

## STARTING POINT



By Doug Dean  
Director

The PUC's E-Filings team earned much-deserved recognition in this year's department-wide awards program, capturing the Executive Director's Teamwork Award. The award is presented to a group of DORA employees or a

team demonstrating outstanding initiative and creativity, greater efficiency and effectiveness, cost savings/avoidance or furthering DORA's mission of consumer protections. Congratulations to team members Ron Jack, Becky Quintana, Alison Torvik, Harris Adams, Sandra Kahl, and Pam Fischhaber.

The E-filings system has proven widely successful since its implementation about 18 months ago. The system provides for the electronic filing of documents, and electronic access to all PUC docketed material, including decisions. It also includes a subscription feature for receiving Commission notices.

As of last month, the E-filings system had 2,700 registered filers, and well more than 500 electronic filings a month were being processed at the PUC. Electronic filings have been made from every county in Colorado, along with 40 of the 50 U.S. states, as utilities and their representatives embrace the new electronic procedures. The PUC E-filings system is also beginning to generate interest outside of Colorado, as other states inquire about its use.

The advantages of the new system are obvious—it reduces paperwork, cuts costs and is much more convenient both for filers and for anyone else wishing to access information about PUC proceedings. Regardless of geographic location, interested parties have easy access to timely information regarding all PUC proceedings.

The PUC reduced its postage costs by about \$29,000 last fiscal year, almost half of the previous year, as a result of the E-filing system. And printing costs were reduced by more than a fourth. The PUC file room, which once contained about 200,000 documents in boxes and filing cabinets, is virtually empty. Regulated utilities also are seeing considerable savings as they are no longer required to produce multiple copies of filings, which sometimes can include hundreds and even thousands of pages.

We encourage utilities and anyone else interested in PUC proceedings to continue to take advantage of the E-filings system. Individuals must be a registered user to make filings through the E-filings system. To register, go to <https://www.dora.state.co.us/pls/efi/EFI.homepage>, then click on the "Filer Registration" button and follow the instructions. It is not necessary to register to view PUC documents—simply use the "search" function from the E-filings home page.

## Task force on transmission convenes

*Created by legislature, panel seeks to improve permit, siting process*

A task force created by the legislature to examine ways to streamline the process for approving electric transmission facilities in the state has convened its work.

The task force conducted its first meeting at the Public Utilities Commission (PUC) on August 18. By statute, the group will meet at least four times before issuing a report and recommendations to the governor and the legislature by December 1 of this year.

Senate Bill 11-045 was approved by the legislature earlier this year. The law recognized that the development of new electric transmission facilities is necessary to promote the development of additional clean and renewable electric generation resources, Colorado's energy security, and the state's long-term economic growth.

"Because electric transmission facilities often traverse multiple jurisdictions, compliance with multiple requirements creates the potential for permitting delays or inconsistent decisions," the statute reads. "It is, therefore, in the state's interest to consider opportunities to improve existing siting and permitting processes applicable to electric transmission facilities, including the possibility of a single, statewide siting and permitting process for such facilities."

The law created a 17-member task



The transmission task force, created by the legislature this spring, held its first meeting August 18 at the Public Utilities Commission. The panel is tasked with developing recommendations to streamline the permitting and siting process for electric transmission projects. The task force must issue a report to lawmakers by December 1.

force, facilitated by the PUC, to study electric transmission siting issues. The members represent electric utilities and other electric power providers, customers, agricultural interests, landowners, and state and local governments.

The task force specifically will take comments on the following topics:

- An inventory and evaluation of Colorado's current siting and permitting framework for electric transmission facilities, including its benefits and shortcomings;
- Research into examples of how other states approach siting and permitting of electric transmission facilities;
- Identification of possible models for improving Colorado's existing siting

and permitting processes applicable to electric transmission facilities;

- Recommended actions to streamline siting and permitting processes applicable to electric transmission facilities, including a balancing of environmental, land use, and community effects with transmission project costs and schedule risks;
- An examination of the advantages and disadvantages of a statewide transmission siting and permitting framework for electric transmission facilities; and
- An examination of the political acceptability of, and potential strategies for, creating a state-level siting entity.

## Rules proposed for tiered-rate medical opt-out

The Colorado Public Utilities Commission (PUC) is soliciting comment on proposed rules relating to medical exemptions from tiered electric rates.

The PUC in late August issued proposed rules establishing a comment and hearing schedule for later this fall. The Commission expects to complete the proceeding before next summer.

The General Assembly in 2011 approved a law that allows the PUC to consider creating an exemption from tiered rates "based on a customer's medical condition or use of an essential life support device." The statute does not call for a subsidy, or reduced rates, for customers with medical conditions, but only contemplates an alternative to tiered rates.

The proposed rules would require electric utilities to file a tariff with a rate for persons who qualify for and request an alternative to tiered rates based on medical qualifications. Customers who qualify for the medical exemption rate would not be precluded from participating in any low-income program offered by the utility.

The PUC is seeking comment on a number of issues related to the proposed rules, including:

- What should be included in the definitions of a "qualifying medical condition" and "essential life support device" for purposes of permitting an exemption from tiered rates?
- For each potential definition, how many customers would likely be

eligible for a medical exemption from tiered rates?

- Who determines eligibility for medical exemptions and what evidence should be required?
- What is the most effective and efficient method for demonstrating a customer's eligibility for exemption from tiered rates?
- What is an appropriate definition of "exemption" used in the statute?

The PUC is requesting that written comments addressing the proposed rules/questions be submitted by September 23, with reply comments due by October 7. A hearing on the proposed rules is scheduled for Friday, October 21, at the PUC offices in Denver.

## New Xcel gas rates take effect in September

Xcel Energy was expected to implement new natural gas base rates in September as a result of a settlement reached this spring on a rate hike proposal.

The Colorado Public Utilities Commission (PUC) in August affirmed a recommended decision granting the settlement, reached in May by parties in the case. The new rates were to go into effect on September 5.

The settlement called for a \$10.9 million annual increase in Xcel Energy's

gas base rates, lowered from the \$25.6 million rate hike the company sought in its initial filing last December. The new rates are expected to increase natural gas bills for residential customers by about 72-cents a month, based on average monthly usage of 68 therms. Monthly bills for small business customers will go up about \$2.76 a month, based on use of 291 therms.

The increase is intended to recover investments and expenses in Xcel's gas distribution system that have occurred

since the company's last rate increase in 2006. It also will pay for investments, operating and maintenance costs for pipeline system integrity programs throughout the state.

The PUC also approved a new rider on Xcel customer bills beginning in January, 2012, to provide expedited recovery of additional costs for pipeline safety improvements outside of routine capital expenditures and maintenance. This incremental charge, called the

(Continued on page 3)

# Complaint section secures savings for consumers

The Public Utilities Commission's (PUC) Consumer Assistance group secured \$302,577 in credits and refunds on behalf of utility customers during the past fiscal year, according to the section's annual consumer assistance summary.

The section works to resolve disputes between customers and utilities, including transportation companies. For the year ending June 30, the section fielded 8,554 calls, nearly identical to the 8,564 calls in the previous fiscal year. More than half of the calls were answered by staff without the need to refer to a utility or a transportation company.

April Woods is the supervisor of the section. Deb Fajen, Gladys Rey, and Margie Schlaufman are PUC complaint specialists.

In all, the consumer assistance staff addressed inquiries regarding 231 different telecommunications, gas, electric, water and transportation companies in its efforts to resolve a wide variety of consumer concerns. The section took in 2,444 contacts and closed 2,507 for the fiscal year, compared with 2,380 contacts and 2,414 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 most recent fiscal year, the section closed 469 complaints concerning Qwest, a slight increase from last year's total of 457. The PUC closed 775 complaints relating to Xcel Energy, a decrease compared to 904 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 opposi-

tion to a proposed rate increase of 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 545 media contacts and issued 10 news releases for the fiscal year.

The complete 2010-11 Consumer Assistance Summary is available on the PUC website at: <http://www.dora.state.co.us/puc/publications/ConsumerReports.htm>.

## INSIDE CONNECTIONS

Whether it's a complex economic analysis or a gourmet meal, Ron Davis is the person to see for advice.

On September 1, Ron became Chief of the PUC's Advisory Section, which provides technical and policy advice to the Commissioners and Administrative Law Judges. The advisors also help the Commissioners manage their cases and adopt decisions.

"I love the variety of the work and the continual flow of interesting matters that come before the PUC," he said. "I really enjoy my colleagues on the advisory team. Working with the Commissioners also has been especially satisfying."

Ron has been with the PUC since July of 2005. He worked in the Economics unit of the Energy Section for 4½ years, testifying on issues surrounding electric resource planning and energy rate cases.

Prior to joining the PUC, he worked at KEMA Management Consulting with utility and non-utility clients in the

electric and natural gas industries. His professional experience also includes stints at E Source/Financial Times Energy, Commonwealth Energy System (soon to be part of Northeast Utilities), and Hagler Bailly Consulting.

Ron holds bachelor's degrees in Economics and French and a master's in Economics from the University of Colorado. He also studied abroad a year in Bordeaux, France, where his appreciation for French, Italian, and Spanish food deepened.

"My dad taught me how to cook, and I've grown into a total food nut," he said. "So I spend most of my fun time in my kitchen or in the dining rooms of friends and family, or occasionally traveling to places with exceptional cuisine."

Picnics in City Park during the Sunday night jazz concerts are another of Ron's personal favorites, as are cross-country skiing and spending time with his niece Ellie.

"I love Paris, so maybe I'll work



Ron Davis

there for the International Energy Agency at some point," he says. "But I'd be content with making a pie crust as good as my mom's."

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

## POSITIVE CHARGES

Congratulations to the following PUC employees for their years of service to the state of Colorado:

5 years—Steven Brown, Eugene Camp, Anthony Cummings, Ron Davis, William Harris, Fred Johnson, Richard Mignogna, Lynn Notarianni, Gladys Rey, William Schlitter

10 years—Ted Barrett, Joe Benedetto, Paul Caldara, Pam Fischhaber, Cheryl Fisher, Paul Gomez, Joseph Molloy, Pat Parker, Raenette Rodriguez

15 years—Bob Bergman, Larry Herold, Becky Quintana

20 years—Donna Acierno

25 years—Gary Gramlick

Welcome to new PUC employees Joel Hendrickson, a general professional in the Advisory Section; Vanessa Condra, Gabe Dusenbury, and Cathy Lopez, rate/financial analysts in the Transportation Section; Michelle Franca, a rate/financial analyst in the Economics, Energy and Water Section; Rebecca Romero, an assistant in the Administrative Support Energy/Rail Section; and Rachel Ackermann, a rate/financial analyst in Energy section. Also, Rebecca Johnson has returned to the Research and Emerging Issues Section.

Joel Hendrickson



Vanessa Condra



Gabe Dusenbury



Cathy Lopez



Michelle Franca



Rebecca Romero



Rachel Ackermann



## Xcel pays for service quality misses in 2010

Xcel Energy was expected to issue bill credits of \$862,932 to Colorado customers for missing electric service quality standards in 2010.

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 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 2010 results reported in April, Xcel Energy achieved the reliability standard in eight of the nine regions, including Denver, Boulder, Front Range, Greeley, High Plains, Mountain, Northern, and San Luis Valley. The

company exceeded the allowable outage minutes for the Western region for the second straight year, and was required to refund \$348,982, or about \$7.89 per customer.

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, Boulder, Northern, and Western.

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 2010, the company had 10,254 customers, compared to 6,773 a year ago, who experienced five or more sustained outages, for a total credit of \$512,700. It also reported 25 customers, down from 706 in 2009, experiencing outages of 24 hours or more, for a total credit of \$1,250.

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 2010, 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.



From left, Commissioner Jim Tarpey, 2011 President of the Western Conference of Public Service Commissioners, Colorado Gov. John Hickenlooper, and PUC Chairman Joshua Epel welcome attendees to the 2011 WCPSC conference at the Brown Palace in June. About 250 utility commissioners, staff, utility representatives and industry officials from the West convened for four days to discuss current issues and challenges facing utility regulators.

# Black Hills rate request heads to hearing this fall

Evidentiary hearings are scheduled this fall on a proposal by Black Hills Energy/Colorado Electric to increase its annual electric revenues by \$40.2 million, or 18.8 percent.

The Colorado Public Utilities Commission (PUC) will hold formal hearings beginning October 31 and continuing November 1 and November 7-9 in Denver. A public hearing was held August 30 in Pueblo.

Black Hills is seeking to recover the costs of two new natural gas-fired turbines at Pueblo, along with associated infrastructure and other utility expenses. The company is asking that new rates be implemented on January 1, 2012, the projected commercial oper-

ations date of the new Pueblo Airport Generation Station.

If approved, the proposal would increase rates for typical residential customers, using an average of 600 kilowatt-hours (kWh) of electricity a month, by about \$18.96 per month. Small commercial customers, using 2,300 kWh, would see an increase of \$67.20 per month. Hearings on the proposal are expected to be held later this summer.

Black Hills Energy/Colorado Electric serves about 93,300 customers in 21 Colorado communities, including Pueblo, Canon City, Florence, and Rocky Ford.

The proposed rate hike covers costs

associated with the additional generation being built or acquired by Black Hills to replace a purchased power agreement with Xcel Energy that expires at the end of 2011. That purchased power agreement supplied about 75 percent of the company's electricity needs.

Additionally, the company is seeking to recover investments for system reliability and customer growth, including a meter replacement program using Advanced Metering Infrastructure technology.

The company is asking for an 11 percent return on equity, 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.

Black Hills' last electric base rate change came in August of 2010, when the company received a \$17.9 million increase in annual revenues.

Customers who wish to submit written comments about the rate proposal may send them to the PUC at:

- 1560 Broadway, Suite 250  
Denver, CO 80202  
Attn: Docket No. 11AL-387E;
- or send them by email to:  
• [pucconsumer.complaints@dora.state.co.us](mailto:pucconsumer.complaints@dora.state.co.us);
- or use the on-line comment form at:  
• <http://www.dora.state.co.us/puc/consumer/ConsumerComment.htm>.

## PUC approves Black Hills wind farm settlement

The Colorado Public Utilities Commission (PUC) has approved a settlement that will allow Black Hills/Colorado Electric Utility Company to develop, construct and own 50 percent of a new wind facility to be located east of Walsenburg in Huerfano County.

In deliberations on August 8, the PUC accepted without modification an agreement reached by most of the parties in the case. The approval allows Black Hills to move ahead timely with the project in order to maintain eligibility for a 30 percent federal cash grant applicable to the wind turbines included in the proposed wind facility.

The proposed 29-megawatt wind farm would consist of 16 wind turbines and associated equipment, and would be located to take advantage of the area's abundant wind resources and access to the company's transmission

system. The total cost of the project is estimated to be approximately \$53 million.

The settlement agreement imposes a \$26.5 million cost cap on Black Hill's half of the facility. It also requires Black Hills to seek competitive bids through an RFP process for an investor/developer to acquire the other 50 percent interest in the facility, along with a renewable energy purchase agreement.

The proposal is the first application to come before the PUC under the statutory requirement for the Commission to adopt incentives for qualifying retail utilities to develop and own, as utility rate-based property, eligible energy resources.

The Renewable Energy Standards (RES) statute allows utilities to develop and own, without competitive bidding, up to 50 percent of total new renewable

energy resources acquired after March 27, 2007 if the (1) resource can be constructed at reasonable cost compared to the cost of similar eligible energy resources available in the market, and (2) the proposal would provide significant economic development, employment, energy security or other benefits to the State of Colorado.

Black Hills provides electric service to 21 communities in Colorado with approximately 93,000 customers. The largest communities served include Pueblo, Canon City and Rock Ford. The company currently does not own any renewable energy resources, and estimates that it will need to acquire 30 megawatts of wind in each of 2012, 2014, 2016, and 2018 as part of its efforts to meet a 30 percent renewable energy standard by 2020.

As part of the settlement, Black Hills agreed that any wind resources

approved in its next resource plan to be in-service in 2013 or 2014 would be acquired by competitive solicitation, even if they were eligible for acquisition without competitive bidding.

## Hearing on Pawnee emission curbs set for October at PUC

Hearings are scheduled October 17-19 on Xcel Energy's request for a Certificate of Public Convenience and Necessity (CPCN) to install emissions control equipment at its Pawnee generating station.

The emissions control project is part of a broad emissions reduction plan approved by the Public Utilities Commission (PUC) for Xcel as part of the Clean Air-Clean Jobs legislation passed in 2010. The Colorado Air Quality Control Commission also approved Pawnee emissions controls and incorporated them as part of Colorado's Regional Haze State Implementation Plan, which is awaiting approval by the Environmental Protection Agency.

In its Clean Air-Clean Jobs decision, the PUC found that an "abbreviated filing" for a CPCN was appropriate "because the need for (Pawnee) controls has already been established." In a ruling on the scope of the CPCN proceeding, an administrative law judge said parties may not reopen the issues of whether the emissions controls are needed, or whether the company should take alternative measures to meet emissions reduction requirements.

The Commission approved installation and operation of lime spray dryer (LSD)-type scrubbers to control sulfur dioxide emissions, selective catalytic reduction (SCR)-type scrubbers to control nitrogen oxide emissions, and a sorbent injection system for mercury controls at the Pawnee station.

"This (CPCN) proceeding will be limited to consideration of detailed cost estimates for these technologies to achieve approved emissions reductions, project schedules, and other details of the project," the judge ruled.

Pawnee is a 505-megawatt coal-fired electric generation facility near Brush that began operation in 1981 and is expected to run through 2041. The plant is the largest unit under consideration for emissions reductions and would have the most impact on overall emissions, the company said.

Xcel estimates the cost for the Pawnee project will be about \$238.6 million, and the emissions controls are expected to be in place beginning in 2014.

## November hearing set for Xcel renewable plan

The Colorado Public Utilities Commission (PUC) will hold hearings November 7, 9-10 concerning Xcel Energy's 2012 Renewable Energy Standard (RES) Compliance Plan.

The plan outlines how the company proposes to meet the requirements of Colorado's renewable energy standard law for 2012 and 2013. A 2010 bill passed by the legislature increased the state's renewable energy requirement to 30 percent by 2020, and replaced a solar-specific standard with a distributed generation standard, in which utilities are required to acquire distributed generation that equates to 3 percent of retail sales by 2020.

In its application, Xcel said it is not planning to acquire under its 2012 RES Compliance Plan any new eligible energy resources other than the on-site solar resources through the

company's Solar\*Rewards program and solar garden resources through the company's new Solar\*Rewards Community program. All other acquisitions of eligible energy resources will be deferred to Xcel's next Electric Resource Plan, which is scheduled to be filed by October 31.

Xcel is proposing to complete the solar acquisitions contemplated by a settlement approved earlier this year after the company had suspended its solar incentive program, and then offer similarly designed programs to acquire additional solar facilities going forward. The company is recommending a plan that would target an additional 36 megawatts per year of on-site solar acquisitions, including 6 megawatts of solar gardens.

Although the statute limits the retail rate impact of the RES requirements to 2 percent, it allows utilities to advance

funds from year to year to augment the amount collected from retail customers for the acquisition of more renewable resources. The Renewable Energy Standard Adjustment (RESA) account currently has a sizeable negative balance as a result of this "borrowing forward." Xcel's proposed compliance plan addresses the negative balance and provides for its elimination by 2017.

Xcel also is seeking approval of its standard offers, bill credit methodologies and tariff terms for solar garden subscribers, so that once the PUC rule-making is complete the company can launch its Solar\*Rewards Community program.

The company also is proposing that no change be made to the 2012 Windsource premium.

A PUC decision on the application is expected by the end of the year.

## New Xcel gas rates

(Continued from page 1)

Pipeline System Integrity Adjustment (PSIA), will pay for additional cost burdens imposed by new federally-mandated gas pipeline safety rules.

The PUC, however, ordered that the new rider expire at the end of three years. If the company wants to continue it after 2014, it will have to file a new application demonstrating continued need for the PSIA.

The settlement provides for a return on equity of 10.10 percent, down from the 10.9 percent

requested by the company.

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.

Base rates are separate from the rates for the gas commodity itself, which are passed on to customers on a dollar-for-dollar basis through a separate quarterly charge, called the gas cost adjustment. Gas commodity charges account for 65-75 percent of the total monthly bill.



**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 declines to add more taxis to metro Denver

The Public Utilities Commission (PUC) has declined to increase the number of taxis in the Denver metro area, reiterating a previous decision that the market is at or close to saturation.

The PUC in late June reversed a recommended decision granting applications by Denver Yellow Cab and Liberty Taxi to expand taxi service in the Denver metro area by 300 vehicles.

An administrative law judge in March had recommended granting Yellow Cab's request to increase its fleet from 300 to 450 vehicles, and approving

150 vehicles for start-up Liberty Taxi.

However, on exceptions, the PUC denied the requests, citing similar concerns to those it expressed in a decision last year denying an application from Mile High Cabs. In that case, the PUC ruled that evidence indicated that the number of taxicabs serving the Denver metro area taxi market was already at or above capacity.

"We find, as we have previously, that the addition of undifferentiated taxicab services into the market that is either oversupplied or is close to oversupply, is

not required by the public convenience and necessity and would be detrimental to the public interest," the PUC ruled in denying the Yellow Cab request.

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

In Liberty's case, the PUC reversed the ALJ's finding that the company was financially and operationally fit. The PUC said the company failed to show that it had sufficient capital to implement its business plan.

In Yellow's case, the PUC said it was persuaded by Metro Taxi's testimony and evidence that another 150 undifferentiated cabs would be a detriment to a market that was already at capacity.

The PUC in 2009 increased the number of taxis in the Denver metro area by 34 percent when it granted applications by Union Taxi and Freedom Cabs.

"We also find it prudent to conduct further studies on the current conditions in the Denver metropolitan area taxicab market and the effects on such market after the entry of Union Taxi and the expansion of Freedom Cabs," the PUC said. "As a matter of public policy, the Commission should approach market capacity from below since it is difficult, if not impossible, for the Commission to trim excess capacity through regulatory means."

The PUC also upheld a recommendation by the administrative law judge dismissing a third application, by start-up Denver Cab Cooperative, for failure to meet its burden to show that it was financially fit.

## Company seeking to provide competitive E9-1-1 services

NextGen Communications has asked the Public Utilities Commission (PUC) to grant it authority to operate as a basic emergency service provider (BESP) in the state of Colorado.

Certification as a BESP would allow NextGen to provide competitive basic emergency and "next generation" E9-1-1 routing and database services to providers of local exchange services in Colorado.

The PUC has scheduled a hearing on NextGen's application beginning on November 29 and continuing through December 2. A decision on the application is expected by the end of February.

NextGen is a wholly-owned subsidiary of Telecommunications Systems, Inc. (TCS), which has been providing 9-1-1 services to wireless carriers, fixed-line providers and Voice Over Internet Protocol (VoIP) across the nation for the past 14 years.

In its application, NextGen said it

"intends to provide E9-1-1 service solutions that will benefit the end use customers of mobile and landline telecommunications services, as well as VoIP service providers, the public safety community, law enforcement, emergency service providers, businesses and consumers who rely on E9-1-1 in Colorado."

A number of regional and county emergency communications authorities, including those in Adams, Arapahoe, Boulder, Douglas, Jefferson, and El Paso counties, have intervened in the case, to ensure that public safety is not compromised and that all public safety-related issues are fully considered. Other intervenors include Qwest Corporation, Intrado Communications, Inc., Level 3 Communications, Viaero Wireless, PUC staff, and the Office of Consumer Counsel.

An administrative law judge will hear the case and issue a recommended decision.

## Transportation rules modified to reflect changes in statutes

New transportation rules implementing two bills enacted by the Colorado legislature this year became effective on August 10.

The Colorado Public Utilities Commission (PUC) adopted emergency rules on August 9 that will remain in place for 210 days, or until permanent rules become effective, whichever period is shorter. Emergency rules were necessary to ensure that there was no lapse of regulations as a result of the statutory changes.

The new rules implement Senate Bill 11-180, which amended the authority of taxicabs to pick up passengers outside of their assigned geographic areas, and House Bill 11-1198, which reorganized the statutes governing motor carriers and made changes to regulatory authority granted to the PUC.

SB 11-180 permitted taxis operating in Colorado to pick up passengers at any point in the state when the taxi has dropped off passengers in close proximity to that point, except if that drop-off point is an airport. In the emergency rules, the PUC defined "close proximity" as within a 1-mile radius of the drop-off point, and within 20 minutes of the drop-off time.

HB 11-1198 repealed Articles 10, 11, 13, 14, and 16 of Title 40 of the Colorado Revised Statutes and created a new Article 10.1 in Title 40, organized into five parts covering the various types of transportation providers and services. In addition to reorganizing the statutes, the new law made certain substantive changes requiring emergency rule implementation, including:

- Clarifying the services authorized under a children's activity bus permit;
- Transferring all safety jurisdiction over household goods movers from the PUC to the Colorado Department of Public Safety;
- Standardizing provisions relating to the conduct of fingerprint-based criminal history record checks, both on initial issuance and resubmission, as a condition of continued qualification to drive for a motor carrier, and;
- Requiring towing carriers to maintain workers' compensation insurance and post a \$50,000 bond to ensure payment of any civil penalties assessed by the Commission.

The PUC will subsequently initiate a rulemaking proceeding to establish permanent changes to its transportation rules.

## Rules limit energy bills for low-income

The Colorado Public Utilities Commission (PUC) has approved rules that would require utilities to provide special programs limiting energy bills for low-income customers.

The rules, adopted in deliberations on August 11, would give utilities until next March to file programs that could be implemented by the following heating season. Utilities will be able to design their own plans, subject to PUC approval, or offer a pre-approved "safe harbor" plan contained in the rules.

The Colorado Legislature in 2010 removed a restriction that prohibited the Commission from allowing a preference or advantage to low-income customers in setting rates. The PUC opened a proceeding earlier this year after a request for rules by Energy Outreach Colorado.

The PUC received substantial data that supported the need for the proposed rules, including evidence that the cost of home energy is the second leading cause of homelessness in Colorado for families with children, just behind domestic violence. Evidence also indicates that as energy expenditures increase for low-income households, food expenditures decrease.

The new rules establish guidelines

that limit the amount that a qualified low-income utility household is required to pay each month for gas and electric service. The rules also contain provisions reducing accumulated low-income customer bill arrearages, as well as encouraging low-income customers to participate in energy efficiency programs.

Under the "safe harbor" plan, 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, subject to a program cap.

Participation in a utility's low-income program would be limited to Low-income Energy Assistance Program (LEAP) customers and would be phased in over three years. Program participants would be required to enroll in the utility's levelized budget billing program.

Low-income customers also would see any pre-existing arrearages reduced to zero over a 24-month period, if they kept up with current bills, thereby reducing the utility's collection and bad-debt expenses.

