in 21 communities, including Pueblo, Canon City, Rocky Ford and Florence. It also provides natural gas service to about 64,000 gas customers in 27 communities, including Castle Rock, Larkspur, Monument, Widefield and Woodland Park.

Black Hills currently provides retail natural gas and electric service to

approximately 137,000 customers in South Dakota, Wyoming and Montana. It also provides wholesale energy production and marketing throughout the western U.S. and western Canada. The acquisitions in the four states will add about 616,000 new utility customers to Black Hills' overall operations.

If the transaction is approved, Black Hills said it will provide utility service in Colorado under the legal names of Black Hills/Colorado Electric Utility Company (BH/CO Electric) and Black Hills/Colorado Gas Utility Company (BH/CO Gas). The trade names under which BH/CO Electric and BH/CO Gas will do business in Colorado will be determined and announced at a later date.

In its application, Black Hills stated that it will initially provide service to Colorado customers at the same rates and tariff conditions currently provided by Aquila.

If regulatory approvals are obtained, Aquila said it expects the transactions to close in early 2008.

Aquila gas commodity rates reduced; bills cut 13 percent

The Colorado Public Utilities Commission (PUC) has approved an interim decrease in natural gas commodity rates for Aquila that will reduce residential customer bills by about 13 percent a month.

Monthly bills for commercial and industrial customers were expected to go down by about 17 percent. The new rates took effect on May 1.

A gas cost adjustment is used by utilities to pass through to their customers market fluctuations in the wholesale price of natural gas. Wholesale prices were deregulated by the federal government in the 1980s.

Both increases and decreases in the cost of purchasing natural gas are passed along to customers on a dollar-for-dollar basis. The utility does not make any profit from the gas commodity itself.

Xcel Energy, Colorado's largest gas utility, adjusts retail gas prices on a monthly basis to reflect changes in wholesale prices. Other gas utilities, such as Aquila, typically file an annual

gas cost adjustment each fall. However, PUC rules allow for utilities to make adjustments more frequently if prices swing significantly up or down. In its application, Aquila stated the decrease was due to lower wholesale natural gas costs.

Under the new rates, a residential customer using 167 ccf of natural gas during peak monthly usage periods, typically during the colder winter months, would see a monthly bill of approximately \$147.70, compared to \$171.90 at the old rate. The decrease over a 12-month period will average \$12.45 per month.

The bill for commercial customers with average monthly usage of 403 ccf will be \$295.40, compared to \$344.24. The average decrease over the 12-month period will be approximately \$48.84 per month.

Aquila serves approximately 62,000 natural gas customers in Colorado in the following counties: Cheyenne, Douglas, Elbert, El Paso, Kit Carson, Lincoln, Teller, Washington and Yuma.

Hearings on Xcel gas rate proposal set June 4-8

The Colorado Public Utilities Commission (PUC) will hold hearings June 4-8 on a proposal by Xcel Energy to increase its natural gas distribution rates by \$41.5 million annually.

A public comment hearing has been scheduled from 4-7 p.m. on Monday, June 4, at the PUC, 1560 Broadway, Suite 250, in Denver.

Xcel's 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 as 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.

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.

Xcel Energy also has proposed an adjustment to recover distribution costs associated with declining customer gas usage, not related to weather. This proposed three-year pilot program, known as "partial decoupling," would adjust the company's annual revenues received from residential customers from year to year to

compensate for reductions in gas use, such as through energy efficiency or conservation measures. The company estimates that the typical monthly gas bill would increase by about 18 cents if the program is approved.

Customers may submit written comments about Xcel Energy's proposal by sending them to the PUC, 1560 Broadway, Suite 250, Denver, CO 80202. Comments should be addressed to Docket No. 06S-656G and should be received by June 4. Comments may also be submitted electronically at:

http://www.dora.state.co.us/pls/real/CCTS_oWEB.comment_form

'Call Before You Dig' 8-1-1 code activated

Implementation of the 8-1-1 code as the nationwide number for contractors and others to call before conducting excavation activities occurred in April in accordance with the target date established by the Federal Communications Commission (FCC).

The FCC in 2005 designated 8-1-1 as the national abbreviated dialing code to be used by state One-Call Notification Systems for providing advance notice of excavation activities to utilities and underground facility operators. The FCC set a deadline of April 13, 2007 for all telecommunications service providers to comply with the deployment of 8-1-1.



**Know what's below.
Call before you dig.**

In Colorado, Gov. Bill Ritter declared May 7-11 as "Dig Safely Week" as a way to remind excavators, contractors and homeowners that state law requires them to call before starting any excavation of digging project. A rally was held at the state Capitol to promote the message, "8-1-1. Know what's below, call before you dig."

The Public Utilities Commission (PUC) approved an application by the Utility Notification Center of Colorado (UNCC) last year for assignment of the 8-1-1 dialing code in Colorado, and implementation efforts began shortly thereafter.

UNCC is the statewide notification association of owners and operators of underground facilities created by the Colorado Legislature in 1981. UNCC, a non-profit corporation, serves as a communications link between excavators and the member facility owners and operators to provide crucial information regarding the location of underground facilities.

By law, an excavator must contact UNCC at least three days prior to any excavation work. UNCC notifies the member facility owner or operator of the planned excavation and the facility owner marks the location of the underground facility. The "one call" process greatly reduces the likelihood of damage to underground facilities and the likelihood of injury to any person working at an excavation site.

The 8-1-1 dialing code will make it even easier for excavators to comply with the requirements of Colorado's "call before you dig" law. Excavators can dial 8-1-1 from anywhere in the state. There is no charge for the call or the marking of underground facilities.

KM completes sale of retail natural gas operations in Colo.

Kinder Morgan, Inc. has completed the sale of its retail natural gas operations in Colorado and surrounding states to a subsidiary owned by GE Energy Financial Services and Alinda Investments LLC.

Other than a name change, which is expected to be announced in mid-May, customers should expect no noticeable changes in the operation and management of their local utility service, according to GE and Kinder Morgan officials. Customer rates will not change as a result of the transaction.

Before the sale, Kinder Morgan provided natural gas service to about 66,000 customers in three service areas in Colorado. The Northeast Colorado Area includes the towns of Akron, Haxtun, Holyoke, Julesburg, Wray, and Yuma. The Western Slope and North Central Colorado Area includes the towns of Aspen, Glenwood Springs, Delta, Montrose, Ouray, and Telluride on the Western Slope and Frederick, Firestone, Dacono, and Wellington along the Front Range. The Arkansas Valley and Western Slope Area (acquired from Citizens Utilities) includes the towns of Las Animas, Crowley, Fowler, La Junta, Pagosa Springs, and Rocky Ford.

Headquarters for the new retail distribution entity will continue to be located in Lakewood with most of the same personnel who managed retail operations for Kinder Morgan.

The Colorado Public Utilities Commission (PUC) approved the transaction in March. In addition to Colorado, Kinder Morgan also sold its retail distribution and related operations in Nebraska and Wyoming.

Qwest refunded \$231,025 for telephone outages in '06

Qwest provided \$231,025 in bill credits in 2006 to customers who experienced service outages lasting longer than 24 hours, according to the company's annual service quality report.

The bill credit amount was down slightly from the previous year, when Qwest refunded \$258,292 for outage reimbursements.

Under the provisions of a 2005 regulatory agreement, Qwest customers receive an immediate bill credit of \$14.88 for residential service or \$34.51 for business service—the equivalent of the basic monthly rate—if an outage is not repaired within 24 hours. Certain situations are excluded, such as no access provided by the customer; if the customer requests a repair date beyond 24 hours; fire; trouble on the

customer's side of the network interface device; extraordinary acts of nature, such as floods; and catastrophic events, such as major cable cuts.

Under the regulatory plan, Qwest must also refund money to all customers if it fails to answer 85 percent of the calls to its repair center in 60 seconds or less. For 2006, the company met the threshold and no refunds are required.

QWEST BILL CREDITS

Year	Amount
2004	\$436,485
2005	\$258,292
2006	\$231,025

Dialing Codes Used in Colorado

2-1-1	Government Information and Referral Services
3-1-1	Non-Emergency Police and Government Services
4-1-1	Directory Assistance
5-1-1	Travel and Information Services
7-1-1	Telephone Relay Services for the Hearing Impaired
8-1-1	Call Before You Dig Notification
9-1-1	Emergency Services



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