

Connections

NEWSLETTER OF THE COLORADO PUBLIC UTILITIES COMMISSION

MAY 2009

STARTING POINT



By Doug Dean
Director

In fulfilling our consumer protection mission, one of the key components of our strategic plan is outreach, both to the public and to the industries we regulate. Through consistent communication and education, we are able to increase awareness of PUC processes, rules and regulations to both consumers and industry professionals.

Many of our outreach efforts are highly visible, from our consumer assistance/complaint resolution to the hosting of Commissioner Information meetings. But these are just a part of the widespread and extensive outreach efforts undertaken by our staff on a regular basis. Many of these efforts often go unnoticed, even by our own staff. So I thought I'd take this opportunity to provide a sample of just a few of the ways that the PUC has reached out to the public, professionals and other agencies.

- The PUC was a joint sponsor of a one-day symposium focusing on economic stimulus benefits to utilities and their customers. The symposium, which drew nearly 500 attendees, was conducted in partnership with the Governor's Energy Office, the Colorado Office of Economic Development and International Trade, and the Colorado Department of Labor and Employment.
- PUC staff worked with the Utility Notification Center and the Common Ground Alliance to secure an honorary proclamation from Gov. Bill Ritter's office designating April as Colorado Dig Safely Month.
- PUC Rail/Transit safety staff worked with the Federal Railroad Administration and the Town of Windsor to get a wall near a highway-rail crossing removed, improving safety at the crossing.
- PUC Telecom staff assisted the Colorado Department of Transportation in researching wireless tower location/provider information in order to help direct correspondence CDOT has been receiving to the appropriate tower owners so that additional wireless providers may begin providing service to customers.
- PUC Transportation staff participated in teleconference meetings of the United Carrier Registration (UCR) Board of Directors. The UCR Board is responsible for implementation of the UCR, which is the national program designed to provide revenues to states for motor carrier safety programs.
- PUC Transportation staff conducted a training class for the staff of the Better Business Bureau's Denver office regarding PUC motor carrier regulation and enforcement.

(Continued on page 4)

Decision pending on Xcel electric rates

Follow-on rate case filed on May 1 seeks additional \$180 million

The Colorado Public Utilities Commission (PUC) is expected to issue a decision in June on a proposed settlement in the first of two Xcel Energy electric rate cases.

Xcel Energy and a majority of parties, including PUC staff and the Office of Consumer Counsel, filed a joint agreement in late April calling for a \$112.2 million increase in electric base rates to settle the company's 2008 rate filing. The company's original request was for \$159.3 million to pay for investments from 2006-2009 in its electric generation and distribution system.

Under the proposed agreement, residential electric bills would increase by

about 5.2 percent, or \$2.94 a month. Rates for small commercial customers would increase by 4.9 percent, or \$4.42 a month. If approved by the PUC, the new rates would go into effect in July.

Meanwhile, the company on May 1 filed another electric rate case, as expected, to cover continuing investments in generation and utility operations in Colorado. The new request seeks an additional \$180.2 million increase in electric base rates.

In the filing, the company said will spend \$1.7 billion in its generation, transmission and distribution systems over the period covered by the two rate cases, including the completion of a third generating unit at the Comanche coal plant in Pueblo, the addition of 300 megawatts of natural gas-fired generation at the Fort St. Vrain station in Platteville, and statewide distribution system improvements.

The new proposal would raise resi-

dential electric bills by an additional \$4.98 per month, and small business bills by about \$5.40 per month.

Xcel Energy also is recommending that the PUC adopt "inverted-block" rates for residential customers, to promote efficient use of energy during peak periods. Under the proposal, customers would pay a lower charge for the first 500 kilowatt-hours of electricity used, and a higher rate thereafter, each month from June through September. A typical residential customer uses about 632 kilowatt-hours per month.

The company has also proposed shifting the costs from the Air Quality Improvement Rider and the Demand Side Management Cost Adjustment into base rates, eliminating those separate riders from the bill.

Hearings on the new request are expected to take place this fall. The company has proposed that the new rates go into effect on January 1, 2010.

New taxi company hits streets



Union Taxis wait in line outside a downtown Denver hotel. Union was issued its PUC authority on April 27 and had its vehicles on the streets within a few days. Union was authorized under a 2008 law relaxing entry standards for new cab companies in the eight-county Denver metro area.

Qwest hearings address residential rate cap

Hearings on Qwest Corporation's request to increase its stand-alone basic residential telephone rates in Colorado by 14 percent were rescheduled for the last week of May.

An evidentiary hearing is scheduled for May 27-29 at the Public Utilities Commission (PUC) in Denver. The PUC also will receive public comment on the request from 4-6 p.m. on Wednesday, May 27. The public hearing will be held in Hearing Room A, 1560 Broadway, Suite 250, in Denver.

Qwest's proposal would raise the basic residential service rate to \$16.99 per month, excluding taxes and fees, an increase of \$2.11 per month over the current rate. The proposed change would not affect customers that

purchase residential service as part of a package.

On July 1, 2008, a new law went into effect lifting the statutory rate cap on basic residential telephone service, which froze basic residential rates at \$14.88 in 1995 as part of the opening of Colorado's local telephone market to competition. Under the new law, the PUC has the authority to determine the maximum basic residential rate based on each provider's costs and revenues, the average national price for comparable service, and flexible-pricing options.

In its application, Qwest is asking the PUC to set a new residential rate cap at \$18.24 per month, even though the company is only seeking to raise its

monthly rate to \$16.99. The higher cap would allow Qwest to seek a future rate increase.

Qwest also is proposing to increase the price for basic measured rate service and basic message rate service from \$9.48 to \$11 per month, an increase of 16 percent. In total, Qwest estimates that the changes would provide approximately an additional \$14.9 million in revenue per year.

Individuals who wish to submit comments about the proposal may send them to the PUC, 1560 Broadway, Suite 250, Denver, CO 80202 by May 29. Comments should be addressed to Docket No. 08A-403T. Comments may also be submitted electronically via the PUC website.

Gilpin County seeking to increase 9-1-1 surcharge

The Gilpin County 9-1-1 Authority Board is seeking approval from the Colorado Public Utilities Commission (PUC) to raise its 9-1-1 surcharge from \$.70 to \$1.20 a month beginning January 2, 2010.

Gilpin County 9-1-1 Authority, which includes Central City, Black Hawk, Gilpin County Sheriff's Department, Colorado Sierra Fire Protection District, High Country Fire Protection District and Gilpin County, provides emergency telephone service throughout Gilpin County west of Denver. Emergency services are funded

by a monthly surcharge assessed to each wire line, wireless and Voice over Internet Protocol (VoIP) telephone user.

According to the application, the increase is necessary to fund a new, multi-million dollar project mandated by federal law to be in effect by the year 2013 for all emergency personnel. The project is a new radio system, including the infrastructure that will be required for all emergency response entities operating in Gilpin County.

The new system will eliminate coverage gaps that occur over stretches of the I-70 corridor, the Eisenhower

Tunnel and all of the gaming areas. It will also link 35 separate agencies into one regional network to improve day-to-day operations and create an interoperable network for use by agencies during times of crisis.

All wireline and wireless customers in Colorado pay a monthly surcharge to fund the equipment and operational expenses of the statewide 9-1-1 system. Individual authority boards establish the amount needed to cover the costs of equipment, personnel, and access to telephone lines. The surcharge is collected by the telephone provider

and passed on to the authority boards.

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

If approved, Gilpin County would be one of 12 authority boards in Colorado that have been granted surcharges above 70 cents. Most of them provide service in rural and mountainous areas where 9-1-1 surcharge collections have not kept up with increasing expenses.

Lt. Gov. Barbara O'Brien addresses a packed room at a downtown Denver ballroom during a symposium focusing on how utilities and their customers can benefit from the American Recovery and Reinvestment Act. The event was sponsored by the PUC and several other state agencies.



PUC helping utilities tap into recovery funds

About 500 people packed a downtown Denver hotel ballroom in March to learn how Colorado's electric and gas utilities and their customers can benefit from the American Recovery and Reinvestment Act (ARRA).

The symposium was sponsored by the Colorado Public Utilities Commission (PUC), the Colorado Governor's Energy Office, the Colorado Office of Economic Development and International Trade, and the Colorado Department of Labor and Employment.

The purpose of the conference was to provide utilities and the public

with the tools, information and knowledge of the processes to participate in the energy opportunities stemming from the ARRA. Topics included an overview of the energy provisions contained in the ARRA and how they relate to electric generation; electric transmission; smart grid technologies; demand side management, energy efficiency and renewable energy; accountability, transparency and job creation.

At the symposium, Lt. Gov. Barbara O'Brien urged both the public and private energy sectors to collaborate in seeking ARRA competitive funding.

"Colorado's New Energy Economy is shaping the energy industry of the mid-21st century and beyond," Lt. Gov. O'Brien said. "The ARRA funds have come at a time that will help us create, transmit and use energy, as well as the jobs for our next generations. These funds will allow Colorado to invest in energy projects that will help overcome current barriers and bring jobs to our state."

A PUC staff analysis of energy funding opportunities resulting from the ARRA can be found on the PUC website: <http://www.dora.state.co.us/puc/>.

POSITIVE CHARGES

Commissioners **Jim Tarpey** and **Ron Binz** as well as staff members **Jeff Ackermann**, **Ron Davis**, and **John Reasoner** spent a week recently in Jordan visiting with commissioners and staff members of Jordan's Electricity Regulatory Commission.

The principal purposes were to exchange ideas and share experiences regarding a wide variety of regulatory issues. Jordan has many similarities to Colorado (high population growth and an interest in diversifying into wind and solar energy) and, since its regulatory commission is relatively new, its commissioners and staff members were interested in Colorado's experience with rate case filings, fuel adjustment clauses, energy efficiency mechanisms, demand-side management programs and regulatory processes for addressing resource acquisition.

"Lengthy meetings were held each day for five days and we received a lot of positive feedback regarding the depth of knowledge possessed by our staff," Tarpey said. "Members of the Jordanian commission will be visiting Colorado in early August for a continuation of the discussions."

These meetings are part of an exchange program sponsored by the United States Agency for International Development (USAID) and the National Association of Regulatory Utility Commissioners (NARUC) and are a follow-up to the initial meetings that Tarpey and **Gene Camp** had in Jordan last November.

INSIDE CONNECTIONS

Darlene DelValle always has a smile and friendly greeting to share with her co-workers at the Public Utilities Commission.

Darlene is an administrative assistant in the PUC's Customer Care unit, which processes all types of permit and insurance filings for motor carriers regulated by the PUC.

"Our unit is very busy and we work well together. Thank goodness for teamwork," said Darlene, who has been with the PUC since October of 2002. "I feel that if you smile and laugh things seem a little easier to swallow. A smile goes a long way. So does a 'good morning.'"

In addition to handling requests for motor carrier registrations, hazardous materials permits, and household goods permits (including all Spanish-speaking calls), Darlene works with insurance companies to post insurance filings on the website, and tallies the daily deposits.

"I like that there is such a variety of job tasks," she said. "I never get bored. I like that I have such a busy day; it makes the day go extremely fast."

Prior to joining the PUC, Darlene worked in administration for Denver Health and Hospitals, providing training to employees in customer service and insurance programs, and handling the daily deposits for the hospital. Before that, she worked in administration for Arcadia Financial.

Darlene, who graduated from Denver's West High School, has attended both Colorado Community College and the University of Phoenix. She plans to go back to school this fall and work towards completing her bachelor's degree.

Away from work, Darlene is an avid walker (her goal is 40 minutes a day), and likes to fish and camp. She is also involved in fund-raising for her two granddaughters' cheerleading group.



Darlene DelValle

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



Dora
Department of Regulatory Agencies

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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PUC approves revisions to Windsource program

The Colorado Public Utilities Commission (PUC) in February approved revisions to Xcel Energy's voluntary wind energy program designed to ensure that subscribers to the program receive the renewable energy for which they pay a premium price.

The PUC approved the changes in a settlement aimed at resolving allegations that the company was selling more power than it generated from Windsource, a program begun in 1997 in which customers voluntarily pay an additional surcharge to support the development of renewable energy.

The agreement called for Xcel to reduce its 2009 WindSource rates by about \$1.6 million, and spend another \$1 million in shareholder money to purchase renewable energy credits (RECs).

As part of the agreement, the Windsource program will be restructured to allow Xcel to use its entire portfolio of renewable energy to sell to customers, not just the segregated, small wind farms that were originally designated for Windsource. As a result, the capacity of the program can be expanded to add additional subscribers and the company will benefit from greater economies of scale in acquiring renewable resources.

The PUC noted that Windsource provides an additional means for Xcel customers to voluntarily participate in renewable energy acquisition above and beyond the 2 percent maximum retail rate impact mandated by Colorado's renewable energy standards.

The agreement also contains provi-

sions for marketing transparency that will provide customers with the necessary information regarding the new green program to determine whether to voluntarily participate. Xcel Energy also committed to involve various environmental and community-based groups, as well as interested governmental agencies, in quarterly discussions to obtain ideas for product development and other issues, and will report to the PUC on the outcome of those developmental activities by October 1, 2009.

The lower Windsource rate resulting from the \$1.6 million credit will be in effect through 2009. Starting in 2010, Windsource rates will be based on the cost to build and acquire new renewable energy beyond what the company would otherwise have acquired as part of its resource planning process.



Xcel Energy Windsource customers are paying lower rates in 2009 as a result of a settlement approved by the Colorado Public Utilities Commission.

Settlement leads to new Black Hills gas base rates

New rates for customers of Black Hills/Colorado Gas Utility became effective April 1 following settlement of the company's 2008 natural gas rate case.

The agreement, approved by the Colorado Public Utilities Commission (PUC), provided for an increase in annual revenues of about \$1.38 million for Black Hills. The company had originally sought a \$2.7 million rate hike. PUC staff and the Office of Consumer Counsel had intervened in the case and negotiated the settlement with the company.

The new rates increased monthly residential bills by about 2.04 percent, or \$1.76. Average monthly bills for small commercial customers went up 2.25 percent, or \$2.75.

The increase in base rates, the company's first since 1993, was sought to offset increased costs to deliver natural gas to about 64,000 customers in 27 Colorado communities—including Castle Rock, Fountain, Larkspur, Monument, Woodland Park, Limon, and Burlington.

The base rate component of a monthly bill covers costs associated with infrastructure, equipment, labor,

materials, meter reading and billing. It does not include the largest portion of the bill, the natural gas commodity costs, which are passed on to customers on a dollar-for-dollar basis under a separate charge.

The settlement also made changes in the company's rate design. Instead of billing on a volumetric basis (cubic-feet), the company has started billing on a

heat content basis (therms) for its natural gas. The settlement also set the Monthly Facility Charge at \$10 for residential customers and \$15 for small commercial customers, while lowering the usage-based delivery charge.

Under the agreement, Black Hills will be allowed a 10.25 percent return on equity, instead of the 11.5 percent proposed by the company. The return on

equity is the profit that a utility is authorized to earn on its investments. The PUC sets a maximum return on equity, but it is not guaranteed.

The agreement also calls for Black Hills to file a new gas rate case by June 30, 2011, by which times Black Hills is expected to have realized most, if not all, of the savings from its acquisition of Aquila Inc.'s assets and operations.

BH receives okay to build two of five plants

The Colorado Public Utilities Commission (PUC) has agreed to allow Black Hills to build two of five proposed natural gas-fired generators without competitive bidding, but will require the company to seek competitive bids from independent power producers (IPP) for three other power plants.

Black Hills serves more than 90,000 customers in 21 Colorado communities, including Pueblo, Canon City, Florence and Rocky Ford. About 75 percent of its current electricity supply is obtained through a purchased power agreement

with Xcel Energy. However, that contract terminates on December 31, 2011.

In its Electric Resource Plan filed in August 2008, Black Hills proposed to install about 346 megawatts (MW) of its own gas-fired combustion turbines, and sought a waiver from the PUC's competitive bidding requirements.

In deliberations in February, the PUC granted preliminary authority for Black Hills to build two turbines, or 152 MW, with the rest of the resources to be obtained through outside bids. The PUC said there wasn't enough time to fully implement the competitive acqui-

sition process as a result of the contract expiration.

In striking a balance between utility self-build and competitive IPP bidding, the PUC said its decision would minimize financial and reliability risks, while maximizing time to build the required baseload resources.

"Our decision will ensure that Black Hills customers get reliable electric power at a competitive price," PUC Chairman Ron Binz said. The PUC also said it expects Black Hills to aggressively pursue energy efficiency and renewable energy options.

PUC directs Xcel to change to quarterly gas cost adjustments

The Colorado Public Utilities Commission (PUC) has approved changes in how Xcel Energy recovers natural gas commodity prices throughout the year.

The PUC ruled in April that Xcel should move from monthly to quarterly "gas cost adjustments," with the option of filing interim changes

within a quarter if necessary.

A gas cost adjustment, or GCA, 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 this adjustment.

Since November of 2004, Xcel Energy has filed monthly GCAs to help keep it from carrying large positive or negative deferred balances during times of natural gas price

volatility. The company had sought to continue the monthly adjustments, but PUC staff had advocated for quarterly changes for greater administrative efficiency and less customer confusion.

A PUC administrative law judge ruled that a quarterly GCA with more frequent interim filings if necessary best balances the interest of all concerned.

"In times of lesser commodity volatility, or lesser demand, a quarterly GCA will smooth price variations and allow (Xcel) to manage deferred balances. Customers will see fewer rate changes and may have a better understanding of their rates," the judge wrote.

"On the other hand, in times of greater commodity market price volatility and higher demand (Xcel) will have tools available for an efficient interim filing."

PUC rules only require utilities to make annual gas cost adjustments, but utilities may file more frequently if natural gas prices swing sharply. Atmos Energy has said that it also intends to start filing quarterly GCAs.

Atmos, Black Hills pass on lower gas costs

Atmos Energy and Black Hills Gas Company recently implemented decreases in their natural gas commodity rates to reflect lower prices in the wholesale market.

Atmos' changes were effective May 1 for about 110,000 customers in more than 60 communities in Colorado, including Greeley, Canon City, Durango, Gunnison, Crested Butte, Lamar and Steamboat Springs.

Decreases ranged from 32 to 42 percent for residential customers, depending on their location, while commercial rates were reduced by 34 to

43 percent. Atmos' service territory is divided into five regions—southeast, northwest/central, northeast, southwest, and Buena Vista.

Black Hills, which serves about 67,000 customers in 27 Colorado communities, including Castle Rock, Fountain, Larkspur, Monument, Woodland Park, Limon and Burlington, lowered its gas commodity rates by about 30 percent on March 1.

The decreases resulted from a continuing decline in wholesale natural gas prices during recent months. The Colorado Public Utilities Commission

(PUC) approved both requests.

Gas cost adjustments, or GCAs, are 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.

The natural gas commodity makes up the largest portion of a customer's natural gas bill. 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 this adjustment.

Solar demo project to make appearance at Cameo

The Colorado Public Utilities Commission (PUC) has conditionally approved Xcel Energy's request to conduct a solar demonstration project at the Cameo coal plant in Grand Junction.

The Cameo project is part of a broader application by Xcel to establish an innovative clean technology program (ICT) and create a fund to develop and deploy future ICT projects.

The Cameo project is intended to demonstrate how heat generated from a concentrating solar thermal facility might integrate with heat generated from coal in co-firing a generating unit. The concept will be tested on a small scale at the company's Cameo

Generating Station, which is scheduled to be closed around the end of 2010. If successful, the project may lead to larger utility-scale solar supplements at other Xcel coal plants.

In its decision issued on May 4, the PUC noted that the unique circumstances surrounding Cameo, including its relatively small size and short remaining life, provide a "good learning opportunity" for an ICT project.

"The integration of dispatchable and renewable intermittent resources is a positive and forward looking concept," PUC Chairman **Ron Binz** said. "Xcel Energy and its ratepayers will likely benefit from the lessons learned by

the pursuit of the Cameo Project."

The PUC attached several conditions to its approval of the project, including a \$4.5 million cap on capital expenditures that will be presumed "prudent" for cost recovery purposes. However, the PUC did not preclude the company from seeking to recover all of its reasonable costs for the project in a future rate proceeding, if warranted.

The PUC also ruled that none of the operating and maintenance costs associated with the demonstration project should be included in the cost recovery mechanism to be associated with the ICT program. The Commission also ordered Xcel to file a more comprehensive budget for the Cameo project, or

risk the presumption that its expenses were considered prudent for cost recovery purposes.

The PUC also directed Xcel to file a report no later than January 1, 2010, detailing the steps, manner and timing by which Xcel tends to implement a full-scale acquisition of generation capacity to be used to co-fire other fossil fuel generation plans on Xcel's system.

The Commission will issue a decision at a later date on the broader issues of Xcel's application, including the merits of the ICT program concept, and whether Xcel's proposed magnitude, \$6 million a year for the next four years, is just and reasonable.

Xcel service quality bill credits due in July

Xcel Energy will issue bill credits of \$618,940 to customers in July for failing to meet service quality standards in 2008.

The credits are required under the Quality of Service Monitoring and Reporting plan, which the Public Utilities Commission (PUC) adopted in 2006. The plan, which runs through 2010, directs bill credits to specific regions where problems occur, and in some cases to individual customers.

Under the plan, a reliability threshold is established for each of Xcel Energy's nine operating regions, and bill credits are payable to customers within an operating region if the company's performance fails to meet the standard for two consecutive years.

Under 2008 results reported April 1, Xcel achieved the reliability standard in six of nine regions—Denver, Boulder, Greeley, Northern, San Luis Valley and Western—and missed it in three others—

Front Range, Mountain and High Plains. Because the company also missed the standard for Front Range and Mountain for 2007, those customers will receive \$415,890, or about \$7.50 per customer. The company received a warning for the High Plains region and will be subject to bill credits next summer if it fails to meet the target for that region in 2009.

The service quality plan also contains thresholds to measure the level of service delivered to individual customers in certain regions that have the technical capacity to capture the data. Those regions include Denver Metro, Boulder, Western and Northern.

In those regions, the company is required to issue a \$50 bill credit to each customer who experiences more than five outages a year lasting longer than five minutes, or for each instance in which electric service is not restored within 24 hours following an interrup-

tion. Certain major events, such as major storms, and other interruptions beyond the company's control are excluded.

For 2008, the company had 3,787 customers, mostly in Denver and Boulder, who experienced five or more sustained outages, for a total credit of \$189,350, down from 6,405 customers in 2007. It also reported 274 customers, all in the Denver region, who experienced outages of 24 hours or more, for a total credit of \$13,700, down from 925 in 2007.

The service quality plan also measures the company's telephone response times and PUC complaint levels, and provides up to \$1 million in each category if thresholds are exceeded. For 2008, Xcel met the standards in both categories. It also met all standards in the gas quality of service plan.

Xcel files its service quality results on April 1 for the previous calendar year. Any bill credits are to be issued during the July billing cycle.

Surcharge for relay services increased

The monthly surcharge that provides funding for the state's telecommunications relay services (TRS) for disabled telephone users increased to 12 cents a month on March 1.

The Colorado Public Utilities Commission (PUC) approved the 5-cent increase 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 previous surcharge of 7 cents had been in effect since January of 2007.

Since that time, the fund balance has grown smaller as some carriers continue to lose telephone subscribers and therefore serve fewer access lines. Also, the legislature has appropriated money from the relay fund to bolster additional services, including Reading Services for the Blind; the Colorado Commission for the Deaf and Hard of Hearing; and the Colorado Commission for the Visually Impaired.

The surcharge increase was required to ensure an adequate fund balance for the next fiscal year, PUC Relay Administrator **Joe Benedetto** said.

The charge appears as a separate line item on every customer's bill and is listed as the "Colorado Telecommunications Relay Service Fund."

Low-income phone surcharge to be reinstated

After a more than two-year absence, the Low-Income Telephone Assistance Program (LITAP) monthly surcharge will reappear on local telephone bills beginning June 1.

The Colorado Public Utilities Commission (PUC) approved the reinstated surcharge at 7 cents per month on each residential and business access line.

The surcharge has been at 0 cents since April of 2006, following an agreement in which Qwest agreed to pay \$5.5 million to the low-income fund to settle allegations that it had given preferential treatment to certain competitors through unfiled interconnection agreements. Previous to the settlement, the low-income surcharge was 7 cents per month.

The LITAP fund, also known as the "Lifeline" fund, was established by the Colorado legislature in 1990. It is used to offset the costs of providing local telephone service at a discounted rate for some low-income customers.

Under the program, eligible subscribers receive a monthly discount equal to the greater of the federal Subscriber Line Charge, currently at \$6.50 per month, or 25 percent of the basic local service rate. The program is funded through a uniform charge assessed to residential and business lines of telecommunications providers that participate in the program.

In 2008, the legislature expanded LITAP eligibility to include all Colorado residents who have a monthly household gross income at or below 185 percent of the federal poverty level. Priority is given to households where one or more residents are recipients of Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or Supplemental Social Security disability benefits. The Colorado Department of Human Services determines who is qualified to receive LITAP discounts.

Starting Point

(Continued from page 1)

- PUC Transportation staff attended monthly meetings of the DIA Ground Transportation Advisory Board and the Limousine Association of Colorado.

These are just a few examples of our outreach efforts to consumers and industries during the last quarter. You may not have realized how much outreach goes on at the PUC in so many different areas. I am proud of the commitment shown by our staff to the on-going mission of consumer protection.

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