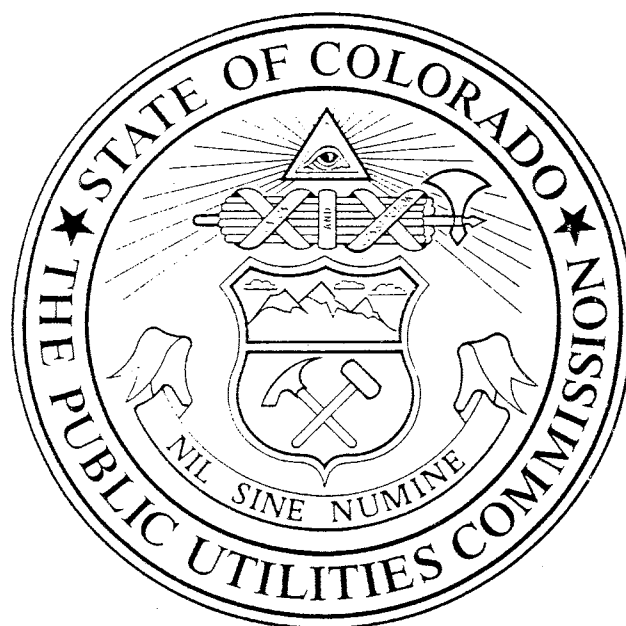


**2004 Annual Report of the
Colorado High Cost Support Mechanism**



Prepared by:

The Colorado Public Utilities Commission Staff

December 1, 2004

STATE OF COLORADO

PUBLIC UTILITIES COMMISSION

Department of Regulatory Agencies

Tambor Williams
Executive Director



Gregory E. Sopkin, Chairman
Polly Page, Commissioner
Carl Miller, Commissioner
Bruce N. Smith, Director

December 1, 2004

Bill Owens
Governor

The General Assembly
State Capitol Building
Denver, Colorado 80203

Dear General Assembly Member:

This report provides information regarding the operation of the Colorado High Cost Support Mechanism during the calendar year 2004. Also, included are the proposed operations for the calendar year 2004.

House Bill 95-1335 was enacted on May 4, 1995. This initiated a new era in Colorado telecommunications law. The act declared that the policy of the State is to encourage competition in the basic local exchange telecommunications market and to strive to ensure that all Colorado consumers benefit from such increased competition. The bill directed that the Commission should seek the furtherance of universal basic service, toward the ultimate goal that basic service be available and affordable to all citizens of the State of Colorado. In order to accomplish that goal of universal basic service, the Commission was to create a system of support mechanisms to assist in the provision of such services in high cost areas. The bill modified the high cost support mechanism portion of the law to ensure that all providers of basic local exchange service in high cost areas would be fully reimbursed for the difference between the costs incurred in making basic service available to customers within a rural, high cost geographic support area and the affordable price for such service.

Senate Bill 98-177, enacted on May 18, 1998, further modified the high cost support mechanism section and required, among other changes, that a report be prepared by the Colorado Public Utilities Commission accounting for the operation of the high cost support mechanism and that the report be submitted to the Committees of Reference for Telecommunications issues on or before December 1 of each year. Distributions from the high cost support mechanism for calendar year 2004 are estimated to be approximately \$52.3 million. Customers are currently paying a 2.0 percent rate element for telecommunications services to support the high cost support mechanism. The rate element is projected to be increased to 2.9 percent effective April 1, 2005.

If I can be of further assistance to you, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads "Bruce N. Smith".

Bruce N. Smith
Director

jj
Enclosure

1580 Logan Street, Office Level 2, Denver, Colorado 80203, 303-894-2000

www.dora.state.co.us/puc
Permit and Insurance (Outside Denver) 1-800-888-0170
TTY Users 711 (Relay Colorado)
Consumer Affairs 303-894-2070

Consumer Affairs (Outside Denver) 1-800-456-0858
Hearing Info 303-894-2025
Transportation Fax 303-894-2071
Fax 303-894-2065

**Annual Report of the
Colorado High Cost Support Mechanism**

TABLE OF CONTENTS

Director's Transmittal Letter	i
I. Executive Summary.....	1
II. History.....	4
III. Report of Operations - 2004	10
IV. Report of Budgeted Operations - 2005	13
V. Summary Schedules.....	18
VI. Supporting Schedules.....	22

Annual Report of the Colorado High Cost Support Mechanism To the General Assembly

I. Executive Summary

The Colorado High Cost Support Mechanism (CHCSM) is under the administration of the Colorado Public Utilities Commission (Commission) (§ 40-15-208, C.R.S.) and implemented by the Commission rules found at 4 CCR 723-41.

The goal of the CHCSM is to promote and support universal service by helping make basic local exchange service available and affordable within high cost areas of the state. The CHCSM provides financial support to local exchange providers so that even though the cost to provide basic local exchange service may be very high in some areas, the price charged to the customers is still affordable. The CHCSM amounts paid to providers are coordinated with the federal Universal Service Fund (USF) program.

During 2004, the administration of the CHCSM by the Commission has continued to develop as changes have occurred in the federal USF program, as new competitive carriers have begun to enter Colorado's high cost areas, and as the economic conditions for telecommunications competition have changed dramatically.

In 2003, the Commission adopted Rule 4 CCR 723-41-9.2.3, which extended CHCSM support to all residential and business lines. With financial support being extended to all access lines for non-rural providers, the projected distribution requirements to Qwest were increased.

In 1998, Qwest entered into a Stipulation and Settlement agreement with the Commission freezing the annual support for Qwest until a sufficient proxy model could be developed. In 2002, the parties to Docket No. 98M-147T (Regarding the Administration of the Colorado High Cost Fund and the Adoption of a Proxy Cost Model) met and agreed to use the results produced by the Federal Communications Commission's (FCC) Hybrid Cost Proxy Model (HCPM) to establish wire-center specific cost support for Qwest for calendar year 2003. On August 1, 2003, upon Qwest's receipt of increased high cost support from the implementation of the Commission's Order granting it support for all lines, Qwest eliminated zone charges outside its base serving area for over 225,000 of its Colorado telephone lines. The elimination of Qwest zone charges reduced residence and business rates by as much as \$20.00 per line per month.

In 2003, the parties to Docket 98M-147T met and agreed to recommend to the Commission that it use the wire-center cost results produced by the Hatfield and Associates, Inc. (HAI) proxy cost model, for the development of the Qwest year 2004 wire-center specific high cost support. Use of the HAI proxy model established consistency between the high cost support for a wire center and the Commission-approved rates for Qwest's unbundled network element loop rates used in Qwest's Colorado interconnection agreements.

Beginning in 2001, the Commission was required to certify rural and non-rural eligible telecommunication providers for Federal Support under FCC Docket No. 96-45, annually. The FCC regulations require that to continue to receive USF, all state commissions must certify that rural incumbent local exchange carriers, as well as non-rural carriers, are using the support for the intended purposes. The Commission, after conducting an investigation (Commission Docket Nos. 04M-364T & 365T) certified all 35 Colorado non-rural and rural incumbent local exchange carriers to continue to receive federal USF for the calendar year 2005. In addition, the Commission certified two wireless providers and one Competitive Local Exchange Carrier (CLEC) that are Eligible Telecommunication Carriers (ETC) to continue to receive Federal Support. The wireless providers in Colorado that have been certified as ETCs to receive federal USF support may also be state-certified as Eligible Providers (EP) to receive support from the CHCSM upon request.

In fulfilling its duties as administrator of the CHCSM, the Commission commenced a number of enforcement actions (show-cause dockets) against certain delinquent telecommunications service providers, and continues to conduct audits of data submitted by providers. Due to the rapidly changing economic fortunes of telecommunications service providers, the Commission must take these actions to ensure that each provider is contributing to the CHCSM amounts that the provider has collected from its customers or should have collected. The Commission has also developed processes to ensure that the Colorado High Cost Support distributed to telecom providers is directed to high cost areas.

The budget adopted by the Commission for the coming calendar year, as described in this report, will be subject to close scrutiny during 2005. Recent Federal Communications Commission (FCC) activities related to Voice over Internet Protocol (VoIP), the elimination of zone charges, adoption of further changes to the proxy cost model, distribution of support by wire center line counts, and the addition of new entrant competitive telecommunication service providers are factors that will influence the budget. The rate element (currently 2.0 percent) set by the Commission to generate contributions to the CHCSM will be reviewed at least quarterly to ensure that providers will be reimbursed fully while avoiding the generation of excessive reserves. The Commission projects a significant increase in the CHCSM rate element from 2.0% to 2.9% effective April 1, 2005 (Docket No. 98M-236T, Decision No. C03-1128).

On November 12, 2004, the FCC released its Memorandum Opinion and Order¹ that declared VoIP service² to be interstate and preempted state regulation of such services. By declaring VoIP to be interstate, revenues of such services may be considered interstate and no longer subject to the CHCSM surcharge. A number of telecommunications providers who currently contribute to the Fund in Colorado already incorporate VoIP in the provision of their services within Colorado. More providers, including Qwest (who is both a major contributor and a major recipient of Colorado funding) are expected to offer this new technology, at least in part. Hence, Colorado recipients of CHCSM support may see an erosion of contributors while the requirement for high cost support remains for traditional wireline telephony. If Qwest offers VoIP technology, their Colorado funding requirements may decrease as traditional wireline telephony is replaced with VoIP technology because the VoIP facilities would then be classified as interstate and not eligible for support from the CHCSM. Additionally, if VoIP technology becomes a “least-cost” alternative, changes to the applicable support per line may also be required.

In light of this recent ruling by the FCC, Commission staff will have to monitor the migration of subscribers from traditional telephony service to VoIP. Staff may recommend that the Commission make upward adjustments in the CHCSM surcharge if the Commission decides to secure and maintain the availability of CHCSM funds at the current level. The estimated surcharge adjustment from 2.0% to 2.9% assumes a “worst-case” scenario of the impacts of the FCC order based on the best information available at this time. It should be noted that, if it is ultimately determined that the FCC order eliminates contributors to the Colorado fund without a commensurate decrease in funding requirements based on the existing criteria, the Commission may consider a number of alternatives to mitigate an adjustment from 2.0% to 2.9%. The Commission may also consider whether a full review of the existing mechanism is appropriate in light of this significant federal policy decision.

1 In the Manner of Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission, WC Docket No. 03-211, FCC 04-267, Released November 12, 2004.

2 In FCC 04-267, VoIP is used generally to include any IP-enabled services offering real-time, multidirectional voice functionality, including, but not limited to, services that mimic traditional telephony. (page 3, footnote 9)

II. History

A commitment to promote universal service is a cornerstone of telecommunications policy. The expressed purpose of the Communications Act of 1934 is:

. . . to make available, so far as possible, to all the people of the United States, without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges. . . .³

The concept of universal service as a public policy goal means ubiquitous availability of a specified set of telecommunications services delivered at a specified level of quality and at an affordable price so that every household is reasonably able to connect to the telephone network.

The policy goal of universal telephone service is being supported through a number of explicit federal and state mandated mechanisms. Explicit mechanisms provide targeted support to specific geographic areas, companies, or households. These include:

- Lifeline Assistance and Link Up America - programs to assist qualifying low-income households by providing reduced monthly rates and reduced initial charges;
- Telecommunications Relay Services - to enable speech or hearing impaired individuals to use the voice telephone network;
- Rural Utilities Service Loans – low interest loans to support rural local exchange companies' construction budgets;
- Federal and State Universal Service Funds - to support high-cost local exchange companies.

The Commission adopted its first explicit support mechanism in 1990. The Commission adopted Rules Prescribing the Standard Procedures for Separating Telecommunications Property Costs, Revenues, Expenses, and Reserves for Access Charges for small Local Exchange Telecommunications Service Providers (LECs) and established the Colorado High Cost Fund (CHCF). Senate Bill 92-16 was enacted on April 16, 1992, amending Article 15 of Title 40, Colorado Revised Statutes, by the addition of a new section, § 40-15-208, C.R.S. The new section codified the creation of the CHCF and authorized Commission administration of the fund.

On May 24, 1995, House Bill 95-1335 was enacted. The Colorado Act, in part, modified the statutory

³ Communications Act of 1934, Title I, Section 1 (47 U.S.C. 151).

definition of Basic Service, amended the section establishing the CHCF and added a new Part 5 to Article 15 of Title 40, providing for local exchange service competition.

The Colorado Act gave an expression of state policy that:

The Commission shall require the furtherance of universal basic service, toward the ultimate goal that basic service be available and affordable to all citizens of the state of Colorado. . . . The commission shall have the authority to regulate providers of telecommunications services to the extent necessary to assure that universal basic service is provided to all consumers in the state at fair, just, and reasonable rates. § 40-15-502(3), C.R.S.

The Commission was given further instruction by the expression of state policy that:

In order to accomplish the goals of universal basic service . . . the commission shall create a system of support mechanisms to assist in the provision of such services in high-cost areas. These support mechanisms shall be funded equitably and on a non-discriminatory, competitively neutral basis through assessments on all telecommunications service providers in Colorado . . . § 40-15-502(5), C.R.S.

The bill modified the high cost support mechanism portion of the law, § 40-15-208, C.R.S., to ensure that all providers of basic local exchange service in high-cost areas are reimbursed for the difference between the costs incurred in making basic service available to customers within a rural, high-cost geographic support area and the affordable price for such service.

The Commission adopted specific Rules implementing these statutory guidelines. The Commission conducted a rulemaking in Docket Nos. 95R-558T and 97R-043T regarding the CHCF. Non-rural incumbent telecom providers are currently regulated by Part I of the Commission's Rules, requiring cost estimates based on a proxy cost model estimate. These proxy cost estimates are then compared to a revenue benchmark with the resulting differential funded by the CHCSM for eligible providers. Rural incumbent telecom providers are currently regulated by Part II of the Commission's Rules, requiring cost estimates based on the actual embedded cost of service demonstration net of relevant revenues. The CHCSM is funded by a customer surcharge on intrastate retail revenues from telecommunication services. The Commission requires that all telecommunications service providers collect and remit receipts based upon a percent of its end-user intrastate telecommunications service revenues.

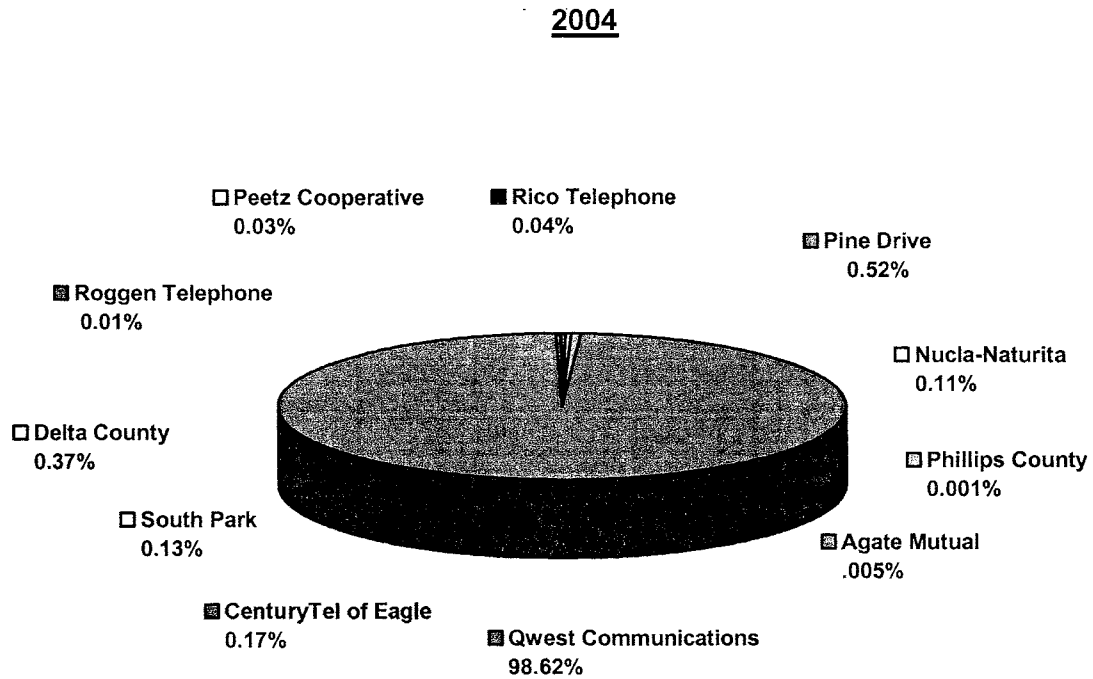
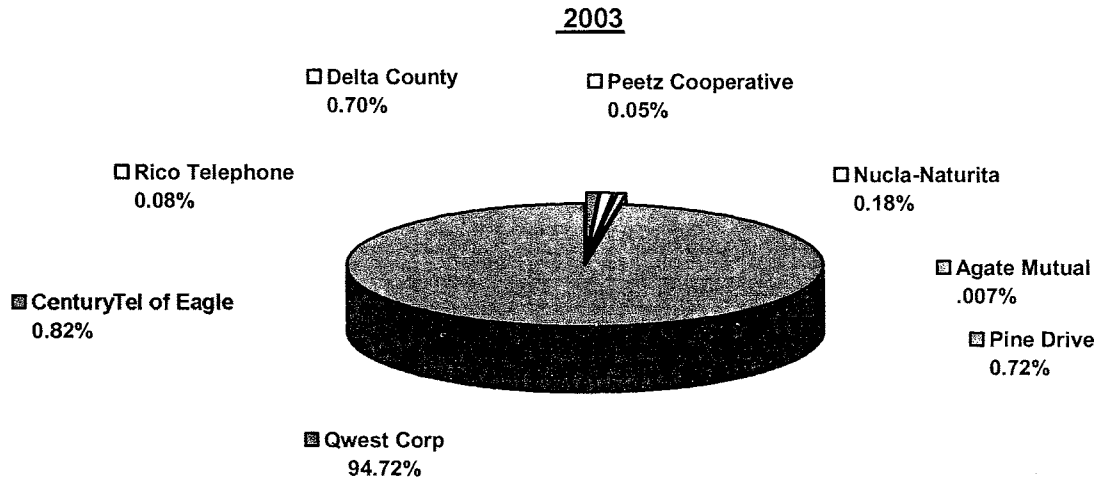
Senate Bill 98-177, enacted on May 18, 1998, further modified Section 40-15-208(2)(d)(I), C.R.S. by changing the name of the program to the “Colorado High Cost Support Mechanism,” and required that the CHCSM not exceed \$60 million during each of the calendar years 1998 and 1999. Further, SB 98-177 required that a report be prepared by the PUC accounting for the operation of the high-cost support mechanism, and that the report be submitted to the general assembly on or before December 1 of each year. The Commission adopted interim rules⁴ and, subsequently, permanent rules⁵ implementing SB 98-177.

During 1999, in conjunction with the proceeding conducted by the Commission to review the definition of Basic Local Exchange Service as required by § 40-15-502(2), C.R.S., the Commission further addressed CHCSM rule issues. The Commission reiterated its decision to support only the primary residential line and the first business line in non-rural high cost areas, and on an interim basis to continue support to all access lines in rural high cost areas. In 2003, the Commission adopted rules that expanded support from the first residential line and the first business line to all access lines.

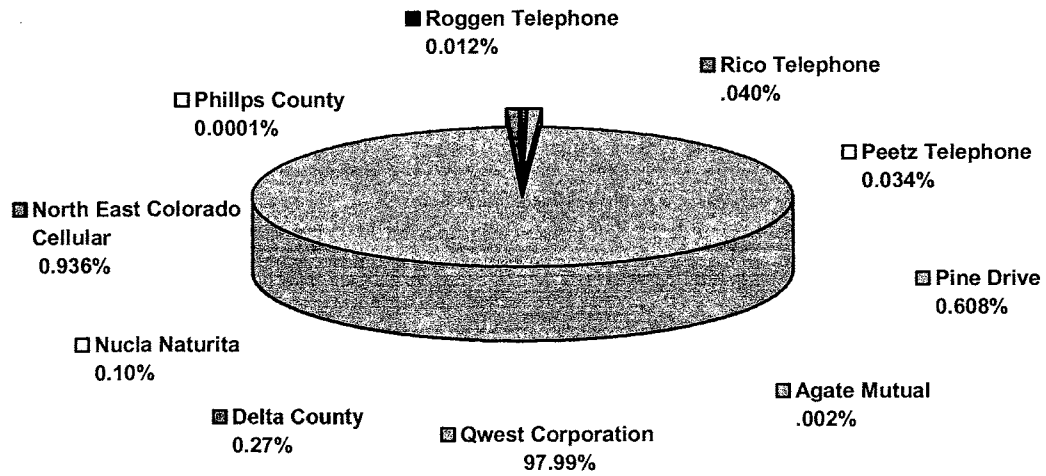
The following three charts summarize the percentage of CHCSM distributions, both actual and projected, paid to eligible providers for calendar years 2003, 2004 and 2005. The fourth chart summarizes the dollar value of distributions from and contributions to the Fund for calendar years 2002 through 2005. In 2004, distributions are expected to exceed contributions by a significant margin, and the CHCSM surcharge was maintained at 2.0% throughout the year in order to draw down the reserve balance in the Fund’s escrow account. During 2005, the Commission projects that the differential between distributions and contributions will be significantly reduced because the reserve balance has been drawn down to the targeted amount.

4 See PUC Docket No. 98R-028T.

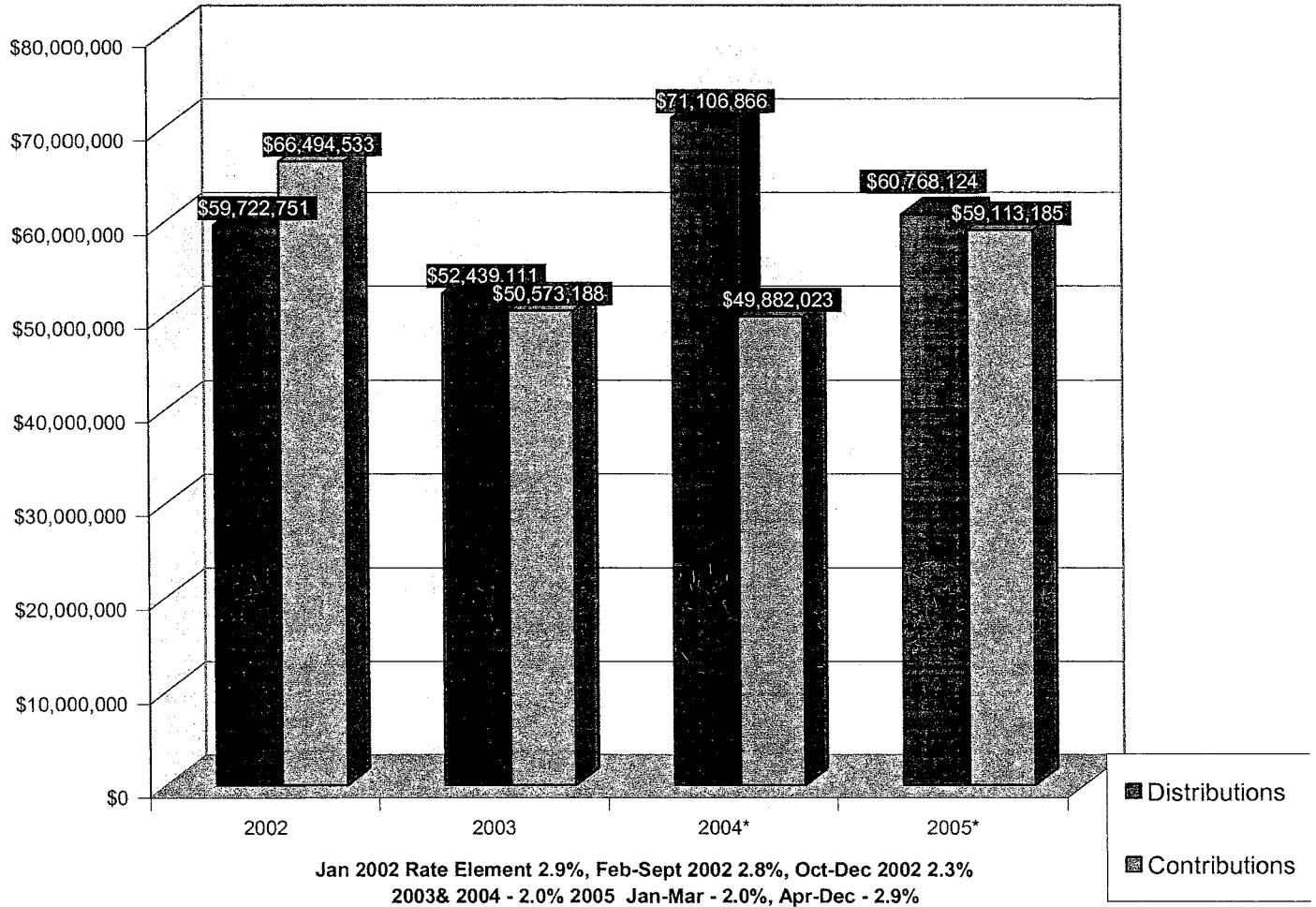
5 See PUC Docket No. 99R-028T.



Projected 2005



Summary of Contributions and Distributions



III. Operations - 2004

Calendar Year 2004 Support was provided to both rural and non-rural incumbent eligible telecommunications service providers who served customers in high-cost geographic areas in the calendar year 2004. The 2004 budget for the CHCSM was estimated at \$71,046,140. Distributions to incumbent eligible telecommunications service providers for the first six months were \$33,513,427, and are estimated at \$35,528,297 for the remaining six months of 2004. A total of \$69,041,724 is estimated to be distributed by year-end 2004, which is a significant increase from 2003. By year-end 2004, \$134,816 is estimated to be expensed to the administrative budget, which is based on fiscal year 2002/2003 expenses. The distributions to eligible providers are identified in Table A below:

Table A
**2004 Colorado High Cost Support Mechanism
 Actual Distributions**

Local Exchange Provider	Supported Access Lines for Year 2004	Estimated Gross Distributions Calendar Year 2004	Estimated 2004 Distributions per Access Line
Agate Mutual Telephone	153	\$3,262	\$21.32
Century Tel of Eagle	84,988	\$114,718	\$1.35
Delta County Telephone	10,656	\$257,476	\$24.16
Nucla-Naturita	1,644	\$76,986	\$46.82
Peetz Cooperative	238	\$20,286	\$85.24
Phillips Telephone	2,081	\$260	\$0.12
Pine Drive Telephone	932	\$362,500	\$388.95
Qwest Corporation	2,755,110	\$68,175,086	\$24.74
Rico Telephone	167	\$24,000	\$143.71
Roggen Telephone	311	\$7,150	\$ 22.99
Total	2,856,280	\$69,041,724	
Average Per Line Support for Eligible Companies			\$24.17

In 1999, there was a statutory limit with respect to the amount of the permitted distributions. In calendar year 2000, the statutory limit no longer applied. The increase in size of the budgeted calendar year 2004 disbursements was the result of the Commission's adoption of rules that expanded the support from primary residential and first business to all access lines for non-rural providers effective August 1, 2003. The CHCSM support for Qwest was increased from \$56,036,012 annually in 2003, to \$68,175,086 annually for 2004, in large part due to the Commission's decision to extend support to all access lines.

Expenditures for administering the CHCSM during the 2004/2005 fiscal year are expected to increase slightly over actual amounts from fiscal year 2003/2004 due to normal increases in personnel service costs and some expert consulting expenditures related to the proxy cost model. The Commission's published revenue benchmarks for calendar year 2004 for Qwest wire centers resulted from application of the FCC's Hybrid Proxy Cost Model cost results, adjusted by the actual Qwest revenue benchmarks, to limit the amount of the support disbursements to non-rural providers. The average residential revenue benchmark for Qwest was \$19.55 per month in 2004. The average business revenue benchmark for Qwest was \$32.33 per month in 2004.

In 2004, budgeted contributions to the CHCSM were made via an assessment on end-user telecommunications service revenues as billed by each telecommunications service provider. The rate element remained at 2.0 percent for the calendar year 2004, which the Commission adopted effective January 1, 2003. For the first six months of 2004, the rate assessment generated \$25,945,475 in contributions. The rate assessment for the remainder of the calendar year 2004 is estimated to generate \$24,467,734 in contributions for a total estimate of \$49,882,023 for 2004. A total of 103 telecommunication providers contributed to the CHCSM on a quarterly basis.

Section 40-15-208(2)(c), C.R.S., provides that if the Commission, by this report, proposes an increase above the amount contained in the previous calendar year's report in any of the following: (1) the proposed benchmark; (2) the contributions to be collected through a rate element; or (3) the total amount of distributions to be made for support in high cost areas, then such increase shall be suspended until March 31 of the budget year. Accordingly, the Commission used the 2003 calendar

year revenue benchmarks for the first quarter of 2004, adjusting them as necessary throughout the year to match receipts to disbursements.

In calendar year 2004, ten rural companies received support based on Part II of the Commission's Rules governing incumbent rural providers. The support per line varies greatly, ranging from \$0.12 per line for Phillips County Telephone to \$388.95 per line for Pine Drive Telephone Company.

In 2001, the FCC adopted new regulations based on Universal Service Fund implementing proposals made by the Rural Task Force order in CC Docket No. 96-45. The new FCC regulations require that, for companies to continue receiving USF support, all state commissions must annually certify that rural incumbent local exchange carriers, as well as non-rural carriers, are using the federal support for the purposes intended. In 2004, the Commission, after conducting an investigation in Docket Nos. 04M-364T and 04M-365T certified all 33 Colorado rural and non-rural incumbent local exchange carriers to continue to receive federal USF for the calendar year 2005. In addition to the rural and non-rural providers, the Commission certified two wireless providers and one Competitive Local Exchange Carrier (CLEC) with Eligible Telecommunications Carrier (ETC) status to receive federal USF support. Two other wireless providers have filed an application with the Commission seeking to receive USF and CHSCM support. Currently there are no wireless providers receiving support from the CHCSM; however, Commission Staff believes that this will change in 2005.

During 2004, the Commission continued its investigation into the adoption of the high cost proxy model (Docket No. 98M-147T). The Commission approved the use of results from the FCC's HCPM model, with modifications made to accommodate the specific needs of Colorado telecommunication providers, and to provide wire center-specific cost support to Qwest. A Commission Administrative Law Judge approved a Stipulation which used average loop costs produced from the HAI 5.2 model, including Staff adjustments made in Docket No. 99A-577T, Qwest Corporation's updated 2003 ARMIS data, and updates to the model's line count information. Use of this methodology resulted in CHCSM funding to Qwest in the amount of \$58,386,874 for the calendar year 2005. Following this Stipulation, the ALJ closed Docket No. 98M-147T and required a new docket be opened to consider future cost methodologies. Docket No. 04M-388T is now opened to consider further development to the Proxy Cost Models used in determining high-cost Qwest wire center support.

As the Administrator, the Commission continues to take enforcement actions (in show-cause dockets) against certain delinquent telecommunications service providers, and continues to conduct audits of

data submitted by providers. Due to the rapidly changing fortunes of telecommunications service providers, the Commission must take these actions to ensure that each provider is contributing to the CHCSM amounts that the provider has collected from its customers or should have collected.

In 2004, an internal audit of the CHCSM was conducted. Consequently, new procedures and controls were established and implemented to ensure that the CHCSM is operated in strict compliance with Colorado statutes, Commission rules, and standard accounting principles.

VI. Projected Operations - 2005

Projected for Calendar Year 2005. Support is projected to be provided to both rural and non-rural eligible telecommunications service providers who serve customers in high-cost geographic areas in calendar year 2005. During 2005, CHCSM total distributions to eligible providers are estimated at \$60,624,124. Administrative expenses are projected to be \$144,000 (or 0.2% of total disbursements), and total disbursements are budgeted at \$60,768,124, as identified in Table B below:

Table B
**2005 Colorado High Cost Support Mechanism
 Budgeted Distributions**

Local Exchange Provider	Estimated Supported Access Lines for Year 2005	Estimated Gross Distributions Calendar Year 2005	Estimated 2005 Distributions per Access Line
Agate Mutual Telephone	152	\$1,305	\$ 8.59
Delta County	10,703	\$163,416	\$15.27
Nucla-Naturita	1,622	\$59,468	\$36.66
Peetz Cooperative	219	\$16,052	\$73.30
Phillips County	2,070	\$249	\$0.12
Pine Drive Telephone	940	\$346,631	\$368.76
Qwest Corporation	2,262,147	\$58,386,874	\$25.81
Rico Telephone	184	\$12,000	\$65.22
Roggen Telephone	306	\$ 6,838	\$22.35
NE Colorado Cellular	18,960	\$557,950	\$29.43
Forecasted (Undesignated)		\$1,073,341	
Total	2,278,343	\$60,624,124	
Average Per Line Support for Eligible Companies			\$26.67

The distributions will decrease for 2005 over the previous year as a direct result of the adoption of the Commission Stipulation and Settlement agreement adopting a cost methodology used to calculate support for the CHCSM. The cost methodology uses average loop cost produced from the HAI 5.2 Model with adjustments made in Docket No. 99A-577T. Qwest's average 2003 line counts and revenue benchmarks were used along with the updated HAI modeled access per line costs to produce wire center specific support. (See supporting schedules)

Expenditures for administering the CHCSM in fiscal year 2005/2006 are estimated to increase slightly over actual amounts from fiscal year 2004/2005, due to the normal increases in personnel service costs and Staff's continued development of an appropriate proxy cost model. Based on this fund level, the projected Commission administration cost requirement is estimated to be \$144,000 during fiscal year 2004/2005 for administering the CHCSM. This includes amounts for personal services, data entry, auditing and compliance activities, legal services, expenditures for the acquisition of computer hardware and software, proxy cost model development and review thereof, and the training of technical personnel.

In 2005, budgeted contributions to the CHCSM will again be made via an assessment on end-user telecommunications service revenues as billed by each telecommunications service provider. The current rate element is 2.0 percent. The CHCSM Fund is estimated to have a reserve balance of approximately \$9.6 million as of December 31, 2004, which is a significant decrease from 2003. The target reserve balance is equal to one quarter of actual distributions to eligible providers. The reserve is accounted for separately in the CHCSM escrow account, and is generated from prepaid contributions to the Colorado High Cost Fund. The reserve balance is not deposited with the State Treasurer, but held separately in escrow specifically for future distributions from the CHCSM Fund to providers. The Fund has maintained a moderate surplus over time to allow for the entrance of new competitive telecommunications carriers and wireless providers who are eligible to receive support, and to account for the impact of the downturn of the economy, which has affected the telecommunications industry. Taking the reserve into account, the rate element has been set at 2.0% through March 31, 2005; this will result in the Fund reserve being reduced to a minimum level. Thereafter, the rate element may be increased to 2.9%, effective April 1, 2005, to meet fluctuations in contributions and projected

distributions for 2005. A significant factor contributing to the possible increase from 2.0% to 2.9% is recent activity at the FCC regarding VoIP.

On November 12, 2004, the FCC released its Memorandum Opinion and Order⁶ that declared VoIP service⁷ to be interstate and preempted state regulation of such services. By declaring VoIP to be an interstate service, revenues of such services may be considered interstate and no longer subject to the CHCSM surcharge. As a result, the CHCSM surcharge on remaining intrastate telecommunications services may need to increase in order to maintain existing funding levels. A number of telecommunications providers who currently contribute to the Fund in Colorado already incorporate VoIP in the provision of their services within Colorado. More providers, including Qwest (who is both a major contributor and a major recipient of Colorado funding) are expected to offer this new technology, at least in part. Hence, Colorado recipients of CHCSM support may see an erosion of contributors while the requirement for high cost support remains for traditional wireline telephony. If Qwest offers VoIP technology, their Colorado funding requirements may decrease as traditional wireline telephony is replaced with VoIP technology because the VoIP facilities would then be classified as interstate and not eligible for support from the CHCSM. Additionally, if VoIP technology becomes a "least-cost" alternative, changes to the applicable support per line may also be required. However, neither of these is expected to offset the erosion of the revenue base in the near term.

In light of this recent ruling by the FCC, Commission staff will have to monitor the migration of subscribers from traditional telephony service to VoIP. It may be necessary that Staff recommend that the Commission make upward adjustments in the surcharge if the Commission decides to secure and maintain the availability of CHCSM funds at the current level. The estimated surcharge adjustment from 2.0% to 2.9% assumes a "worst-case" scenario of the impacts of the FCC order based on the best information available at this time. It should be noted that, if it is ultimately determined that the FCC order eliminates contributors to the Colorado fund without a commensurate decrease in funding requirements based on the existing criteria, the Commission may consider a number of alternatives to mitigate an adjustment from 2.0% to 2.9%. The Commission may also consider whether a full review of the existing mechanism is appropriate in light of this significant federal policy decision.

The Colorado Legislature should be aware that U.S. Senate Bill 1380, known as the "Rural Universal Service Equity Act of 2003," was introduced in 2004, and is now in the Committee on Commerce, Science, and Transportation. One purpose of the Bill is to spread the benefits of the existing Federal

⁶ In the Manner of Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission, WC Docket No. 03-211, FCC 04-267, Released November 12, 2004.

⁷ In FCC 04-267, VoIP is used generally to include any IP-enabled services offering real-time, multidirectional voice functionality, including, but not limited to, services that mimic traditional telephony. (page 3, footnote 9)

Universal Service Fund more equitably across the nation. The Bill states that currently only eight states receive funding for non-rural providers, and three of those states receive more than 80 percent of the funds. The Bill directs the FCC to replace the current statewide average formula with a new formula that distributes funds to telephone service providers wire centers with the highest cost. If passed, the Bill will affect the amount of federal USF support received by Colorado providers. Under the Commission's rules, federal support received by a telecommunication provider will be incorporated into the calculations used to determine the wire center amount of support distributed by the Colorado CHCSM, to each recipient. The Commission is presently unable to estimate the effect the Bill would have on the CHCSM, but it is possible that the Colorado distribution to eligible providers may be reduced if federal USF support is increased.

IV. Summary Schedules

2005
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial Authorized Gross Amount From The HCSM per Year	Effective Date of HCSM Funding	AMOUNT	AMOUNT	AMOUNT	AMOUNT	CALENDAR YEAR 2005
			FROM THE HCSM Effective First Quarter 2005	FROM THE HCSM Effective Second Quarter 2005	FROM THE HCSM Effective Third Quarter 2005	FROM THE HCSM Effective Fourth Quarter 2005	
1 AGATE	\$3,262	01/01/02	\$326	\$326	\$326	\$327	\$1,305
2 BIG SANDY			\$0	\$0	\$0	\$0	\$0
3 BIJOU			\$0	\$0	\$0	\$0	\$0
4 BLANCA			\$0	\$0	\$0	\$0	\$0
5 CENTURYTEL OF COLORADO			\$0	\$0	\$0	\$0	\$0
6 CENTURYTEL OF EAGLE	\$344,157	06/01/98	\$0	\$0	\$0	\$0	\$0
7 COLUMBINE			\$0	\$0	\$0	\$0	\$0
8 DELTA COUNTY TELE-COMM	\$346,770	10/18/00	\$42,913	\$42,913	\$42,913	\$34,677	\$163,416
9 DUBOIS			\$0	\$0	\$0	\$0	\$0
10 EASTERN			\$0	\$0	\$0	\$0	\$0
11 EL PASO			\$0	\$0	\$0	\$0	\$0
12 FARMERS			\$0	\$0	\$0	\$0	\$0
13 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
14 HAXTUN			\$0	\$0	\$0	\$0	\$0
15 SUNWEST COMMUNICATIONS			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA TELEPHONE	\$97,760	11/01/01	\$15,885	\$15,885	\$15,885	\$11,813	\$59,468
17 N.E.COLORADO CELLULAR	\$557,950	N/A	\$139,488	\$139,488	\$139,488	\$139,488	\$557,950
18 NUNN			\$0	\$0	\$0	\$0	\$0
19 PEETZ	\$27,321	10/01/01	\$4,440	\$4,440	\$4,440	\$2,732	\$16,052
20 PHILLIPS COUNTY	\$260	10/01/03	\$65	\$65	\$65	\$54	\$249
21 PINE DRIVE TELEPHONE	\$362,500	10/01/03	\$90,625	\$90,625	\$90,625	\$74,756	\$346,631
22 PLAINS			\$0	\$0	\$0	\$0	\$0
23 QWEST CORPORATION	\$58,386,874	01/01/03	\$14,596,718	\$14,596,718	\$14,596,718	\$14,596,718	\$58,386,872
24 RICO TELEPHONE	\$60,000	01/01/00	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
25 ROGGEN	\$7,150	10/01/03	\$1,788	\$1,788	\$1,788	\$1,475	\$6,838
26 RYE			\$0	\$0	\$0	\$0	\$0
27 SAN ISABEL TELECOM	\$2,675		\$669	\$669	\$669	\$669	\$2,675
28 STONEHAM			\$0	\$0	\$0	\$0	\$0
29 STRASBURG			\$0	\$0	\$0	\$0	\$0
30 SUNFLOWER			\$0	\$0	\$0	\$0	\$0
31 UNION			\$0	\$0	\$0	\$0	\$0
32 WESTERN WIRELESS	\$370,668	N/A	\$92,667	\$92,667	\$92,667	\$92,667	\$370,668
33 WIGGINS			\$0	\$0	\$0	\$0	\$0
34 WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE			\$36,000	\$36,000	\$36,000	\$36,000	\$144,000
UNDESIGNATED			\$175,000	\$175,000	\$175,000	\$175,000	\$700,000
Total			\$15,199,583	\$15,199,583	\$15,199,583	\$15,169,376	\$60,768,124

2004
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial	Effective	AMOUNT	AMOUNT	AMOUNT	AMOUNT	CALENDAR YEAR
	Authorized Gross Amount From The HCSM per Year	Date of HCSM Funding	FROM THE HCSM Effective First Quarter 2004	FROM THE HCSM Effective second Quarter 2004	FROM THE HCSM Effective Third Quarter 2004	FROM THE HCSM Effective Fourth Quarter 2004	
1 AGATE	\$3,262	01/01/02	\$673	\$673	\$673	\$673	\$2,692
2 BIG SANDY			\$0	\$0	\$0	\$0	\$0
3 BIJOU			\$0	\$0	\$0	\$0	\$0
4 BLANCA			\$0	\$0	\$0	\$0	\$0
5 CENTURYTEL OF COLORADO			\$0	\$0	\$0	\$0	\$0
6 CENTURYTEL OF EAGLE	\$344,157	06/01/98	\$68,831	\$45,887	\$0	\$0	\$114,718
7 COLUMBINE			\$0	\$0	\$0	\$0	\$0
8 DELTA COUNTY TELE-COMM	\$346,770	10/18/00	\$71,521	\$71,521	\$71,521	\$42,913	\$257,476
9 DUBOIS			\$0	\$0	\$0	\$0	\$0
10 EASTERN			\$0	\$0	\$0	\$0	\$0
11 EL PASO			\$0	\$0	\$0	\$0	\$0
12 FARMERS			\$0	\$0	\$0	\$0	\$0
13 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
14 HAXTUN			\$0	\$0	\$0	\$0	\$0
15 SUNWEST COMMUNICATIONS			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA TELEPHONE	\$97,760	11/01/01	\$20,163	\$20,163	\$20,163	\$16,497	\$76,986
17 N.E. COLORADO CELLULAR	\$557,950		\$139,488	\$139,488	\$139,488	\$139,488	\$557,950
18 NUNN			\$0	\$0	\$0	\$0	\$0
19 PEETZ	\$27,321	10/01/01	\$5,635	\$5,635	\$5,635	\$3,381	\$20,286
20 PHILLIPS COUNTY	\$260		\$65	\$65	\$65	\$65	\$260
21 PINE DRIVE TELEPHONE	\$362,500	10/01/03	\$90,625	\$90,625	\$90,625	\$99,000	\$370,875
22 PLAINS			\$0	\$0	\$0	\$0	\$0
23 QWEST CORPORATION	\$68,175,086	01/01/03	\$14,999,925	\$17,725,054 *	\$17,725,054	\$17,725,054	\$68,175,086
24 RICO TELEPHONE	\$60,000	01/01/00	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000
25 ROGGEN	\$7,150		\$1,788	\$1,788	\$1,788	\$1,788	\$7,150
26 RYE			\$0	\$0	\$0	\$0	\$0
27 SAN ISABEL TELECOM	\$3,633		\$908	\$908	\$908	\$908	\$3,633
28 SOUTH PARK	\$91,000		\$22,750	\$22,750	\$22,750	\$22,750	\$91,000
29 STONEHAM			\$0	\$0	\$0	\$0	\$0
30 STRASBURG			\$0	\$0	\$0	\$0	\$0
31 SUNFLOWER			\$0	\$0	\$0	\$0	\$0
32 UNION			\$0	\$0	\$0	\$0	\$0
33 WESTERN WIRELESS	\$370,668		\$92,667	\$92,667	\$92,667	\$92,667	\$370,668
34 WIGGINS			\$0	\$0	\$0	\$0	\$0
35 WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE UNDESIGNATED			\$0	\$0	\$36,680	\$36,096	\$73,360
			\$225,000	\$225,000	\$225,000	\$225,000	\$900,000
Total			\$15,746,038	\$18,448,223	\$18,439,016	\$18,412,279	\$71,046,140

* The increase in Qwest support in the second quarter reflects the distribution amount as a result of the elimination of zone charges, which resulted in lower reported revenue benchmarks. The Qwest zone charges were eliminated effective August 1, 2003, and the distribution of resulting increased support is to commence on April 1, 2004.

2003
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial Authorized Gross Amount From The HCSM per Year	Effective Date of HCSM Funding	AMOUNT FROM THE HCSM Effective First Quarter 2003	AMOUNT FROM THE HCSM Effective Second Quarter 2003	AMOUNT FROM THE HCSM Effective Third Quarter 2003	AMOUNT FROM THE HCSM Effective Fourth Quarter 2003	CALENDAR YEAR 2003
1 AGATE	\$3,262	01/01/02	\$815	\$815	\$816	\$816	\$3,262
2 BIG SANDY			\$0	\$0	\$0	\$0	\$0
3 BIJOU			\$0	\$0	\$0	\$0	\$0
4 BLANCA			\$0	\$0	\$0	\$0	\$0
5 CenturyTel of Colorado			\$0	\$0	\$0	\$0	\$0
6 CenturyTel of Eagle	\$344,157	06/01/98	\$137,663	\$114,719	\$68,831	\$68,831	\$390,044
7 COLUMBINE			\$0	\$0	\$0	\$0	\$0
8 Delta County Tele-Comm	\$346,770	10/18/00	\$86,693	\$86,693	\$86,693	\$75,142	\$335,221
9 DUBOIS			\$0	\$0	\$0	\$0	\$0
10 EASTERN			\$0	\$0	\$0	\$0	\$0
11 EL PASO			\$0	\$0	\$0	\$0	\$0
12 FARMERS			\$0	\$0	\$0	\$0	\$0
13 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
14 HAXTUN			\$0	\$0	\$0	\$0	\$0
15 KINGS DEER			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA	\$97,760	11/01/01	\$24,440	\$24,440	\$24,440	\$21,589	\$94,909
17 NUNN			\$0	\$0	\$0	\$0	\$0
18 PEETZ	\$27,321	10/01/01	\$6,830	\$6,830	\$6,831	\$5,635	\$26,126
19 Phillips County Telephone Company			\$0	\$0	\$0	\$0	\$0
20 PINE DRIVE	\$366,017	10/01/01	\$91,504	\$91,504	\$91,504	\$75,491	\$350,003
21 PLAINS			\$0	\$0	\$0	\$0	\$0
22 Qwest Corp.	\$45,305,324	01/01/03	\$11,326,331	\$11,326,331	\$13,114,812 *	\$14,009,053 *	\$49,776,527
23 Rico Telephone Company	\$60,000	01/01/00	\$9,000	\$9,000	\$9,000	\$9,000	\$36,000
24 ROGGEN			\$0	\$0	\$0	\$1,788	\$1,788
25 RYE			\$0	\$0	\$0	\$0	\$0
26 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
27 STONEHAM			\$0	\$0	\$0	\$0	\$0
28 STRASBURG			\$0	\$0	\$0	\$0	\$0
29 SUNFLOWER			\$0	\$0	\$0	\$0	\$0
30 UNION			\$0	\$0	\$0	\$0	\$0
31 WIGGINS			\$0	\$0	\$0	\$0	\$0
32 WILLARD			\$0	\$0	\$0	\$0	\$0
33 Forecasted (Undesignated)			\$325,000	\$325,000	\$325,000	\$323,212	\$1,298,212
Total			\$12,008,276	\$11,985,332	\$13,727,927	\$14,590,557	\$52,312,092

* The CHCSM support increased for Qwest Corporation on August 1, 2003 with the adoption of Commission Rules 4 CCR 723-41-9.4, which expanded support from primary residential and first business lines to all access lines.

2002
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial Authorized Gross Amount From The HCSM per Quarer	Effective Date of HCSM Funding	AMOUNT FROM THE HCSM Effective First Quarter 2002	AMOUNT FROM THE HCSM Effective Second Quarter 2002	AMOUNT FROM THE HCSM Effective Third Quarter 2002	AMOUNT FROM THE HCSM Effective Fourth Quarter 2002	CALENDAR YEAR 2002
1 AGATE		01/01/93	\$2,928	\$2,764	\$2,764	\$2,764	\$11,220
2 BIG SANDY		07/01/95	\$0	\$0	\$0	\$0	\$0
3 BIJOU		06/01/94	\$0	\$0	\$0	\$0	\$0
4 BLANCA		11/01/97	\$0	\$0	\$0	\$0	\$0
5 CenturyTel of Colorado	\$48,954	01/01/94	\$0	\$0	\$0	\$0	\$0
6 CenturyTel of Eagle	\$344,157	06/01/98	\$245,471	\$196,891	\$137,663	\$137,663	\$717,688
7 COLUMBINE		07/01/97	\$0	\$0	\$0	\$0	\$0
8 Delta County Tele-Comr	\$86,693	10/18/00	\$66,327	\$87,393	\$108,984	\$75,141	\$337,845
9 DUBOIS			\$0	\$0	\$0	\$0	\$0
10 EASTERN	\$16,125	01/01/93	\$0	\$0	\$0	\$0	\$0
11 EL PASO		08/30/96	\$0	\$0	\$0	\$0	\$0
12 FARMERS	\$8,703	01/01/93	\$0	\$0	\$0	\$0	\$0
13 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
14 HAXTUN		09/01/94	\$0	\$0	\$0	\$0	\$0
15 KINGS DEER			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA	\$34,749	01/01/95	\$24,659	\$25,628	\$24,440	\$24,440	\$99,168
17 NUNN		01/01/95	\$0	\$0	\$0	\$0	\$0
18 PEETZ	\$6,830	10/01/01	\$6,904	\$6,887	\$6,831	\$6,830	\$27,452
19 Phillips County Telephor	\$17,603	11/01/00	\$0	\$0	\$0	\$0	\$0
20 PINE DRIVE	\$91,504	10/01/98	\$79,879	\$92,044	\$91,504	\$91,504	\$354,931
21 PLAINS	\$32,502	07/01/93	\$0	\$0	\$0	\$0	\$0
22 Qwest Corp.	\$14,493,703	07/01/99	\$14,493,703	\$14,493,703	\$14,493,703	\$14,493,703	\$57,974,812
23 Rico Telephone Compai	\$15,000	01/01/00	\$12,372	\$12,372	\$12,375	\$12,375	\$49,494
24 ROGGEN		07/01/93	\$0	\$0	\$0	\$0	\$0
25 RYE		07/01/95	\$0	\$0	\$0	\$0	\$0
26 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
27 STONEHAM		07/01/93	\$0	\$0	\$0	\$0	\$0
28 STRASBURG		01/01/98	\$0	\$0	\$0	\$0	\$0
29 SUNFLOWER	\$11,610	01/01/93	\$0	\$0	\$0	\$0	\$0
30 UNION			\$0	\$0	\$0	\$0	\$0
31 WIGGINS	\$31,035	07/01/93	\$0	\$0	\$0	\$0	\$0
32 WILLARD	\$5,061	07/01/93	\$0	\$0	\$0	\$0	\$0
Total			\$14,932,243	\$14,917,683	\$14,878,264	\$14,844,420	\$59,572,610

V. Supporting Schedules

**Colorado High Cost Support Mechanism
Summary of Disbursements**

Eligible Local Exchange Service Provider	Gross Disbursements Calendar Year 2002	Gross Disbursements Calendar Year 2003	Gross Disbursements Calendar Year 2004*	Gross Disbursements Calendar Year 2005*
1 Agate Mutual Telephone Company	\$ 11,220.00	\$ 3,262.00	\$ 2,692.00	\$ 1,305.00
2 CenturyTel of Eagle	\$ 717,688.00	\$ 390,044.00	\$ 114,718.00	\$ -
3 Delta County Tele-Comm	\$ 337,845.00	\$ 335,221.00	\$ 257,476.00	\$ 163,416.00
4 North East Colorado Cellular	\$ -	\$ -	\$ -	\$ 557,950.00
5 Nucla-Naturita	\$ 99,167.00	\$ 94,909.00	\$ 76,986.00	\$ 59,468.00
6 Phillips County Telephone Company	\$ -	\$ -	\$ 260.00	\$ 249.00
7 Peetz Cooperative Telephone Co.	\$ 27,452.00	\$ 26,126.00	\$ 20,286.00	\$ 16,052.00
8 Pine Drive	\$ 354,931.00	\$ 350,003.00	\$ 370,875.00	\$ 346,631.00
9 Qwest Corp.	\$ 57,974,812.00	\$ 49,776,527.00	\$ 68,175,086.00	\$ 58,386,872.00
10 Roggen Telephone	\$ -	\$ 1,788.00	\$ 7,150.00	\$ 6,838.00
11 Rico Telephone Company	\$ 49,493.52	\$ 36,000.00	\$ 24,000.00	\$ 12,000.00
Forecasted (Undesignated)	\$ -	\$ 1,298,212.00	\$ 1,832,251.00	\$ 1,217,343.00
Totals	\$ 59,561,388.52	\$ 52,308,830.00	\$ 70,881,780.00	\$ 60,768,124.00

**Colorado High Cost Support Mechanism
Summary Contribution & Distributions**

	2002	2003	2004*	2005*
Disbursements	\$ 59,572,610	\$ 52,312,092	\$ 69,041,724	\$ 60,624,124
Administrative Expenses Based on Fiscal Year	\$ 127,019	\$ 134,086	\$ 134,816	\$ 144,000
Total Disbursements & Expenditures	\$59,699,629	\$52,446,178	\$ 69,176,540	\$ 60,768,124

Contributions:

	2002	2003	2004*	2005*
Jan 1 through March 31	\$ 17,193,902	\$ 13,340,806	\$ 12,577,787	\$ 12,098,780
April 1 through June 30	\$ 17,883,164	\$ 12,604,669	\$ 12,623,532	\$ 15,671,468
July 1 through Sept 30	\$ 17,120,869	\$ 12,227,382	\$ 12,340,352	\$ 15,671,468
Oct 1 through Dec 31	\$ 14,296,598	\$ 12,400,331	\$ 12,340,352	\$ 15,671,468
Total	\$66,494,533	\$50,573,188	\$49,882,023	\$59,113,184

**Colorado High Cost Support Mechanism
Rate Element Assessment Percentage Summary**

Rate Element:

	2002	2003	2004*	2005*
1st Qtr	2.90%	2.9% & 2.8%	2.00%	2.00%
2nd Qtr	2.90%	2.80%	2.00%	2.90%
3rd Qtr	2.90%	2.80%	2.00%	2.90%
4th Qtr	2.90%	2.30%	2.00%	2.90%

* Contributions and Disbursements for the year 2004 and 2005 are estimated. The Year 2004 contains actual information for the first six months.

Colorado High Cost Supportper Primary Access Line per Month
Residential Primary Support

EXCHANGE	CITY	CLLI	Primary 2002 Support	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	
1	AGUILAR	AGUILAR	AGLRCOMA	\$ 128.55	\$ 83.37	\$ 103.00	\$ 94.19
2	COLORAD	AIR FORCE ACAD	AFACCOMA				\$ 9.96
3	ALAMOSA	ALAMOSA	ALMSCOMA	\$ 2.93	-	\$ 2.59	\$ 5.77
4	ALLENSP	ALLENS PARK	ALPKCOMA	\$ 39.69	\$ 57.32	\$ 43.87	\$ 40.56
5	ARVADA	ZARVADA	ARVDCOMA				
6	ASPEN	ASPEN	ASPECOMA				
7	EATON-AL	AULT	AULTCOMA	\$ 31.93	\$ 22.39	\$ 41.26	\$ 42.16
8	AURORA	Z AURORA	AURRCOMA				
9	AURORA	Z AURORA	AURRCOMB	\$ 55.30	\$ 21.28	\$ 20.64	\$ 21.62
10	PUEBLO	AVONDALE	AVDLCOMA	\$ 76.05	\$ 66.66	\$ 56.00	\$ 63.77
11	VAIL	AVON	AVONCOMA				\$ 3.68
12	BAILEY	BAILEY	BALYCOMA	\$ 14.77	\$ 18.15	\$ 4.74	\$ 15.06
13	BRIGHTON	BRIGHTON	BITNCOMA				
14	BOULDER	BOULDER	BLDRCOGB				
15	BOULDER	BOULDER	BLDRCOMA				
16	COLORAD	BLACKFOREST	BLFSCOMA	\$ 8.98	\$ 0.68	\$ 12.74	\$ 12.52
17	BUENA VI	BUENA VISTA	BNVSCOMA	\$ 33.78	\$ 23.74	\$ 16.00	\$ 15.89
18	BROOMFI	BROOMFIELD	BRFDCOMA				
19	BRECKENI	BRECKENRIDGE	BRRGCOMA	\$ 1.80	\$ 15.11	\$ 4.94	\$ 4.32
20	BRUSH	BRUSH	BRSHCOMA	\$ 12.60	\$ 2.77	\$ 15.62	\$ 13.98
21	BERTHO	BERTHOUD	BRTHCOMA	\$ 10.39	\$ 6.01	\$ 9.23	\$ 7.37
22	BASALT	BASALT	BSLTCOMA	\$ 21.96	\$ 9.82	\$ 13.57	\$ 12.30
23	BAYFIELD	BAYFIELD	BYFDCOMA	\$ 27.48	\$ 16.85	\$ 23.25	\$ 18.65
24	CANON CI	CANON CITY	CACYCOMA	\$ 1.54	-	\$ -	\$ 0.76
25	COAL CRE	COAL CREEK	CCCNCOMA	\$ 12.43	\$ 14.62	\$ 18.88	\$ 16.87
26	GRAND JL	CLIFTON	CFTNCONM		-	\$ -	
27	CALHAN	CALHAN	CLHNCOMA	\$ 93.80	\$ 35.92	\$ 60.93	\$ 54.04
28	COLORAD	COLORADO SPRI	CLSPCO32	\$ 1.82	-	\$ 2.45	\$ 1.33
29	COLORAD	COLORADO SPRI	CLSPCOEA				
30	COLORAD	COLORADO SPRI	CLSPCOMA				
31	COLORAD	COLORADO SPRI	CLSPCOPV				
32	COLORAD	COLORADO SPRI	CLSPCOSM				
33	CENTRAL	CENTRAL CITY	CNCYCOMA	\$ 17.50	\$ 8.14	\$ 13.54	\$ 12.44
34	DILLON	COPPER MOUNT,	CPMTCOMA	\$ 11.66	\$ 55.73	\$ 11.96	\$ 11.07
35	CRAIG	CRAIG	CRAGCOMA	\$ 17.67	\$ 7.46	\$ 12.42	\$ 12.30
36	CRESTED	CRESTED BUTTE	CRBTCOMA	\$ 7.30	\$ 10.00	\$ 12.22	\$ 10.65
37	CRIPPLE	CRIPPLE CREEK	CRCKCOMA	\$ 42.05	\$ 62.51	\$ 38.54	\$ 36.59
38	CARBOND	CARBONDALE	CRDLCOMA	\$ 8.30	\$ 0.36	\$ 10.59	\$ 8.56
39	CORTEZ	CORTEZ	CRTZCOMA	\$ 9.75	\$ 2.10	\$ 9.68	\$ 9.15
40	CASTLE R	CASTLE ROCK	CSRKCONM	\$ 4.72	\$ 0.93	\$ 6.10	\$ 3.91

Colorado High Cost Supportper Primary Access Line per Month
Residential Primary Support

EXCHANGE	CITY	CLLI	Primary 2002 Support	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	
41	DEBEQUE	DEBEQUE	DBEQCONC	\$ 182.70	\$ 146.98	\$ 143.79	\$ 123.23
42	DECKERS	DECKERS	DCKRCOMA	\$ 177.96	\$ 92.70	\$ 116.67	\$ 106.87
43	DELTA	DELTA	DELTCOMA	\$ 12.10	\$ 3.63	\$ 7.52	\$ 5.96
44	DILLON	DILLON	DLLNCOMA	\$ 4.63	\$ 9.60	\$ 3.39	\$ 3.32
45	DEL NORT	DEL NORTE	DLNRCOMA	\$ 43.64	\$ 15.18	\$ 36.51	\$ 34.77
46	DENVER Z	DENVER	DNVRCOCH				
47	LITTLETOI	KEN CARYL RAN	DNVRCOCL				
48	DENVER Z	DENVER	DNVRCOCP				
49	LAFAYETT	LAFAYETTE	DNVRCOCW				
50	LITTLETOI	GREENWOOD VII	DNVRCODC				
51	DENVER Z	DENVER	DNVRCOEA				
52	DENVER Z	DENVER	DNVRCOMA				
53	AURORA Z	DENVER	DNVRCOMB				
54	NORTHEA	COMMERCE CITY	DNVRCONE				
55	DENVER Z	DENVER	DNVRCONO				
56	AURORA Z	DENVER	DNVRCOOU		\$ 43.31	\$ 16.02	\$ 16.94
57	DENVER Z	DENVER	DNVRCOSE				
58	SULLIVAN	AURORA	DNVRCOSE				
59	SULLIVAN	AURORA	DNVRCOSL				
60	DENVER Z	DENVER	DNVRCOSO				
61	SOUTHWEL	LAKESWOOD	DNVRCOSW				
62	DENVER Z	DENVER	DNVRCOWS				
63	DURANGC	DURANGO	DURNCOMA	\$ 2.20	\$ -	\$ 3.90	\$ 2.77
64	EATON-AL	EATON	EATNCOMA	\$ 9.04	\$ -	\$ 13.48	\$ 8.84
65	ELBERT	ELBERT	ELBRCOMA	\$ 60.81	\$ 51.37	\$ 60.25	\$ 51.81
66	ELIZABETI	ELIZABETH	ELZBCO01	\$ 14.74	\$ 12.09	\$ 16.87	\$ 13.28
67	LITTLETOI	Douglas County	ENWDCOAB				
68	ENGLEWC	ENGLEWOOD	ENWDCOMA				
69	ERIE	ERIE	ERIECOMA	\$ 16.16	\$ 11.23	\$ 16.15	\$ 11.18
70	ESTES PA	ESTES PARK	ESPKCOMA	\$ 7.15	\$ 4.82	\$ 5.80	\$ 4.39
71	EVERGRE	EVERGREEN	EVRGCOMA			\$ 3.36	\$ 2.12
72	FLORENCI	FLORENCE	FLRNCOMA	\$ 21.11	\$ 6.17	\$ 20.89	\$ 20.34
73	COLORAD	FOUNTAIN	FONTCOMA				
74	FT COLLIN	FT COLLINS	FRCLCOMA				
75	FREDRICK	FREDRICK	FRDRCOMA		\$ 8.20	\$ 4.75	\$ 0.33
76	FAIRPLAY	FAIRPLAY	FRPLCOMA	\$ 63.50	\$ 90.51	\$ 59.22	\$ 51.78
77	DILLON	FRISCO	FRSCCOMA		\$ 13.73	\$ 6.77	\$ 5.29
78	FRASER	FRASER	FRSRCOMA	\$ 8.42	\$ 27.01	\$ 12.11	\$ 9.46
79	FRUITA	FRUITA	FRUTCOMA	\$ 17.43	\$ 10.40	\$ 14.97	\$ 10.43
80	FT COLLIN	FT COLLINS	FTCLCOHM				

Colorado High Cost Supportper Primary Access Line per Month
Residential Primary Support

EXCHANGE	CITY	CLLI	Primary 2002 Support	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	
81	FT LUPTO	FT LUPTON	FTLPCOMA	\$ 6.39	\$ 1.12	\$ 3.13	\$ 3.08
82	FT MORG/	FT MORGAN	FTMRCOMA	\$ 2.17	\$ -	\$ 2.35	\$ 1.79
83	GRAND JL	GRAND JUNCTIOI	GDJTCOMA				
84	GRAND LA	GRAND LAKE	GDLKCOMA	\$ 16.05	\$ 25.74	\$ 13.81	\$ 11.04
85	GILCREST	GILCREST	GLCRCOMA	\$ 30.72	\$ 24.20	\$ 41.97	\$ 37.24
86	GOLDEN Z	GOLDEN	GLDNCOMA				
87	GLENWOC	GLENWOOD SPR	GLSPCOMA	\$ 0.24	\$ -	\$ -	\$ -
88	COLORAD	GREEN MOUNTAI	GMFLCOMA	\$ 12.89	\$ 10.93	\$ 15.34	\$ 15.27
89	GUNNISOI	GUNNISON	GNSNSOMA	\$ 42.14	\$ 11.97	\$ 22.13	\$ 22.80
90	GREELEY	GREELEY	GRELCOJC				
91	GREELEY	GREELEY	GRELCOMA				
92	GRANBY	GRANBY	GRNBCOMA	\$ 26.95	\$ 23.53	\$ 25.23	\$ 20.17
93	GEORGET	GEORGETOWN	GRTWCOMA	\$ 26.19	\$ 27.38	\$ 18.69	\$ 17.58
94	HUDSON	HUDSON	HDSNCOMA	\$ 38.19	\$ 35.11	\$ 35.74	\$ 30.31
95	HILLROSE	HILLROSE	HLRSCOMA	\$ 134.00	\$ 66.94	\$ 130.71	\$ 124.41
96	HOT SULP	HOT SULPHUR SF	HSSPCOMA	\$ 122.39	\$ 131.97	\$ 73.12	\$ 60.02
97	HAYDEN	HAYDEN	HYDNCOMA	\$ 66.93	\$ 73.98	\$ 55.17	\$ 54.68
98	IDAHO SPI	IDAHO SPRINGS	IDSPCOMA	\$ 29.40	\$ 15.06	\$ 20.35	\$ 19.37
99	JOHNSTOI	JOHNSTON MILLI	JHMLCOMA	\$ 3.92	\$ 7.85	\$ 6.17	\$ 2.09
100	JULESBUF	JULESBURG	JLBGCOMA	\$ 37.14	\$ 10.56	\$ 41.45	\$ 43.22
101	KIOWA	KIOWA	KIOWCOMA	\$ 95.17	\$ 68.17	\$ 66.00	\$ 57.57
102	KEENESBI	KEENESBURG	KNBGCOMA	\$ 71.73	\$ 39.32	\$ 53.32	\$ 39.97
103	KREMMLI	KREMMLING	KRNGCOMA	\$ 58.63	\$ 64.47	\$ 36.27	\$ 35.85
104	LEADVILL	LEADVILLE	LDVLCOMA	\$ 13.04	\$ -	\$ -	\$ 2.70
105	LIMON	LIMON	LIMNCOMA	\$ 32.70	\$ 36.27	\$ 32.14	\$ 44.78
106	LOOKOUT	JEFFERSON COU	LKMTCOMA	\$ 1.20	\$ 0.98	\$ -	\$ -
107	LAKEWOC	LAKEWOOD	LKWDCOMA				
108	LONGMON	LONGMONT	LNMTCOMA				
109	CASTLE R	LARKSPUR	LRKSCONM	\$ 32.16	\$ 21.03	\$ 22.27	\$ 13.95
110	LA SALLE	LA SALLE	LSLLCOMA	\$ 21.71	\$ 9.58	\$ 33.41	\$ 30.99
111	LITTLETOI	LITTLETON	LTTNCOHL				
112	LITTLETOI	LITTLETON	LTTNCOMA				
113	LOVELANI	LOVELAND	LVLDCOMA				
114	LYONS	LYONS	LYNSCOMA	\$ 16.56	\$ 15.77	\$ 20.40	\$ 19.68
115	MEAD	MEAD	MEADCOMA	\$ 20.51	\$ 16.95	\$ 12.94	\$ 17.69
116	MEEKER	MEEKER	MEKRCOMA	\$ 94.96	\$ 36.37	\$ 75.98	\$ 73.10
117	MANCOS	MANCOS	MNCSCOMA	\$ 68.65	\$ 39.61	\$ 60.19	\$ 55.39
118	COLORAD	MONUMENT	MNMTCOMA		\$ 0.01	\$ -	
119	COLORAD	MANITOU SPRINC	MNSPCOMA				\$ 0.67
120	VAIL	MINTURN	MNTRCOMA	\$ 31.42	\$ 15.29	\$ 33.03	\$ 36.28

Colorado High Cost Supportper Primary Access Line per Month
Residential Primary Support

EXCHANGE	CITY	CLLI	Primary 2002 Support	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	
121	MORRISO	MORRISON	MRSNCOMA	\$ 3.45	\$ 3.43	\$ 11.81	\$ 10.10
122	MONTRO	MONTROSE	MTRSCOMA	\$ 4.48	\$ 0.65	\$ 5.87	\$ 4.24
123	MONTE VI	MONTE VISTA	MTVSCOMA	\$ 8.33	\$ 3.52	\$ 9.50	\$ 10.30
124	CORTEZ	MESA VERDE	MVNPCOMA	\$ 23.49	\$ 25.47	\$ 58.66	\$ 67.48
125	NEDERLA	NEDERLAND	NLDLDCOMA	\$ 19.45	\$ 16.40	\$ 21.73	\$ 19.59
126	BROOMFI	NORTHGLENN	NGLNCOMA				\$ -
127	LONGMON	NIWOT	NIWTCOMA	\$ 0.35	\$ 1.67	\$ 3.59	\$ 4.64
128	NEW CAS	NEW CASTLE	NWCSCOMA	\$ 33.57	\$ 27.30	\$ 33.64	\$ 25.45
129	OAK CREE	OAK CREEK	OKCKCOMA	\$ 73.81	\$ 36.62	\$ 56.22	\$ 56.11
130	OLATHE	OLATHE	OLTHCOMA	\$ 22.39	\$ 16.72	\$ 19.96	\$ 22.80
131	OURAY	OURAY	OURYCOMA	\$ 24.56	\$ 41.99	\$ 23.87	\$ 29.18
132	JULESBU	FOVID	OVIDCOMA	\$ 125.14	\$ 76.07	\$ 116.23	\$ 132.73
133	PARACHU	PARACHUTE	PACHC01	\$ 33.20	\$ 14.06	\$ 11.53	\$ 15.61
134	PALISADE	PALISADE	PLSDCOMA	\$ 5.00	\$ 8.09	\$ 8.88	\$ 12.40
135	FLORENCI	PENROSE	PNRSCOMA	\$ 22.40	\$ 7.35	\$ 12.92	\$ 16.67
136	PARKER	PARKER	PRKRCOMA	\$ 7.64	\$ -	\$ -	\$ -
137	PLATTEVI	PLATTEVILLE	PTVLCOMA	\$ 19.04	\$ 18.09	\$ 13.51	\$ 17.61
138	PUEBLO	PUEBLO	PUBLCO06	\$ 5.49	\$ 1.98	\$ -	\$ 0.44
139	PUEBLO	PUEBLO	PUBLCOMA				
140	PUEBLO	PUEBLO	PUBLICOSU				
141	PEYTON	PEYTON	PYTNCOMA	\$ 41.39	\$ 28.52	\$ 37.13	\$ 31.21
142	RIDGEWA	RIDGEWAY	RDGWCOMA	\$ 58.86	\$ 40.29	\$ 36.93	\$ 28.73
143	RIFLE	RIFLE	RIFLCOMA	\$ 12.39	\$ 3.15	\$ 8.66	\$ 5.70
144	SALIDA	SALIDA	SALDCOMA	\$ 18.30	\$ 1.41	\$ 7.56	\$ 8.98
145	COLORAD	SECURITY	SCRTCOMA				
146	DEL NORT	SOUTH FORK	SFRKCOMA	\$ 47.31	\$ 28.98	\$ 36.60	\$ 34.02
147	SILT	SILT	SILTCOMA	\$ 45.35	\$ 27.59	\$ 31.46	\$ 25.09
148	SILVERTO	SILVERTON	SLTNCOMA	\$ 76.72	\$ 75.51	\$ 39.15	\$ 34.85
149	ASPEN	SNOWMASS	SNMSCOMA		\$ 13.79	\$ 5.03	\$ 3.75
150	STERLING	STERLING	STNGCOMA	\$ 12.14	\$ 3.54	\$ 3.54	\$ 8.42
151	STEAMBO	STEAMBOAT SPR	STSPCOMA	\$ 5.02	\$ 5.16	\$ 5.85	\$ 5.31
152	BOULDER	BOULDER	TEMACOMA				
153	TELLURID	TELLURIDE	TLRDCOMA	\$ 9.62	\$ 29.82	\$ 12.01	\$ 10.46
154	TRINIDAD	TRINIDAD	TRNDCOMA	\$ 21.69	\$ 3.85	\$ 11.83	12.44.39
155	VAIL	VAIL	VAILCOMA				
156	PUEBLO	VINELAND	VNLDCOMA	\$ 6.59	\$ -	\$ 10.72	\$ 13.82
157	WARD	WARD	WARDCOMA	\$ 39.86	\$ 88.34	\$ 42.40	\$ 42.83
158	COLORAD	WOODLAND PARI	WDPKCOMA	\$ 12.26	\$ 4.34	\$ 6.70	\$ 6.54
159	FT COLLIN	WELLINGTON	WGTCOMA	\$ 43.72	\$ 23.79	\$ 25.67	\$ 18.01
160	WALSEN	WALSENBURG	WLBGCOMA	\$ 360.41	\$ 9.80	\$ 23.88	\$ 25.37

Colorado High Cost Support

per Primary Access Line per Month
Residential Primary Support

EXCHANGE	CITY	CLLI	Primary 2002 Support	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support
161	WELDONA	WELDONA	\$ 30.63	\$ 89.21	\$ 81.01	\$ 68.12
162	ARVADA Z	WESTMINSTER				
163	WINDSOR	WINDSOR	\$ 3.34	\$ -	\$ 0.82	\$ -
164	YAMPA	YAMPA	\$ 129.48	\$ 106.67	\$ 106.26	\$ 82.80
			\$ -	\$ -	\$ -	\$ -
Statewide Average			\$ 15.51	\$ 12.30	\$ 13.87	\$ 16.19

Residential Revenue Benchmarks	\$20.16	\$20.40	\$19.55	\$19.02
--------------------------------	---------	---------	---------	---------

Colorado High Cost Support
per Primary Access Line per Month
for Business Lines

	<u>CITY</u>	<u>EXCHANGE</u>	Business Support 2002	Business Support 2003	Business Support 2004	Business Support 2005
1	AGUILAR AGUILAR	AGLRCOMA	\$ 104.85	\$ 49.75	\$ 69.84	\$ 64.59
2	COLORAD AIR FORCE ACADEM	AFACCOMA				
3	ALAMOSA ALAMOSA	ALMSCOMA	\$ 8.93	\$ 18.19	\$ 9.88	\$ -
4	ALLENSP/ ALLENS PARK	ALPKCOMA				
5	ARVADA Z ARVADA	ARVDCOMA				
6	ASPEN ASPEN	ASPECOMA				
7	EATON-AL AULT	AULTCOMA		\$ 7.38	\$ 33.53	\$ 25.02
8	AURORA Z AURORA	AURRCOMA				
9	AURORA Z AURORA	AURRCOMB		\$ 120.92	\$ 3.09	\$ 4.39
10	PUEBLO AVONDALE	AVDLCOMA	\$ 30.65	\$ 28.00	\$ 51.26	\$ 37.93
11	VAIL AVON	AVONCOMA				
12	BAILEY BAILEY	BALYCOMA	\$ -	\$ -	\$ 2.74	
13	BRIGHTON BRIGHTON	BITNCOMA				
14	BOULDER BOULDER	BLDRCOGB				
15	BOULDER BOULDER	BLDRCOMA				
16	COLORAD BLACKFOREST	BLFSCOMA	\$ -	\$ -	\$ 1.47	
17	BUENA VI& BUENA VISTA	BNVSCOMA	\$ 2.71	\$ 8.57	\$ 0.44	
18	BROOMFIE BROOMFIELD	BRFDCOMA				
19	BRECKENI BRECKENRIDGE	BRRGCOMA				
20	BRUSH BRUSH	BRSHCOMA	\$ -	\$ -	\$ 0.68	
21	BERTHOU BERTHOUD	BRTHCOMA				
22	BASALT BASALT	BSLTCOMA				
23	BAYFIELD BAYFIELD	BYFDCOMA				
24	CANON CI CANON CITY	CACYCOMA	\$ 9.08	\$ -	\$ -	\$ -
25	COAL CRE COAL CREEK	CCCNCOMA	\$ 74.42	\$ -	\$ -	\$ -
26	GRAND JL CLIFTON	CFTNCONM				
27	CALHAN CALHAN	CLHNCOMA		\$ 22.16	\$ 42.72	\$ 38.91
28	COLORAD COLORADO SPRING&	CLSPCO32				
29	COLORAD COLORADO SPRING&	CLSPCOEA	\$ 3.75	\$ -	\$ -	\$ -
30	COLORAD COLORADO SPRING&	CLSPCOMA				
31	COLORAD COLORADO SPRING&	CLSPCOPV				
32	COLORAD COLORADO SPRING&	CLSPCOSM				
33	CENTRAL CENTRAL CITY	CNCYCOMA				
34	DILLON COPPER MOUNTAIN	CPMTCOMA		\$ 19.94	\$ -	\$ -
35	CRAIG CRAIG	CRAGCOMA				
36	CRESTED CRESTED BUTTE	CRBTCOMA				
37	CRIPPLE C CRIPPLE CREEK	CRCKCOMA		\$ 49.82	\$ 21.49	\$ 20.36
38	CARBOND CARBONDALE	CRDLCOMA				
39	CORTEZ CORTEZ	CRTZCOMA				
40	CASTLE R CASTLE ROCK	CSRKCONM				
41	DEBEQUE DEBEQUE	DBEQCONC		\$ 125.61	\$ 121.76	\$ 102.69
42	DECKERS DECKERS	DCKRCOMA		\$ 57.55	\$ 87.97	\$ 79.22
43	DELTA DELTA	DELTCOMA				
44	DILLON DILLON	DLLNCOMA				
45	DEL NORT DEL NORTE	DLNRCOMA			\$ 17.82	\$ 15.31

Colorado High Cost Support
per Primary Access Line per Month
for Business Lines

	<u>CITY</u>	<u>EXCHANGE</u>	Business Support 2002	Business Support 2003	Business Support 2004	Business Support 2005
46	DENVER Z DENVER	DNVRCOCH				
47	LITTLETON KEN CARYL RANCH	DNVRCOCL				
48	DENVER Z DENVER	DNVRCOCP				
49	LAFAYETT LAFAYETTE	DNVRCOCW	\$ 20.47			
50	LITTLETON GREENWOOD VILLAGE	DNVRCODC	\$ 161.45			
51	DENVER Z DENVER	DNVRCOEA	\$ 149.86			
52	DENVER Z DENVER	DNVRCOMA	\$ 21.74			
53	AURORA Z DENVER	DNVRCOMB	\$ 19.78			
54	NORTHEAST COMMERCE CITY	DNVRCONE				
55	DENVER Z DENVER	DNVRCONO				
56	AURORA Z DENVER	DNVRCOOU		\$ 8.08		
57	DENVER Z DENVER	DNVRCOSE				
58	SULLIVAN AURORA	DNVRCOSE				
59	SULLIVAN AURORA	DNVRCOSL				
60	DENVER Z DENVER	DNVRCOSO				
61	SOUTHWEST LAKEWOOD	DNVRCOSW				
62	DENVER Z DENVER	DNVRCOWS				
63	DURANGO DURANGO	DURNCOMA				
64	EATON-AL EATON	EATNCOMA				
65	ELBERT ELBERT	ELBRCOMA		\$ 37.26	\$ 44.99	\$ 34.65
66	ELIZABETH ELIZABETH	ELZBCO01			\$ 2.16	\$ -
67	LITTLETON Douglas County	ENWDCOAB	\$ 8.71	\$ -	\$ -	\$ -
68	ENGLEWOOD ENGLEWOOD	ENWDCOMA				
69	ERIE ERIE	ERIECOMA	\$ 35.79	\$ -	\$ 0.61	\$ -
70	ESTES PARK ESTES PARK	ESPKCOMA				
71	EVERGREEN EVERGREEN	EVRGCOMA				
72	FLORENCE FLORENCE	FLRNCOMA			\$ 6.56	\$ -
73	COLORADO FOUNTAIN	FONTCOMA				
74	FT COLLINS FT COLLINS	FRCLCOMA				
75	FREDRICK FREDRICK	FRDRCOMA				
76	FAIRPLAY FAIRPLAY	FRPLCOMA	\$ 37.20	\$ 61.38	\$ 31.44	\$ 20.60
77	DILLON FRISCO	FRSCCOMA				
78	FRASER FRASER	FRSRCOMA				
79	FRUITA FRUITA	FRUTCOMA			\$ 0.86	\$ 0.86
80	FT COLLINS FT COLLINS	FTCLCOHM				
81	FT LUPTON FT LUPTON	FTLPCOMA				
82	FT MORGAN FT MORGAN	FTMRCOMA				
83	GRAND JUNCTION GRAND JUNCTION	GDJTCOMA				
84	GRAND LAKE GRAND LAKE	GDLKCOMA				
85	GILCREST GILCREST	GLCRCOMA	\$ 19.09	\$ 10.85	\$ 28.64	\$ 23.15
86	GOLDEN Z GOLDEN	GLDNCOMA				
87	GLENWOOD GLENWOOD SPRING	GLSPCOMA	\$ 9.59	\$ -	\$ -	
88	COLORADO GREEN MOUNTAIN	GMFLCOMA				
89	GUNNISON GUNNISON	GNSNSOMA				\$ 1.08
90	GREELEY GREELEY	GRELCOJC				

Colorado High Cost Support
per Primary Access Line per Month
for Business Lines

CITY	EXCHANGE	Business Support 2002	Business Support 2003	Business Support 2004	Business Support 2005
91 GREELEY GREELEY	GRELCOMA	\$ 18.64			
92 GRANBY GRANBY	GRNBCOMA	\$ 42.04	\$ 3.02	\$ 3.91	\$ -
93 GEORGET GEORGETOWN	GRTWCOMA	\$ 113.16	\$ 3.87	\$ -	
94 HUDSON HUDSON	HDSNCOMA	\$ 97.99	\$ 16.59	\$ 17.73	\$ 7.48
95 HILLROSE HILLROSE	HLRSCOMA	\$ 12.18	\$ 53.66	\$ 118.15	\$ 115.61
96 HOT SULPH HOT SULPHUR SPRING	HSSPCOMA	\$ 5.86	\$ 106.65	\$ 46.67	\$ 33.65
97 HAYDEN HAYDEN	HYDNCOMA		\$ 55.53	\$ 36.16	\$ 37.44
98 IDAHO SPRING IDAHO SPRINGS	IDSPCOMA			\$ 3.20	\$ 3.20
99 JOHNSTON JOHNSTON MILLIKEN	JHMLCOMA				
100 JULESBURG JULESBURG	JLBGCOMA			\$ 24.36	\$ 26.24
101 KIOWA KIOWA	KIOWCOMA		\$ 24.53	\$ 47.91	\$ 38.43
102 KEENESBURG KEENESBURG	KNBGCOMA		\$ 27.07	\$ 40.82	\$ 24.23
103 KREMMLING KREMMLING	KRNGCOMA	\$ 13.15	\$ 43.40	\$ 15.18	\$ 15.49
104 LEADVILLE LEADVILLE	LDVLCOMA	\$ 102.44	\$ -	\$ -	\$ -
105 LIMON LIMON	LIMNCOMA	\$ 47.13	\$ 22.65	\$ 17.29	\$ 26.58
106 LOOKOUT JEFFERSON COUNTY	LKMTCOMA	\$ 73.62	\$ 73.62		
107 LAKEWOOD LAKEWOOD	LKWDCOMA	\$ 37.14	\$ -		
108 LONGMONT LONGMONT	LNMTCOMA	\$ 0.45	\$ -		
109 CASTLE ROCK LARKSPUR	LRKSCONM		\$ 3.94	\$ 6.16	\$ -
110 LA SALLE LA SALLE	LSLLCOMA			\$ 18.51	\$ 13.61
111 LITTLETON LITTLETON	LTTNCOHL				
112 LITTLETON LITTLETON	LTTNCOMA	\$ 10.31			
113 LOVELAND LOVELAND	LVLDCOMA				
114 LYONS LYONS	LYNSCOMA				
115 MEAD MEAD	MEADCOMA				
116 MEEKER MEEKER	MEKRCOMA		\$ 15.95	\$ 57.06	\$ 53.74
117 MANCOS MANCOS	MNCSCOMA		\$ 20.35	\$ 40.71	\$ 35.80
118 COLORADO MONUMENT	MNMTCOMA				
119 COLORADO MANITOU SPRINGS	MNSPCOMA				
120 VAIL MINTURN	MNTRCOMA	\$ 45.37	\$ 1.27	\$ 18.33	\$ 20.71
121 MORRISON MORRISON	MRSNCOMA				
122 MONTROSE MONTROSE	MTRSCOMA				
123 MONTE VISTA MONTE VISTA	MTVSCOMA				
124 CORTEZ MESA VERDE	MVNPCOMA	\$ 68.44	\$ 238.97	\$ 42.62	\$ 5.15
125 NEDERLAND NEDERLAND	NDLDCOMA		\$ 0.11	\$ 5.29	\$ 0.70
126 NORTHGLENN NORTHGLENN	NGLNCOMA				
127 NIWOT NIWOT	NIWTCOMA				
128 NEW CASTLE NEW CASTLE	NWCSCOMA	\$ 9.16	\$ 10.13	\$ 16.02	\$ 7.73
129 OAK CREEK OAK CREEK	OKCKCOMA		\$ 17.94	\$ 36.67	\$ 37.19
130 OLATHE OLATHE	OLTHCOMA				\$ 3.53
131 OURAY OURAY	OURYCOMA		\$ 22.39	\$ 3.65	\$ 8.52
132 OVID OVID	OVIDCOMA	\$ 52.12	\$ 57.98	\$ 98.41	\$ 115.48
133 PARACHUTE PARACHUTE	PACHC01				
134 PALISADE PALISADE	PLSDCOMA				
135 PENROSE PENROSE	PNRSCOMA		\$ 0.29	\$ 5.75	\$ 5.75

Colorado High Cost Support
per Primary Access Line per Month
for Business Lines

<u>CITY</u>	<u>EXCHANGE</u>	Business Support 2002	Business Support 2003	Business Support 2004	Business Support 2005
136 PARKER PARKER	PRKRCOMA	\$ 7.82			
137 PLATTEVILLE PLATTEVILLE	PTVLCOMA				
138 PUEBLO PUEBLO	PUBLCO06	\$ 15.81	\$ 3.41	\$ -	
139 PUEBLO PUEBLO	PUBLICOMA				
140 PUEBLO PUEBLO	PUBLICOSU	\$ 54.17	\$ -		
141 PEYTON PEYTON	PYTNCOMA		\$ 12.26	\$ 19.63	\$ 14.28
142 RIDGEWAY RIDGEWAY	RDGWCOMA	\$ 34.76	\$ 21.59	\$ 16.41	\$ 8.81
143 RIFLE RIFLE	RIFLCOMA				
144 SALIDA SALIDA	SALDCOMA				
145 COLORADO SECURITY	SCRTCOMA				
146 DEL NORTE SOUTH FORK	SFRKCOMA		\$ 3.13	\$ 11.42	\$ 9.60
147 SILT SILT	SILTCOMA	\$ 19.31	\$ 8.22	\$ 11.51	\$ 6.69
148 SILVERTON SILVERTON	SLTNCOMA	\$ 49.96	\$ 53.83	\$ 18.15	\$ 14.09
149 ASPEN SNOWMASS	SNMSCOMA				
150 STERLING STERLING	STNGCOMA		\$ 5.18	\$ 9.45	
151 STEAMBOAT SPRING STEAMBOAT SPRING	STSPCOMA				
152 BOULDER BOULDER	TEMACOMA				
153 TELLURIDE TELLURIDE	TLRDCOMA		\$ 12.09	\$ -	\$ -
154 TRINIDAD TRINIDAD	TRNDCOMA			\$ 2.19	\$ 1.89
155 VAIL VAIL	VAILCOMA				
156 PUEBLO VINELAND	VNLDCOMA				
157 WARD WARD	WARDCOMA		\$ 59.86	\$ 19.91	\$ 10.80
158 COLORADO WOODLAND PARK	WDPKCOMA				
159 FT COLLINS WELLINGTON	WGTCOMA	\$ 8.53	\$ 7.63	\$ 9.22	\$ 1.97
160 WALSLEIGH WALSLEIGH	WLBGCOMA	\$ 5.74	\$ -	\$ 5.07	\$ 2.73
161 WELDON WELDON	WLDACOMA	\$ 4.37	\$ 71.18	\$ 66.42	\$ 51.27
162 ARVADA WESTMINSTER	WMNSCOMA	\$ 3.54	\$ -		
163 WINDSOR WINDSOR	WNSCOMA				
164 YAMPA YAMPA	YAMPCOMA	\$ 107.90	\$ 85.70	\$ 85.12	\$ 62.08
			\$ -		
Statewide Average		\$ 23.85	\$ 23.85	\$ 17.23	\$ 16.97
Business Revenue Benchmarks		\$ 44.53	\$ 44.53	\$ 32.33	\$ 38.45