

STARTING POINT



By Doug Dean
Director

It's never a pleasant experience to attend an event and return to find your car has been towed because it was parked illegally in a private lot. Non-consensual tows can be a source of major frustration and expense for vehicle owners. But consumers can avoid many of these headaches by simply being more aware of where they are leaving their vehicles.

Private property owners, as well as individuals or companies that have been authorized in writing to act as agent for the property owner, have a right to remove vehicles that are parked on their property without permission. This applies to businesses, apartments, residences, and any other private property. Usually, there are signs posted that warn vehicle owners of parking restrictions, but they are not required.

Consumers should be aware that private property restrictions can be enforced 24 hours a day, 7 days a week. That means that even if a business is closed, at night or on weekends, it can still have non-authorized vehicles removed from its parking lot. And, it doesn't matter how long the vehicle has been parked there. If you park in a private lot and run across the street just for a few minutes to complete an errand, your vehicle could be towed.

The Public Utilities Commission regulates the rates for non-consensual tows, but a private property tow could still end up costing you several hundred dollars, once all the charges for the tow, mileage and storage are added up.

In addition to maximum charges, the PUC has adopted rules that provide some consumer protections in cases of non-consensual tows. Towing carriers are required to obtain proper authorization from a property owner before a tow can be made. Authorization must be filled out in full, signed by the property owner, and given to the towing carrier at the time the vehicle is to be removed from the private property.

If a consumer attempts to retrieve their vehicle before it is removed from the private property, the towing carrier must release the vehicle if the consumer agrees to pay the "drop charge." And a towing carrier must be available within the first 24 hours of having stored a vehicle to either release a vehicle from storage immediately upon demand during normal business hours or with one-hour's notice during all other times.

Towing carriers that violate PUC regulations on non-consensual tows are subject to civil penalties and may be required to refund charges to consumers. The PUC recently issued a civil penalty assessment notice of \$208,000 against one Denver towing carrier for operating without a permit and insurance. But the best way to avoid an unpleasant experience with a towing carrier is to stay away from private property lots, unless you have explicit permission to park there.

Seasonal electric rates coming to end

Consumers to see lower monthly bills from October–May

Electric rates for residential customers of Xcel Energy will go down October 1 as seasonal tiered rates end for the summer.

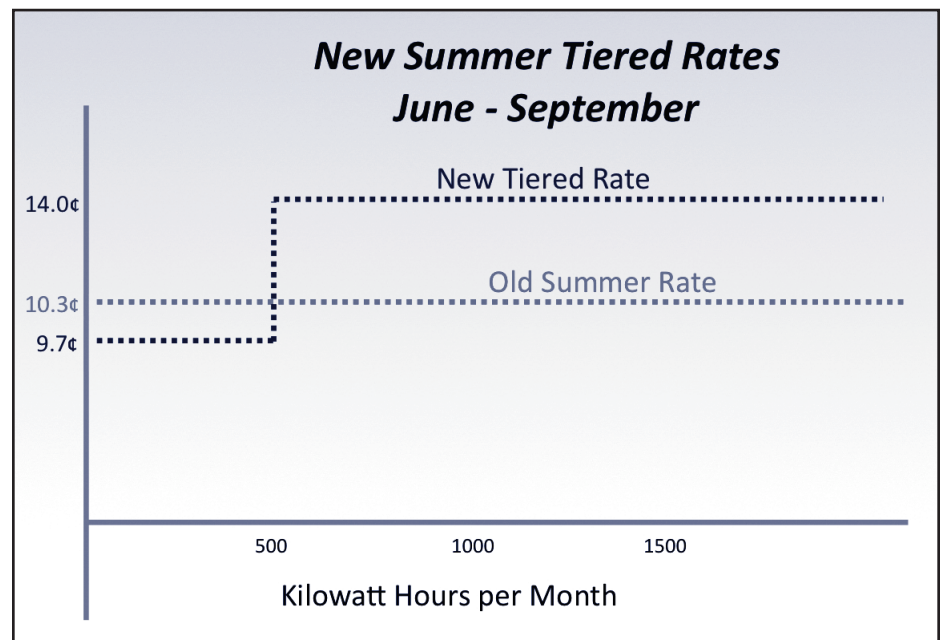
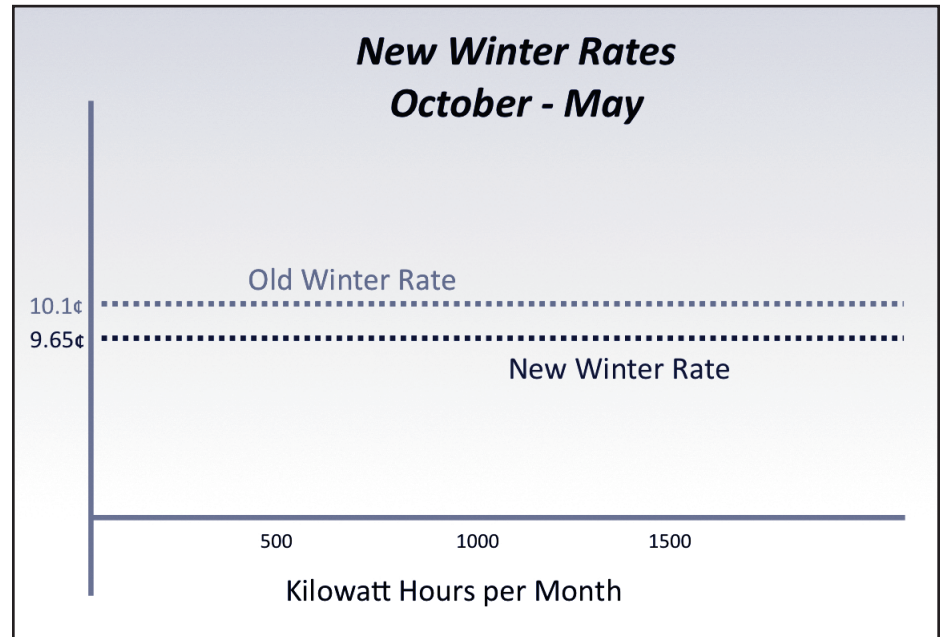
The price per kilowatt-hour (kwh) of electric usage drops to 4.6 cents for the months of October through May, to offset higher rates for usage above 500 kwh during the summer months. For customers who use an average of 687 kwh per month from June–September and an average of 605 kwh per month the rest of the year, their annual electric bills will be about 1.5 percent less they would have been under the previous non-tiered rate structure.

The Colorado Public Utilities Commission (PUC) adopted the tiered rate structure for Xcel Energy this year to more accurately reflect the actual costs of electric usage. Along with Colorado, at least 16 other states are using tiered-rate pricing.

"For years, Colorado's peak electricity demand has been rising, driven by the growth in air conditioning, large-screen televisions, computers and other electronic equipment," PUC Chairman **Ron Binz** said. "To serve our growing load, utilities must build new power plants, which are more costly than the existing plants. The plants built to handle summer peak needs are especially costly because they are needed only a few weeks during the year."

The new pricing structure is designed to promote efficient use of energy during the months when demand for electricity is highest. From June through September, customers pay a lower charge for the first 500 kwh usage in a month, and a higher rate for usage greater than 500 kwh. The other eight months of the year they pay a single, lower rate, regardless of usage.

"Consumers should think of the 500



kwh breakpoint as a proxy for each customer's share of the older, lower-cost baseload generation," Binz said. "Usage above that amount in the second tier can be thought of as a proxy for the added costs placed on the system by generating stations that are built to meet summer load."

Xcel Energy does not collect any additional revenue from tiered rates.

The higher, second-tier rates are balanced out by lower first-tier rates and lower non-summer rates.

Additional information about tiered rates is available on the PUC website, along with a video presentation made by Binz at a July 7 PUC forum about tiered rates. To view the information, visit <http://www.dora.state.co.us/puc>.

Utilities file emissions reduction plans

Hearings will be held this fall on plans submitted by Xcel Energy and Black Hills Energy to meet emissions reductions requirements under a new state law passed earlier this year.

The Clean Air-Clean Jobs Act, adopted by the legislature in April, requires the two utilities to develop plans to meet the current and reasonably foreseeable requirements of the federal Clean Air Act, including a 70–80 percent reduction in nitrogen oxide levels by 2017. The utilities filed their preferred plans with the Public Utilities Commission (PUC) on August 13.

Xcel Energy has proposed to retire 903 megawatts of coal generation by closing its Valmont plant by the end of 2017 and Cherokee plant by the end of 2022. The company said it would repower its Cherokee plant to run on natural gas and switch to natural gas generation at one of its Arapahoe units. In addition, Xcel said it would

install additional emission control technology at its Pawnee and Hayden power plants.

Xcel Energy said its plan would cost about \$1.3 billion to implement over the next 12 years. As part of the plan, Xcel Energy is proposing a new Emission Reduction Adjustment clause that would begin recovering costs associated with the plan on January 1, 2011.

The PUC has scheduled evidentiary hearings on the proposed plan beginning October 21 and continuing through November 3. A public comment hearing was to be held in Grand Junction on August 30, and another has been scheduled from 4–6 p.m. on Thursday, September 23, at the PUC in Denver.

Black Hills, which operates two coal generation units in Canon City, is proposing two options to meet the requirements of the emissions law. One option would be to convert both units

to burn woody biomass by the end of 2017. The other option would be to retire both coal units and replace them with natural gas fired generation.

Black Hills is asking the PUC to approve both alternatives and allow the company to choose between the two options at a later date, once it has been able to fully explore the feasibility and cost of the woody biomass option.

Hearings on the Black Hills plan are scheduled for November 19, 22, and 23 at the PUC, with a public comment hearing scheduled from 4–6 p.m. in Denver on November 22. The Commission must issue a decision on both Xcel Energy and Black Hills plans by December 15.

The full plans may be viewed online through the PUC E-filings system at https://www.dora.state.co.us/pls/efi/EFI_Search_UI.search by entering 10M-245E under the proceeding number for the Xcel plan and 10M-254E for the Black Hills plan.

Complaint group nets consumer savings

Efforts by the PUC's Consumer Assistance group put about half a million dollars back into consumers' pockets for the most recent fiscal year.

According to the section's annual consumer assistance summary, the section was responsible for securing a total of \$492,749 in credits and refunds from transportation and fixed utilities for ratepayers for the year ending June 30, 2010. That compares to \$522,899 saved the previous year.

The section fielded 8,564 calls for the fiscal year, a 53 percent increase from the previous year's 5,571. More than half of the calls were answered by staff without the need to refer to a utility or a transportation company.

In all, the consumer assistance staff addressed inquiries regarding 200 different telecommunications, gas, elec-

tric, water, and transportation companies in its efforts to resolve a wide variety of consumer concerns. The section took in 2,380 contacts and closed 2,414 for the fiscal year, compared with 3,336 contacts and 3,295 closed contacts a year ago.

A contact is a phone call, letter or email that requires some follow-up action from the consumer assistance staff. The number of contacts received and closed is not the same because a contact is not necessarily opened and closed within the same year.

For the fiscal year, the section closed 457 complaints concerning Qwest, a decrease from last year's total of 742. The PUC closed 904 complaints relating to Xcel Energy, a decrease compared to 1,196 contacts during the previous fiscal year.

When closing a contact, the staff determines the appropriate category. If the consumer files a general inquiry requiring follow-up by a specialist, the contact is closed as an "information" request. If the complaint is in opposition to a proposed rate increase or a utility's services or actions, it is counted as an "objection." When the staff determines that a utility has not complied with PUC rules or regulations, the complaint is closed as "not in compliance."

The section also handled 419 media contacts and issued 15 news releases for the fiscal year.

The complete 2009-10 Consumer Assistance Summary is available on the PUC website at <http://www.dora.state.co.us/puc/publications/ConsumerReports.htm>.

POSITIVE CHARGES

PUC Chairman **Ron Binz** is the incoming president of the Western Conference of Public Utilities Commissioners (WCPSC). The honor was bestowed at the group's 2010 conference in June at Ojai, Calif. The WCPSC is one of five regional affiliates of the National Association of Regulatory Utility Commissioners (NARUC), and includes utility commissioners from Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming, and Guam. Colorado will host the 2011 WCPSC conference next summer at the Brown Palace Hotel in Denver.

Congratulations to the following PUC employees who were recently recognized for their years of service to the state of Colorado:

- 5 years—**Julie Haugen, Cliff Hinson, Sandra Kahl, Susan Travis**
- 10 years—**Harry Di Dominico, Karl Kunzie, Bridget McGee-Stiles, Sharon Podein, Harriett Weisenthal**
- 15 years—**Doug Dean**
- 20 years—**Deborah Fajen, Elizabeth Hayes, Billy Kwan**
- 25 years—**Ken Kirkpatrick, Neil Langland, Steve Pott, Trudy Reinmuth, Terry Willert**

Welcome to new PUC employees **Abel Moreno**, a rate/financial analyst in the Energy Section; **Barb Anders, Judy Swinnerton, and John Scott**, rate/financial analysts in the Telecommunications Section; **Margie Schlaufman**, a consumer complaint specialist in the External Affairs section; and **Michelle Stoll and Larry Duran**, who are working in the Research and Emerging Issues section under funding from a federal recovery grant.



Abel Moreno



Barb Anders



Judy Swinnerton



John Scott



Margie Schlaufman



Michelle Stoll



Larry Duran

Customer service award winner chosen

Chris Lowe was selected by PUC co-workers to receive the 2010 Dom Hidalgo customer service award.

Lowe was one of three finalists chosen by a panel of PUC employees. The other finalists this year were **Harris Adams** and **Becky Quintana**.

Lowe is the PUC's fiscal officer, working with PUC management and Department of Regulatory Agencies staff in creation of the PUC's annual budget. She also tracks and approves expenditures for the PUC and oversees incoming revenues through the transaction of daily deposits. In addition, she is the staff "go-to" person for everything from building heating and cooling complaints to recycling questions.

"Chris maintains a positive attitude, always smiling, even when encountering a frustrated and confused colleague," wrote a co-worker in submitting her nomination. "When dealing with a negative or hostile situation, Chris keeps her cool and patiently works to help others understand how to proceed in the quagmire of regulations and official forms required."

The annual customer service award was established in 1998 to recognize the PUC employee who displays consistent and superior customer service throughout the year. The award is

named for former PUC employee Dom Hidalgo, who exemplified exceptional customer service for more than 35 years in the PUC's Transportation section before he died in 1997.

Nominees for the award must have worked at the PUC for a minimum of three years and exhibit consistent and sustained effort in: demonstrating patience and tolerance; maintaining a positive attitude; assisting other employees; promoting a spirit of cooperation with others; dealing effectively in difficult situations; identifying improvements in processes or procedures; and displaying innovation in problem solving.

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

"Chris is a great team player and joins in on tasks with a spirit of cooperation," according to her nomination. "She is always quick to volunteer to assist and follows through on any assignment with graciousness and skillful mastery."

Lowe received 8 hours of administrative leave along with an individual plaque, and her name will be engraved on a permanent plaque displayed in the reception area. Adams and



Chris Lowe

Quintana each received 4 hours of administrative leave and individual plaques.

PREVIOUS WINNERS

- 2009 **Trudy Reinmuth**
- 2008 **Terry Bote**
- 2007 **Deb Fajen**
- 2006 **Lloyd Petersen**
- 2005 **April Woods**
- 2004 **Suzette Scott**
- 2003 **Jonell Poley**
- 2002 **Michele Gronewold**
- 2001 **Marisela Chavez**
- 2000 **Frank Shafer**
- 1999 **Barbara Fernandez**
- 1998 **Joyce Reed**



Ellie Friedman

When **Ellie Friedman** tells people she works with REI, she is quick to point out that she doesn't sell kayaks and mountaineering equipment for the outdoor retailer. But given her adventurous professional career, such an assumption wouldn't be totally off the wall.

Friedman is a rate/financial analyst in the PUC's Research and Emerging Issues (REI) staff, working with commissioners and staff on utility issues that likely will be part of dockets in the future. But her path to the PUC took her from Denver to the Western

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Pacific, to Southeast Asia, and back to Denver again.

"I really like learning new things and working with people that I can learn from," said Friedman, who started at the Commission in 2004. "Work at the PUC has always been like that for me, which is great, but now that I'm in REI, I am getting to learn a whole new, and dynamic, world."

Along with work on ratemaking and energy efficiency issues, Friedman is helping create a centralized set of databases to track energy companies, energy generation, consumer prices, financial information and past Commission decisions that can be used as resources by Commissioners and staff as they perform analysis of issues that come before them.

Friedman holds a bachelor's degree in Journalism/Public Relations from the University of Colorado, a master's in International Management from the University of Denver, and a master's in Telecommunications from CU-Boulder.


After a stint in public relations with the Denver Symphony, Friedman moved to the Commonwealth of the

Northern Mariana Islands (CNMI) in the Western Pacific where she worked first as a volunteer teacher, and then for the CNMI government in economic development. Later, she took a job with Micronesian Telecommunications Corp., a subsidiary of GTE Hawaiian Tel.

In 1996, Friedman moved to Vietnam to help open a golf course. Two years later, she returned to the Denver area and worked at the Asian Development Center on a year-long grant for cancer screenings in the Denver Asian community. That was followed by a time as a consultant in telemedicine, working with the Colorado Rural Health Center.

Away from work, Friedman enjoys scuba diving, fitness, fiber arts, golf, and attending Rockies baseball games and CU football games. Her goals include winning the PUC football pool, but she admits it may not be an achievable goal.

(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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Binz new chair of national climate policy task force

Colorado Public Utilities Commission Chairman **Ron Binz** has been tapped to lead the National Association of Regulatory Utility Commissioners' (NARUC) Task Force on Climate Policy.

Chairman Binz replaces former Task Force leader Commissioner Rick Morgan of the District of Columbia, who stepped down but will remain as Vice Chair of the group. Chairman Binz was appointed to the post by NARUC President David Coen of Vermont.

The Task Force on Climate Policy, established in March 2007, directs the Association's advocacy and educational functions related to the federal debate on climate policy. The group has developed a series of policy resolutions, outreach materials, and educational programs geared at advancing NARUC's positions and understanding of the issues. A compilation of the Task Force's documents are available at: <http://www.naruc.org/committees.cfm?c=58#>.

"With the debate on climate policies in Washington becoming more complex

by the day, our Task Force on Climate Policy serves a crucial role in educating our membership on the latest proposals and initiatives," President Coen said. "It also gives us a platform for discussing and advancing our policy. I want to thank Chairman Binz for taking the reins of this Task Force at this critical time. He will bring an important consumer perspective to the group. He has big shoes to fill, though, and I want to thank Commissioner Morgan for his enthusiastic leadership of the Task Force. Since its inception, his tireless stewardship put this group on the map and served as an important voice for ratepayers, a voice that often gets lost in this debate."



Ron Binz

"I look forward to working with my NARUC colleagues on the single most important issue facing energy regulators, consumers, and utilities—climate policy," Chairman Binz said. "Under Rick Morgan's leadership, the Task Force was successful in helping NARUC develop its climate policy positions and effectively communicating these policies beyond our membership. I am honored to

lead the Task Force in pursuit of those same goals."

Chairman Binz was appointed to the Colorado PUC in January 2007. Prior to his appointment, he was President of Public Policy Consulting, specializing in policy and regulatory issues in the telecommunications and energy indus-

tries. His clients include consumer groups, State agencies, telecommunications carriers and business associations. Chairman Binz also directed the Colorado Office of Consumer Counsel from 1984-1995, the State's utility consumer advocate. His office represented residential, small business and agricultural utility consumers before the Colorado Public Utilities Commission, federal regulatory agencies and the courts.

Within NARUC, Chairman Binz serves on the Committees on Energy Resources and the Environment and International Relations. He also serves as President of the Western Conference of Public Service Commissioners.

Proposal would limit low-income energy bills

A non-profit energy assistance organization has asked the Colorado Public Utilities Commission (PUC) to adopt rules requiring utilities to provide special programs that would limit energy bills for low-income customers.

Energy Outreach Colorado (EOC) is proposing that electric and gas utilities with more than 50,000 customers be required to offer an "energy service affordability program (ESAP)" to qualifying low-income customers. Smaller utilities may adopt an ESAP conforming to the proposed rules, or may adopt an alternative ESAP program approved by the PUC.

According to the EOC petition, the objectives of the programs are: (1) to limit the amount that a qualified low-income utility household is required to pay each month for gas and electric service; (2) to reduce accumulated low-income customer bill arrearages and

thereby reduce the utility's collection and bad-debt expenses; and (3) to encourage low-income customers who participate in an ESAP to also participate in energy efficiency programs.

Under the proposal, electric bills for qualifying low-income customers would be limited to 4-6 percent of their annual household income, depending on their poverty level. Gas bills would be limited to 2-3 percent of annual income. Energy costs above those amounts would be spread among the rest of the utility's ratepayers. Program participants would be required to enroll in the utility's levelized budget billing program.

Low-income customers in an ESAP program also would see any pre-existing arrearages reduced to zero over a two-year period, if they kept up with current bills.

The EOC's proposal includes a phased-in implementation of the program. For the first two years, the utility would limit enrollment to no more than 50 percent of customers in its territory certified to be low income by Colorado's Low-Income Energy Assistance Program (LEAP). For years 3-6, the utility could enroll up to 100 percent of the LEAP-certified customers. After that, there is no limit on the number of eligible low-income customers who could participate in the ESAP.

The PUC has opened two miscellaneous dockets (10M-473E and 10M-475G) to take comments on the EOC's proposal. Initial comments are due by September 13, with reply comments due October 13. After reviewing the comments, if the PUC decides to proceed with rulemaking it expects to issue a rulemaking notice by December 1.

Qwest acquisition hearings set for November

The Colorado Public Utilities Commission (PUC) will conduct evidentiary hearings in November on CenturyLink's proposed acquisition of Qwest Communications International.

The hearings will be November 8-10 and 12 at PUC offices in Denver. A public comment hearing has been scheduled from 4-6 p.m. on Monday, November 8.

The two companies filed an application on May 27 requesting to transfer Qwest's local and long-distance operating subsidiaries to CenturyLink in a \$10.6 billion stock swap. The merger requires numerous federal and state regulatory approvals. A decision in Colorado is expected by the end of the year.

As of December 31, 2009, CenturyLink and Qwest served local markets in 37 states with approximately 5 million broadband customers, 17 million local access lines, 1.4 million video subscribers and 850,000 wireless customers. The companies overlap in 10 states, including Colorado.

Qwest, which acquired U S West in 2000, is the largest local phone provider in Colorado. CenturyLink, which acquired PTI Communications in 1997, is the second-largest provider, serving primarily rural exchanges. Most of the territory currently served by CenturyLink was obtained when U S West sold 45 exchanges in Colorado to PTI in 1994.

The combined company will remain the third largest telecommunications company in the country, behind AT&T and Verizon. The name that the new company will operate under is expected to be announced closer to the closing date.

The combined company will be based at CenturyLink's headquarters in Monroe, LA., and employ roughly 50,000 workers. Although Qwest's corporate headquarters in Denver will close, the company's business markets division, which accounts for about a third of Qwest's \$12 billion in annual revenues, will be based in Denver, according to the merger announcement.

Judge grants PUC injunction against Aspen taxi service

A Pitkin County District Court judge has ordered an Aspen man to cease operation as a motor vehicle carrier unless he obtains authority from the Public Utilities Commission (PUC).

Judge Gail H. Nichols on July 16 granted an injunction sought by the PUC against Philip Sullivan for operating an illegal taxi service in Aspen. Sullivan operated a service in which

he transported passengers around Aspen in return for tips.

"The Commission has established that Mr. Sullivan has repeatedly violated the legal requirements in Colorado that he not operate a taxi service without a Certificate of Public Convenience and Necessity (CPCN) or a certificate of insurance on file with the Commission," the judge wrote in granting the PUC's

motion for summary judgment.

In 2006, the PUC ruled in a civil penalty proceeding that Sullivan was operating as a motor vehicle carrier for transportation of passengers on public highways in intrastate commerce without a CPCN and without commercial liability insurance coverage. The PUC issued a civil penalty against Sullivan in the amount

(Continued on page 4)

Xcel service quality plan bill credits total half million for 2009

Xcel Energy was expected to issue bill credits of \$500,033 to customers in Colorado for missing electric service quality standards in 2009.

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 was extended through 2012, provides for bill credits of up to a possible \$11 million annually depending on how the company performs in reliability and other categories.

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 2009 results reported this spring, Xcel Energy achieved the reliability standard in seven of the nine regions, including Denver, Boulder, Greeley, High Plains, Mountain, Northern, and San Luis Valley. The company exceeded the allowable outage minutes for the Front Range region, which includes Evergreen and other foothills communities, and was required to refund \$126,083, or about \$7.50 per customer.

Xcel received a warning for the Western region and will be subject to bill credits next summer if it fails to meet the target for that region again in 2010.

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

For 2009, the company had 6,773 customers, up from 3,787 a year ago, who experienced five or more sustained outages, for a total credit of \$338,650. It also reported 706 customers, up from 274 in 2009, experiencing outages of 24 hours or more, for a total credit of \$35,300.

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 the thresholds are exceeded. For 2009, Xcel Energy met the standards in both categories.

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.

Xcel seeks ownership of two Calpine power plants

The Colorado Public Utilities Commission (PUC) will conduct hearings September 20–22 in Denver on a proposal by Xcel Energy to acquire ownership of two existing independent electric generation facilities for \$739 million.

Xcel Energy is seeking to acquire the limited liability companies that own the Rocky Mountain Energy Generation Center in Keenesburg and the Blue Spruce Energy Center in Aurora. Both companies ultimately are owned by Calpine Corp.

The two natural-gas fired power plants have a combined winter

capacity of 962 megawatts (652 for Rocky Mountain and 310 for Blue Spruce) and a summer capacity of 264 megawatts (581 for Rocky Mountain and 264 for Blue Spruce).

The PUC in 2009 approved Xcel Energy's Electric Resource Plan (ERP) and directed the company to pursue the acquisition of the resources outlined in the preferred portfolio. That portfolio included the acquisition of the two Calpine generating stations. The proposed transfer of ownership represents about half of the megawatts included in the preferred portfolio of the 2007 ERP. The rest of the proposed

resources were renewable energy resources.

The transfer was originally bid to Xcel to take place at the end of the terms of the existing purchased power agreements for these facilities (2013 for Blue Spruce and 2014 for Rocky Mountain). However, Xcel said it has accelerated its acquisition schedule to take advantage of the lower cost of capital in the current economy.

Xcel Energy also is requesting that, if the transfer is approved, that the PUC allow recovery of the costs of acquiring and owning this generation during the interim period between

the transaction's closing and the company's next electric rate case. Those costs would be recovered through the Purchased Capacity Cost Adjustment.

Several parties have intervened in the application, including PUC staff, the Office of Consumer Counsel, the Colorado Independent Energy Association, Climax Molybdenum and CF&I Steel.

A PUC decision on the application is expected by the end of October. Xcel Energy has stated that it wants to complete the acquisition by December 1.

Black Hills gas rates change

Black Hills/Colorado Electric Utility Company implemented new rates in August as a result of a settlement in the company's electric rate case.

The Public Utilities Commission (PUC) approved without modification an agreement reached between the company, PUC staff and the Office of Consumer Counsel granting Black Hills a \$17.9 million increase in annual revenues. The company originally had sought a \$23 million increase.

Under the settlement, monthly bills for a typical residential customer went up about \$7.90 cents per month, or 9.65 percent. For small business customers, monthly bills increased on average about \$26.38 per month. Black Hills serves more than 90,000 customers in 21 Colorado communities, including Pueblo, Canon City, Florence and Rocky Ford.

The agreement also set a 10.5 percent rate of return on equity for

Black Hills' electric operations, less than its previously authorized 10.75 percent. The company had sought an 11.8 ROE in its original application. The return on equity is the profit that a utility is authorized to earn, but it is not guaranteed.

The new rates cover increased operating costs and additional plant in service since the company's last electric rate change in 2004. They do not include the costs of additional generation being acquired by Black Hills to replace a purchased power agreement with Xcel Energy that expires at the end of 2011. The company said it anticipates filing another rate case in 18 months in order to recover costs from the construction of its new gas-fired generation facility in Pueblo.

Prior to the most recent change, the company's last increase in base rates came in 2004 when the PUC approved a negotiated settlement that increased electric rates by 2.23 percent.

SourceGas asks to raise rates

SourceGas Distribution LLC has filed a request with the Colorado Public Utilities Commission (PUC) to raise its rates by \$6.04 million per year to offset increased costs to deliver natural gas.

The PUC in July suspended the proposed rate hike pending hearings expected to take place later this year.

SourceGas serves about 93,000 natural gas customers across Colorado, including the towns of Aspen, Delta, Glenwood Springs, Julesburg, La Junta, Montrose, Ouray, Telluride, Wray and Yuma. The company was last granted a base rate increase in 2008.

Under the proposed rates, residential customers in Base Rate Area I, which includes the Western Slope and the Front Range north of Denver, would see an average monthly bill increase of approximately \$5.30, or 5.23 percent; and small commercial customers would see an average monthly bill increase of approximately

\$8.09, or 5.20 percent. Residential customers in Base Rate Area 2, which includes northeast Colorado, the La Junta area and the Pagosa Springs and Bayfield areas, would see an average monthly bill increase of approximately \$1.75, or 2.58 percent; and small commercial customers would see an average impact of approximately \$2.69, or 2.38 percent.

The base rate component of a monthly bill includes a fixed monthly customer charge and a volumetric charge, which varies from month to month depending on the amount of gas used. The base rates cover costs for infrastructure, equipment, labor, materials, meter reading and billing.

The increase does not affect the largest portion of the bill, the natural gas commodity costs, which are based on market prices and account for 65 to 75 percent of the total monthly bill.

A PUC decision on the proposed rate increase is expected by next February.

Judge denies Mile High taxi request

The Public Utilities Commission (PUC) is expected to consider this month exceptions to a recommended decision denying an application by Mile High Cab, Inc. to start a new taxi company in the Denver metro area.

A PUC administrative law judge, in a decision issued on July 20, found that granting Mile High's application "would significantly harm incumbent taxicab providers economically and impede the ability of those carriers to provide safe, economical and efficient service."

In its application, Mile High had sought authority to run up to 150 taxis in service within the counties of Adams, Arapahoe, Denver, Douglas, and Jefferson. Currently, the Denver metro area is served by Yellow, Metro, Freedom and Union cab companies.

Under current law, taxi companies wanting to serve counties with populations of 70,000 or more must show that they are financially and opera-

tionally fit. The burden of proof then shifts to anyone opposing the application to prove that granting such an application would be a detriment to the public interest.

The administrative law judge found that while Mile High met its burden in showing that it had the financial and managerial resources to operate a taxi company, opponents of the application successfully rebutted the presumption of public need for an additional cab company in the Denver metro area.

"The addition of Mile High's 150 cabs likely will cause an oversupply of the market and result in inefficiencies such as reduced customer service, inadequate vehicles, lower driver net income, as well as a re-concentration of the market if smaller or newer firms exit due to insufficient income and reserve capital to sustain them," the judge wrote.

Mile High filed exceptions to the judge's recommended decision in August.

Judge grants PUC injunction

(Continued from page 3)

of \$12,100, which has not been paid.

In 2009, after finding Sullivan continuing to operate in violation of Commission rules and Colorado law, the PUC issued a cease and desist order against Sullivan. When Sullivan ignored the cease and desist order, the PUC sought the injunction in district court.

"(Sullivan's) continued operation as a motor vehicle carrier without complying with the Commission rules that promote safety of operation creates a danger of real, immediate and irreparable injury to passengers who may unknowingly obtain a ride from an unregulated taxi service and to members of the public who could be affected in the event of an accident," the court said.

If Sullivan continues to operate in violation of the injunction, he could face criminal charges.

