

STATE OF COLORADO

PUBLIC UTILITIES COMMISSION

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Department of Regulatory Agencies

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Bill Owens
Governor

December 1, 2005

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 2005. Also, included are the proposed operations for the calendar year 2006.

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 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 2005 are estimated to be approximately \$60.9 million. Customers are currently paying a 2.9 percent rate element for telecommunications services to support the high cost support mechanism. The rate element was increased from 2.0 percent to 2.9 percent effective October 1, 2005.

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

Sincerely,

Doug Dean
Director

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

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

I. Executive Summary

The Telecommunications Act of 1996 established the framework for universal service. The expressed purpose of the federal Act 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. . . .¹

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 connection 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; and
- Federal and State Universal Service Funds - to support high-cost areas at rates that are reasonably comparable to those charged in urban areas.

The Colorado High Cost Support Mechanism (CHCSM) is under the administration of the Colorado Public Utilities Commission (Commission) pursuant to § 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

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

cost areas of the state. The Commission has augmented and strengthened the CHCSM program through the issuance of regulations, rules and other directives.

The CHCSM provides financial support to local exchange providers who qualify as eligible telecommunications providers so that basic local exchange service is affordable even though the cost to provide such service may be very high in some rural areas. The CHCSM amounts paid to providers are coordinated with the federal Universal Service Fund (USF) program.

During its regular 2005 session, the Colorado General Assembly enacted House Bill 05-1203 to be effective July 1, 2005. This act concerns the equitable distribution by the Commission of high cost support mechanism funding to eligible providers. Basically, this bill added two clarifying definitions to the statutes:

- a) "Distributed Equitably" to mean a distribution of funds that is accomplished using regulatory principles that are neutral in their effect, that do not favor one class of providers over another, and do not cause any eligible rural telecommunications provider to experience a reduction in its high cost support mechanism requirement based on commission rules that are not applicable to other telecommunications providers.
- b) "Non-discriminatory and competitively neutral basis" refers to distributions that are made by the commission using regulatory principles that are neutral in their effect, do not favor one class of providers over another, and do not impose regulatory requirements or costs on only one class of customers.

The purpose of this legislation is to eliminate any inequitable treatment in the distribution of CHCSM support in a manner that is non-discriminatory and on a competitively neutral basis.

The Commission adopted emergency rules in Docket No. 05R-381T in response to the passage of HB05-1203. The Commission took this emergency action to ensure that high cost support is distributed in a nondiscriminatory manner and that regulatory requirements are imposed on a competitively neutral basis for all providers. The emergency rules eliminated the phase-down provision for rural carriers which reduced CHCSM support over a seven-year period, from 100 percent in the first and second year, to 82.5 percent in the third year, 65 percent in the fourth year, 40 percent in the fifth year, 20 percent in the sixth year, and zero during the seventh year. In the interim, the Commission will determine and establish the CHCSM support for each rural telecommunications service provider that will be effective for a period of one year. These emergency rules will remain in effect until the Commission adopts permanent rules.

In June 2005, the Commission approved a Stipulation and Settlement Agreement (Agreement) that relaxed regulation of certain retail services and products from Part II to Part III for Qwest telephone services in Docket 04A-411T. One condition of the Agreement was that the Commission would open an investigatory docket to examine changes to the CHCSM. The issues to be explored in the investigation shall include, among other things, which services are to be supported and the appropriate level of support. The Commission opened Docket No. 05I-431T in Decision No. C05-1239 issued on October 14, 2005 for said purpose.

In August 2005, the Commission approved an increase in the Colorado Universal Service Surcharge from 2.0% to 2.9% beginning in the fourth quarter of 2005. The rate element had been kept artificially low (at 2.0%) since January 1, 2003 in order to achieve the target fund reserve of approximately \$10 to \$11 million. The Commission estimated that the escrow account balance would reach the target fund reserve in the fourth quarter 2005.

Northeast Colorado Cellular, Inc., doing business as Viaero Wireless (Viaero), is the first wireless carrier to begin drawing CHCSM support. Viaero is eligible to receive CHCSM support based on the amount per access line the underlying incumbent carrier receives for that wire center and on the number of Viaero's lines. Viaero must submit its request for CHCSM support in a timely manner, and although the Commission has the responsibility for processing the request, Viaero is ultimately held responsible for all information contained in its request for CHCSM.

Because Viaero is designated as an eligible provider in Qwest Corporation's (Qwest) study area, Qwest's CHCSM support amount in those study areas where Viaero is also receiving support, is based on the actual supported residential and business access line counts per wire center and the per-line support amount.

II. History

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 Carriers (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 the Commission administration of the fund. To provide direct oversight of activities and performance of the CHCF, the Commission implemented rules found at 4 CCR 723-41.

On May 24, 1995, House Bill 95-1335 was enacted. The Colorado Act, in part, modified the statutory 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 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 end-user intrastate telecommunications service revenues.

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 May 18, 1998, Senate Bill 98-177 was enacted which 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 rules² and, subsequently, permanent rules³ 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.

² See PUC Docket No. 98R-028T.

³ See PUC Docket No. 99R-028T.

Beginning in 2001, the Commission was required to certify rural and non-rural eligible telecommunication providers for Federal Universal Service Fund support under FCC Docket No. 96-45, annually. The FCC regulations require that to continue to receive federal USF support, 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.

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. 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.

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.

Also in 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 (ALJ) 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.

On November 12, 2004, the FCC released its Memorandum Opinion and Order⁴ that declared Voice over Internet Protocol (VoIP) service 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 (Qwest collects from its customers and submits a major portion of the contributions and is also 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.

III. Administration

The Commission, acting as Administrator, performs billing, collection and disbursement functions for the CHCSM. It also collects information regarding contributing entities and end-user telecommunications revenues, submits projections of demand, and administrative expenses.

The functions of the Administrator also include, but are not limited to, development of applications and associated instructions as needed for the CHCSM, administering the process to ensure compliance with the Commission’s rules and regulations, updating the web site for such processes and development and implementation of other processes unique to CHCSM.

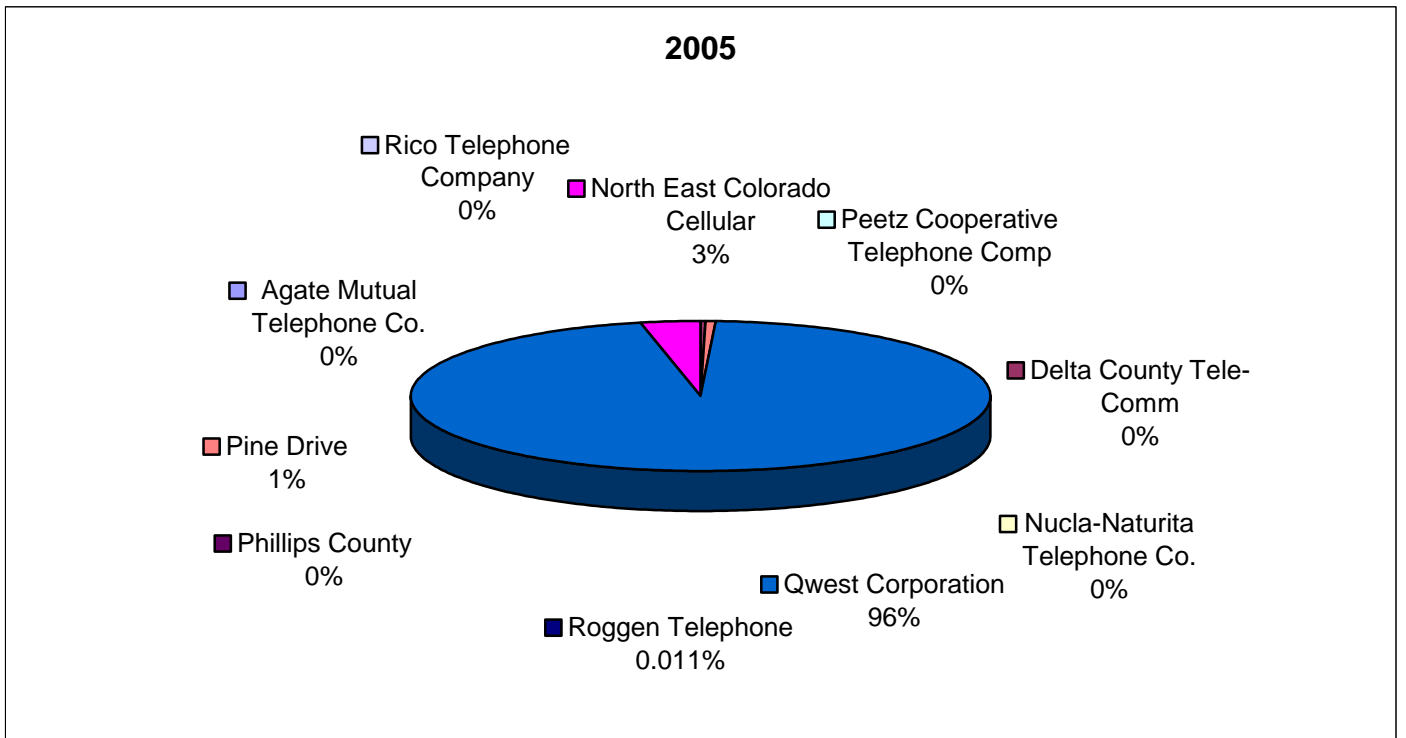
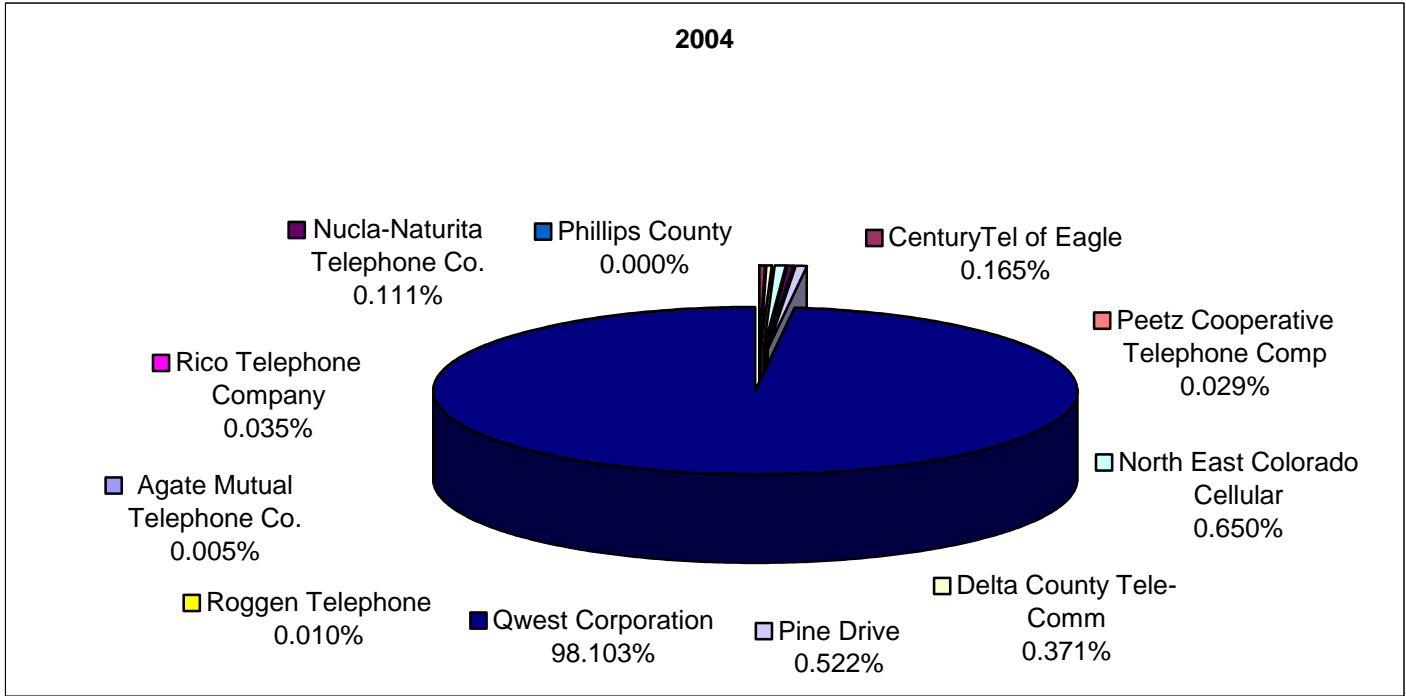
As the Administrator, the Commission continues to take enforcement actions (in show-cause dockets) against certain delinquent telecommunications service providers, and continues to conduct audits of data submitted by providers. Due to the rapidly changing fortunes of telecommunications service providers, the Commission must take these actions to ensure that each provider is contributing to the CHCSM actual amounts that the provider has collected from its customers or should have collected.

⁴ In the Matter 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.

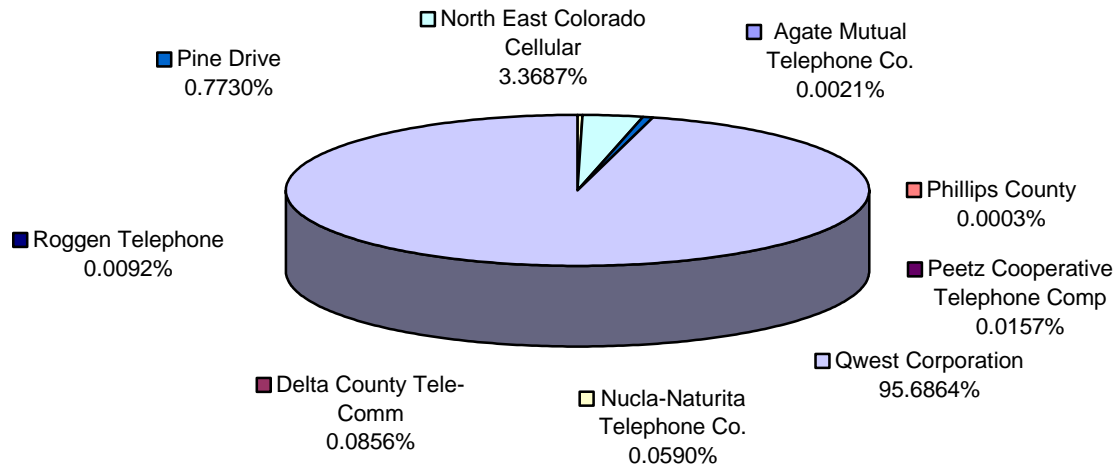
On August 6, 2002, the Commission entered into a Memorandum of Understanding (MOU) with CenturyTel, Inc to be the Custodial Receiver of certain contributions to the CHCSM and to transfer support to eligible recipients each quarter, as directed by the Administrator. Under the terms of the MOU, CenturyTel established a separate segregated account (Escrow Account) at Regions Morgan Keegan Trust (Regions). Regions' provides banking and investment management services.

Regions provide the Commission a monthly statement which identifies receipts (contributor, date of receipt, amount received), disbursements, transfers, and the current balance of the Escrow Account. Under terms of the MOU, CenturyTel is entitled to reimbursement for all costs related to the management of the Escrow Account through the transfer of interest income earned from the Escrow Account. In accordance with the MOU, payments made to CenturyTel for managing the Escrow Account for 2004 totalled \$243,500. During 2005, the yield on the Escrow Account has significantly increased, resulting in an estimated annual interest income of \$523,000. Because of this spike in yield, the Commission is reviewing the MOU and may need to modify the MOU to clarify that CenturyTel is entitled to recover interest income sufficient to compensate it for actual administrative expenses incurred in the management of the Escrow Account.

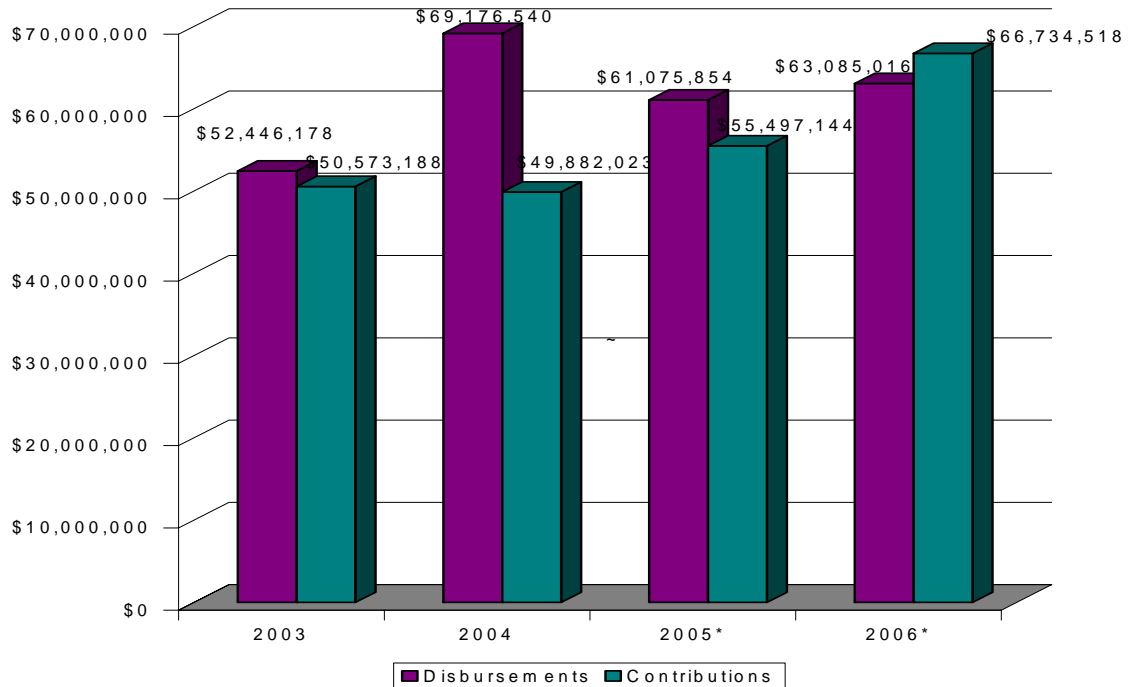
The following three charts summarize the percentage of CHCSM distributions, both actual and projected, paid to eligible providers for calendar years 2004, 2005 and 2006. The fourth chart summarizes the dollar value of distributions from and contributions to the Fund for calendar years 2003 through 2006. In 2004, distributions exceeded 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 differential between distributions and contributions was significantly reduced because the reserve balance had been drawn down to the targeted amount.



Projected 2006



Summary of Contributions and Disbursements



2003-Sep 2005 - 2.0%, Oct-2005- 2.9%

IV. Operations - 2005

Calendar Year 2005 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 2005. For the first time, CHCSM support was provided to a wireless provider (i.e., Northeast Colorado Cellular, doing business as Viaero) who served customers in high cost areas also served by non-rural and rural incumbent telecommunications service providers. The 2005 budget for the CHCSM was estimated at \$60,768,124. Distributions to eligible telecommunications service providers for the first six months were \$30,454,652 and are estimated at \$30,480,202 for the remaining six months of 2005. An estimated total of \$60,934,854 will be distributed by year-end 2005, which is a significant decrease from 2004. By year-end 2005, an estimated \$141,000 will be expensed to the administrative budget. The distributions to eligible providers are identified in Table A below:

Table A
**2005 Colorado High Cost Support Mechanism
 Actual 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	\$121,370	\$11.34
Nucla-Naturita	1,622	\$63,749	\$39.30
Peetz Cooperative	219	\$16,052	\$73.30
Phillips County	2,070	\$249	\$0.12
Pine Drive Telephone	940	\$343,328	\$365.24
Qwest Corporation	2,262,147	\$58,386,872	\$25.81
Rico Telephone	184	\$12,000	\$65.22
Roggen Telephone	306	\$6,838	\$22.35
NE Colorado Cellular	18,960	\$1,983,091	\$104.59
Total	2,297,303	\$60,934,854	
Average Per Line Support for Eligible Companies			\$26.52

The increase in size of the budgeted calendar year 2005 disbursements was the result of a wireless provider receiving CHCSM support. In 2005, the CHCSM support for Qwest was decreased to \$58,386,874 due to Qwest updated ARMIS data in the cost model. Beginning in the third quarter of 2005, the method by which Qwest's CHCSM support amount is determined was changed due to a competitive Eligible Telecommunications Carrier being designated as an Eligible Provider in Qwest's study area and starting to receive support from the fund. Going forward, Qwest's amount of high cost funding will be based on the actual supported residential and business access line counts multiplied by the applicable support per access line for those study areas also being served by another Eligible Provider. The average residential revenue benchmark for Qwest was \$19.02 per month in 2005. The average business revenue benchmark for Qwest was \$38.45 per month in 2005.

In 2005, eight rural and two non-rural companies received support based on Part I and 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 \$365.24 per line for Pine Drive Telephone.

Budgeted contributions in 2005 to the CHCSM were made via an assessment on end-user telecommunications service revenues as billed by each qualifying telecommunications service provider. The rate element remained at 2.0 percent for the first nine months, and was increased to 2.9 percent for the last three months of calendar year 2005. For the first nine months, the rate element generated \$38,380,173 in contributions and is estimated to generate \$17,116,971 for the last three months of 2005 for a total estimate of \$55,497,144. At the beginning of 2005, a total of 103 telecommunication providers contributed to the fund on a quarterly basis compared to 90 telecommunication providers towards the end of the calendar year. This decrease in the number of providers contributing to the CHCSM is largely due to mergers amongst telecommunication providers and bankruptcy filings.

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 benchmarks; (2) the contributions to be collected through a rate element assessment on telecommunications services providers; or (3) the total of the high cost support mechanism from which distributions are to be made, then such proposed increase shall be suspended until March 31 of the following year. Accordingly, the Commission used the 2004 calendar year revenue benchmarks for the first quarter of 2005, adjusting them as necessary throughout the year to match receipts to disbursements.

Pursuant to FCC guidelines, the Commission, after conducting an investigation in Docket Nos. 05M-302T and 05M-303T certified 32 Colorado rural and non-rural incumbent local exchange carriers, two wireless providers and one Competitive Local Exchange Carrier to continue to receive federal USF support for the calendar year 2006. The Commission refrained from certifying one wireless provider who sold its customer base to another provider and had not yet begun to receive any federal USF funds.

The FCC adopted regulations requiring state certification for rate comparability review for non-rural carriers serving in rural areas. Under the new FCC regulations, each state is required to review the comparability of residential rates in rural areas of the state served by non-rural incumbent local exchange carriers to urban rates nationwide and to determine whether the rates are reasonably comparable. The Commission certified to the FCC that one non-rural carrier, Qwest Corporation, charges residential rural rates that are comparable to the nationwide urban benchmark.

V. Projected Operations – 2006

Projected for Calendar Year 2006. Distributions from the fund will continue to be provided to both rural and non-rural eligible telecommunications service providers who serve customers in high-cost geographic areas in calendar year 2006. The support per line for 2006 will be maintained at the same level as for 2005 until the Commission can complete its investigatory docket into the CHCSM. Distributions to eligible providers are estimated at \$62,933,218 as shown in Table B below and administrative expenses are projected to be \$151,800 (or 0.241% of total disbursements) for total disbursements of \$63,085,016.

Table B
**2006 Colorado High Cost Support Mechanism
 Estimated Disbursements**

Local Exchange Provider	Estimated Supported Access Lines for Year 2006	Estimated Gross Disbursement Calendar Year 2006	Estimated 2006 Disbursement per Access Line
Agate Mutual Telephone	151	\$1,305	\$ 8.64
Delta County	10,689	\$52,017	\$4.87
Nucla-Naturita	1,854	\$35,845	\$19.33
Peetz Cooperative	237	\$9,563	\$40.35
Phillips County	1,975	\$204	\$0.10
Pine Drive Telephone	935	\$470,000	\$502.67
Qwest Corporation	2,217,704	\$58,179,512	\$26.23
Rico Telephone	182	\$0	\$0
Roggen Telephone	285	\$5,587	\$19.60
NE Colorado Cellular	18,514	\$2,048,276	\$103.75
Forecasted (Undesignated)		\$2,130,909	
Total	2,253,755	\$62,933,218	
Average Per Line Support for Eligible Companies			\$27.92

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 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 \$151,800 during fiscal year 2005/2006 for administering the CHCSM. This includes amounts for personal services, data entry, auditing and compliance activities, legal services, expenditures for the acquisition of computer software, proxy cost model development and review, and the training of technical personnel.

In 2006, 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 and are projected at \$66,734,518. The current rate element is 2.9 percent. The Commission is unsure if the current contribution mechanism will remain after its re-evaluation of the CHCSM. The CHCSM Fund

is estimated to have a cash balance of approximately \$9 to \$10 million, that is the desired level of the reserve balance in the escrow account. The target reserve balance is equal to one quarter of actual distributions to eligible providers, and may not exceed 16.5 percent of total distributions for the calendar year. 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 is held separately in escrow specifically for future distributions from the CHCSM Fund to providers. For budgeting purposes, the Fund maintains a moderate surplus so that the Commission, as Administrator, is prepared to make CHCSM distributions to new competitive telecommunications carriers and wireless providers who are eligible to receive support, while at the same time considering possible changes in the contribution base as carriers exit the market and as customers migrate to new communications technology such as VoIP that is not subject to the CHCSM surcharge. Taking the reserve into account, the rate element has been set at 2.9% in the fourth quarter of 2005 in order to maintain the Fund reserve at the target level.

VI. Pending Legislation and Rulemaking that Could Impact the CHCSM

The Colorado Legislature should be aware that U. S. Senate Bill 1583, known as the Smith/Dorgan/Pryor bill was introduced in Congress on July 29, 2005. The purpose of the Bill is to amend the Communications Act of 1934 to expand the contribution base for universal service, establish a separate account within the universal service fund to support the deployment of broadband service in unserved areas of the United States, and for other purposes. Basically, this Bill would allow the FCC to assess USF surcharge on intrastate revenue in addition to the current assessment on interstate revenue. States can levy charges where the FCC does not. The Commission will monitor this bill, which has not shown any quick movement making its way through the legislative process, to ensure that States have the option of maintaining their own fund.

The FCC and the Federal-State Joint Board on Universal Service (Joint Board) are seeking comments on issues relating to universal service for rural carriers and the basis of support for competitive eligible telecommunications carriers. Four proposed solutions in addressing the state allocation mechanism for addressing these issues were submitted and the FCC is seeking comments regarding how each proposal addresses the goals of the Act. These four proposals would allow states, pursuant to FCC guidelines,

to control federal USF while continuing to provide support to areas where it is most needed. The Commission is monitoring this proceeding closely. Depending on the outcome of this proceeding, responsibility for allocating federal universal service funds to different carriers in high-cost areas within the state would be transferred from the FCC to this Commission.

The Commission is continuing to monitor U.S. Senate Bill 1380, known as the “Rural Universal Service Equity Act of 2003,” that was introduced in 2003, and is now in the Committee on Commerce, Science, and Transportation. In December 2004, the Committee issued its written report to Congress. One purpose of the Bill is to spread the benefits of the existing Federal 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 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.

VII. SUMMARY SCHEDULES

2006
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial	Effective Date of HCSM Funding	AMOUNT	AMOUNT	AMOUNT	AMOUNT	CALENDAR YEAR 2006
	Authorized Gross Amount From The HCSM per Year		FROM THE HCSM Effective First Quarter 2006	FROM THE HCSM Effective second Quarter 2006	FROM THE HCSM Effective Third Quarter 2006	FROM THE HCSM Effective Fourth Quarter 2006	
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			\$0	\$0	\$0	\$0	\$0
7 COLUMBINE			\$0	\$0	\$0	\$0	\$0
8 DELTA COUNTY TELE-COMM	\$346,770	10/18/00	\$17,339	\$17,339	\$17,339	\$0	\$52,017
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	\$9,776	\$9,776	\$9,776	\$6,517	\$35,845
17 N.E.COLORADO CELLULAR		12/21/01	\$512,069	\$512,069	\$512,069	\$512,069	\$2,048,276
18 NUNN			\$0	\$0	\$0	\$0	\$0
19 PEETZ	\$27,321	10/01/01	\$2,732	\$2,732	\$2,732	\$1,366	\$9,562
20 PHILLIPS COUNTY	\$260	10/01/03	\$54	\$54	\$54	\$42	\$204
21 PINE DRIVE TELEPHONE	\$470,000	10/01/03	\$117,500	\$117,500	\$117,500	\$117,500	\$470,000
22 PLAINS			\$0	\$0	\$0	\$0	\$0
23 QWEST CORPORATION	\$58,179,514		\$14,544,878	\$14,544,878	\$14,544,878	\$14,544,878	\$58,179,512
24 RICO TELEPHONE			\$0	\$0	\$0	\$0	\$0
25 ROGGEN	\$7,150	10/01/03	\$1,475	\$1,475	\$1,475	\$1,162	\$5,587
26 RYE			\$0	\$0	\$0	\$0	\$0
27 SAN ISABEL TELECOM			\$0	\$0	\$0	\$0	\$0
28 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
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			\$0	\$0	\$0	\$0	\$0
34 WIGGINS			\$0	\$0	\$0	\$0	\$0
35 WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE			\$37,950	\$37,950	\$37,950	\$37,950	\$151,800
UNDESIGNATED			\$532,727	\$532,727	\$532,727	\$532,727	\$2,130,909
Total			\$15,776,826	\$15,776,826	\$15,776,826	\$15,754,538	\$63,085,016

**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 FROM THE HCSM Effective First Quarter 2005	AMOUNT FROM THE HCSM Effective Second Quarter 2005	AMOUNT FROM THE HCSM Effective Third Quarter 2005	AMOUNT FROM THE HCSM Effective Fourth Quarter 2005	CALENDAR YEAR 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			\$0	\$0	\$0	\$0	\$0
7 COLUMBINE			\$0	\$0	\$0	\$0	\$0
8 DELTA COUNTY TELE-COMM	\$346,770	10/18/00	\$34,677	\$34,677	\$34,677	\$17,339	\$121,370
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 NUCLA-NATURITA TELEPHONE	\$97,760	11/01/01	\$17,312	\$17,312	\$17,312	\$11,813	\$63,749
16 N.E.COLORADO CELLULAR		12/21/01	\$478,840	\$480,113	\$512,069	\$512,069	\$1,983,091
17 NUNN			\$0	\$0	\$0	\$0	\$0
18 PEETZ	\$27,321	10/01/01	\$4,440	\$4,440	\$4,440	\$2,732	\$16,052
19 PHILLIPS COUNTY	\$260	10/01/03	\$65	\$65	\$65	\$54	\$249
20 PINE DRIVE TELEPHONE	\$362,500	10/01/03	\$89,524	\$89,524	\$89,524	\$74,756	\$343,328
21 PLAINS			\$0	\$0	\$0	\$0	\$0
22 QWEST CORPORATION	\$58,386,874	01/01/05	\$14,596,718	\$14,596,718	\$14,596,718	\$14,596,718	\$58,386,872
23 RICO TELEPHONE	\$60,000	01/01/00	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
24 ROGGEN	\$7,150	10/01/03	\$1,788	\$1,788	\$1,788	\$1,475	\$6,838
25 RYE			\$0	\$0	\$0	\$0	\$0
26 SAN ISABEL TELECOM			\$0	\$0	\$0	\$0	\$0
27 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
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			\$0	\$0	\$0	\$0	\$0
33 WIGGINS			\$0	\$0	\$0	\$0	\$0
34 WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE			\$35,250	\$35,250	\$35,250	\$35,250	\$141,000
UNDESIGNATED			\$282,646	\$282,646	\$282,646	\$282,646	\$1,130,583

Total			\$15,544,586	\$15,545,859	\$15,577,815	\$15,538,179	\$62,206,438
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2004
COLORADO HIGH COST SUPPORT MECHANISM

Eligible Local Exchange Provider	Initial	Effective Date of HCSM Funding	AMOUNT	AMOUNT	AMOUNT	AMOUNT	CALENDAR YEAR 2004
	Authorized Gross Amount From The HCSM per Year		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			\$0	\$0	\$0	\$0	\$0
28 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
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			\$0	\$0	\$0	\$0	\$0
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			\$15,629,713	\$18,331,898	\$18,322,691	\$18,295,954	\$70,580,839

* 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.

VIII. SUPPORTING SCHEDULES

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

Eligible Local Exchange Service Provider	Gross Distributions Calendar Year 2003	Gross Distributions Calendar Year 2004	Gross Distributions Calendar Year 2005*	Gross Distributions Calendar Year 2006*
1 Agate Mutual Telephone Company	\$ 3,262.00	\$ 2,692.00	\$ 1,305.00	\$ 1,305.00
2 CenturyTel of Eagle	\$ 390,044.00	\$ 114,718.00	\$ -	\$ -
3 Delta County Tele-Comm	\$ 335,221.00	\$ 257,476.00	\$ 74,168.00	\$ 52,017.00
4 North East Colorado Cellular	\$ -	\$ -	\$ 1,983,091.00	\$ 2,048,276.00
5 Nucla-Naturita	\$ 94,909.00	\$ 76,986.00	\$ 59,468.00	\$ 35,845.00
6 Phillips County Telephone Company	\$ -	\$ 260.00	\$ 249.00	\$ 204.00
7 Peetz Cooperative Telephone Co.	\$ 26,126.00	\$ 20,286.00	\$ 16,052.00	\$ 9,562.00
8 Pine Drive	\$ 350,003.00	\$ 370,875.00	\$ 346,631.00	\$ 470,000.00
9 Qwest Corp.	\$ 49,776,527.00	\$ 68,175,086.00	\$ 58,386,874.00	\$ 58,179,512.00
10 Roggen Telephone	\$ 1,788.00	\$ 7,150.00	\$ 6,838.00	\$ 5,587.00
11 Rico Telephone Company	\$ 36,000.00	\$ 24,000.00	\$ 12,000.00	\$ -
Forecasted (Undesignated)	\$ 1,298,212.00	\$ 1,832,251.00	\$ 1,130,583.00	\$ 2,282,709.00
Totals	\$ 52,308,830.00	\$ 70,881,780.00	\$ 62,017,259.00	\$ 63,085,017.00

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

	2003	2004	2005*	2006*
DISBURSEMENTS:				
Distributions	\$ 52,312,092	\$ 69,041,724	\$ 60,934,854	\$ 62,933,216
Administrative Expenses Based on Fiscal Year	\$ 134,086	\$ 134,816	\$ 141,000	\$ 151,800
Total Disbursements & Expenditures	\$52,446,178	\$ 69,176,540	\$ 61,075,854	\$ 63,085,016
CONTRIBUTIONS:				
Jan 1 through March 31	\$ 13,340,806	\$ 12,577,787	\$ 12,922,907	\$ 17,116,971
April 1 through June 30	\$ 12,604,669	\$ 12,623,532	\$ 12,781,853	\$ 16,710,119
July 1 through Sept 30	\$ 12,227,382	\$ 12,340,352	\$ 12,675,413	\$ 16,710,119
Oct 1 through Dec 31	\$ 12,400,331	\$ 12,340,352	\$ 17,116,971	\$ 16,197,309
Total Contributions	\$50,573,188	\$49,882,023	\$55,497,144	\$66,734,518

* Contributions and Disbursements for the year 2005 and 2006 are estimated. The Year 2005 contains actual information for the first six months.

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

Rate Element:	2003	2004	2005	2006
1st Qtr	2.00%	2.00%	2.00%	2.90%
2nd Qtr	2.00%	2.00%	2.00%	2.90%
3rd Qtr	2.00%	2.00%	2.00%	2.90%
4th Qtr	2.00%	2.00%	2.90%	2.90%

Colorado High Cost Supportper Access Line per Month
Residential Support

EXCHANGE	CITY	CLLI	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	Primary 2006 Support
1 AGUILAR	AGUILAR	AGLRCOMA	\$ 83.37	\$ 103.00	\$ 94.19	\$ 94.19
2 ALAMOSA	ALAMOSA	ALMSCOMA	-	\$ 2.59	\$ 5.77	\$ 5.77
3 ALLENSPARK	ALLENS PARK	ALPKCOMA	\$ 57.32	\$ 43.87	\$ 40.56	\$ 40.56
4 ARVADA ZONE	ARVADA	ARVDCOMA				\$ -
5 ARVADA ZONE	WESTMINSTER	WMNSCOMA				\$ -
6 ASPEN	ASPEN	ASPECOMA				\$ -
7 ASPEN	SNOWMASS	SNMSCOMA	\$ 13.79	\$ 5.03	\$ 3.75	\$ 3.75
8 AURORA ZONE	AURORA	AURRCOMA				
9 AURORA ZONE	AURORA	AURRCOMB	\$ 21.28	\$ 20.64	\$ 21.62	\$ 21.62
10 AURORA ZONE	DENVER	DNVRCOMB				\$ -
11 AURORA ZONE	DENVER	DNVRCOOU	\$ 43.31	\$ 16.02	\$ 16.94	\$ 16.94
12 BAILEY	BAILEY	BALYCOMA	\$ 18.15	\$ 4.74	\$ 15.06	\$ 15.06
13 BASALT	BASALT	BSLTCOMA	\$ 9.82	\$ 13.57	\$ 12.30	\$ 12.30
14 BAYFIELD	BAYFIELD	BYFDCOMA	\$ 16.85	\$ 23.25	\$ 18.65	\$ 18.65
15 BERTHOUD	BERTHOUD	BRTHCOMA	\$ 6.01	\$ 9.23	\$ 7.37	\$ 7.37
16 BOULDER	BOULDER	BLDRCOGB				\$ -
17 BOULDER	BOULDER	BLDRCOMA				\$ -
18 BOULDER	BOULDER	TEMACOMA				\$ -
19 BRECKENRIDGE	BRECKENRIDGE	BRRGCOMA	\$ 15.11	\$ 4.94	\$ 4.32	\$ 4.32
20 BRIGHTON	BRIGHTON	BITNCOMA				\$ -
21 BROOMFIELD	BROOMFIELD	BRFDCOMA				\$ -
22 BROOMFIELD	NORTHGLENN	NGLNCOMA			\$ -	\$ -
23 BRUSH	BRUSH	BRSHCOMA	\$ 2.77	\$ 15.62	\$ 13.98	\$ 13.98
24 BUENA VISTA	BUENA VISTA	BNVSCOMA	\$ 23.74	\$ 16.00	\$ 15.89	\$ 15.89
25 CALHAN	CALHAN	CLHNCOMA	\$ 35.92	\$ 60.93	\$ 54.04	\$ 54.04
26 CANON CITY	CANON CITY	CACYCOMA	-	\$ -	\$ 0.76	\$ 0.76
27 CARBONDALE	CARBONDALE	CRDLCOMA	\$ 0.36	\$ 10.59	\$ 8.56	\$ 8.56
28 CASTLE ROCK	CASTLE ROCK	CSRKCONM	\$ 0.93	\$ 6.10	\$ 3.91	\$ 3.91
29 CASTLE ROCK	LARKSPUR	LRKSCONM	\$ 21.03	\$ 22.27	\$ 13.95	\$ 13.95
30 CENTRAL CITY	CENTRAL CITY	CNCYCOMA	\$ 8.14	\$ 13.54	\$ 12.44	\$ 12.44
31 COAL CREEK	COAL CREEK	CCCNCOMA	\$ 14.62	\$ 18.88	\$ 16.87	\$ 16.87
32 COLORADO SPRINGS	AIR FORCE ACADEMY	AFACCOMA			\$ 9.96	\$ 9.96
33 COLORADO SPRINGS	BLACKFOREST	BLFSCOMA	\$ 0.68	\$ 12.74	\$ 12.52	\$ 12.52
34 COLORADO SPRINGS	COLORADO SPRINGS	CLSPCO32	-	\$ 2.45	\$ 1.33	\$ 1.33
35 COLORADO SPRINGS	COLORADO SPRINGS	CLSPCOEA				\$ -
36 COLORADO SPRINGS	COLORADO SPRINGS	CLSPCOMA				\$ -
37 COLORADO SPRINGS	COLORADO SPRINGS	CLSPCOPV				\$ -
38 COLORADO SPRINGS	COLORADO SPRINGS	CLSPCOSM				\$ -
39 COLORADO SPRINGS	FOUNTAIN	FONTCOMA				\$ -
40 COLORADO SPRINGS	GREEN MOUNTAIN	FAIGMFLCOMA	\$ 10.93	\$ 15.34	\$ 15.27	\$ 15.27

Colorado High Cost Supportper Access Line per Month
Residential Support

EXCHANGE	CITY	CLLI	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	Primary 2006 Support
41 COLORADO SPRINGS	MONUMENT	MNMTCOMA	\$ 0.01	\$ -		\$ -
42 COLORADO SPRINGS	MANITOU SPRINGS	MNSPCOMA			\$ 0.67	\$ 0.67
43 COLORADO SPRINGS	SECURITY	SCRTCOMA				\$ -
44 COLORADO SPRINGS	WOODLAND PARK	WDPKCOMA	\$ 4.34	\$ 6.70	\$ 6.54	\$ 6.54
45 CORTEZ	CORTEZ	CRTZCOMA	\$ 2.10	\$ 9.68	\$ 9.15	\$ 9.15
46 CORTEZ	MESA VERDE	MVNPCOMA	\$ 25.47	\$ 58.66	\$ 67.48	\$ 67.48
47 CRAIG	CRAIG	CRAGCOMA	\$ 7.46	\$ 12.42	\$ 12.30	\$ 12.30
48 CRESTED BUTTE	CRESTED BUTTE	CRBTCOMA	\$ 10.00	\$ 12.22	\$ 10.65	\$ 10.65
49 CRIPPLE CREEK	CRIPPLE CREEK	CRCKCOMA	\$ 62.51	\$ 38.54	\$ 36.59	\$ 36.59
50 DEBEQUE	DEBEQUE	DBEQCONC	\$ 146.98	\$ 143.79	\$ 123.23	\$ 123.23
51 DECKERS	DECKERS	DCKRCOMA	\$ 92.70	\$ 116.67	\$ 106.87	\$ 106.87
52 DEL NORTE	DEL NORTE	DLNRCOMA	\$ 15.18	\$ 36.51	\$ 34.77	\$ 34.77
53 DEL NORTE	SOUTH FORK	SFRKCOMA	\$ 28.98	\$ 36.60	\$ 34.02	\$ 34.02
54 DELTA	DELTA	DELTCOMA	\$ 3.63	\$ 7.52	\$ 5.96	\$ 5.96
55 DENVER ZONE	DENVER	DNVRCOCH				\$ -
56 DENVER ZONE	DENVER	DNVRCOCP				
57 DENVER ZONE	DENVER	DNVRCOEA				
58 DENVER ZONE	DENVER	DNVRCOMA				\$ -
59 DENVER ZONE	DENVER	DNVRCONO				\$ -
60 DENVER ZONE	DENVER	DNVRCOSE				\$ -
61 DENVER ZONE	DENVER	DNVRCOSO				\$ -
62 DENVER ZONE	DENVER	DNVRCOWS				\$ -
63 DILLON	COPPER MOUNTAIN	CPMTCOMA	\$ 55.73	\$ 11.96	\$ 11.07	\$ 11.07
64 DILLON	DILLON	DLLNCOMA	\$ 9.60	\$ 3.39	\$ 3.32	\$ 3.32
65 DILLON	FRISCO	FRSCCOMA	\$ 13.73	\$ 6.77	\$ 5.29	\$ 5.29
66 DURANGO	DURANGO	DURNCOMA	\$ -	\$ 3.90	\$ 2.77	\$ 2.77
67 EATON-AULT	AULT	AULTCOMA	\$ 22.39	\$ 41.26	\$ 42.16	\$ 42.16
68 EATON-AULT	EATON	EATNCOMA	\$ -	\$ 13.48	\$ 8.84	\$ 8.84
69 ELBERT	ELBERT	ELBRCOMA	\$ 51.37	\$ 60.25	\$ 51.81	\$ 51.81
70 ELIZABETH	ELIZABETH	ELZBCO01	\$ 12.09	\$ 16.87	\$ 13.28	\$ 13.28
71 ENGLEWOOD ZONE	ENGLEWOOD	ENWDCOMA				\$ -
72 ERIE	ERIE	ERIECOMA	\$ 11.23	\$ 16.15	\$ 11.18	\$ 11.18
73 ESTES PARK	ESTES PARK	ESPKCOMA	\$ 4.82	\$ 5.80	\$ 4.39	\$ 4.39
74 EVERGREEN	EVERGREEN	EVRGCOMA		\$ 3.36	\$ 2.12	\$ 2.12
75 FAIRPLAY	FAIRPLAY	FRPLCOMA	\$ 90.51	\$ 59.22	\$ 51.78	\$ 51.78
76 FLORENCE	FLORENCE	FLRNCOMA	\$ 6.17	\$ 20.89	\$ 20.34	\$ 20.34
77 FLORENCE	PENROSE	PNRSCOMA	\$ 7.35	\$ 12.92	\$ 16.67	\$ 16.67
78 FRASER	FRASER	FRSRCOMA	\$ 27.01	\$ 12.11	\$ 9.46	\$ 9.46
79 FREDRICK	FREDRICK	FRDRCOMA	\$ 8.20	\$ 4.75	\$ 0.33	\$ 0.33
80 FRUITA	FRUITA	FRUTCOMA	\$ 10.40	\$ 14.97	\$ 10.43	\$ 10.43

Colorado High Cost Supportper Access Line per Month
Residential Support

EXCHANGE	CITY	CLLI	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	Primary 2006 Support
81 FT COLLINS	FT COLLINS	FRCLCOMA				
82 FT COLLINS	FT COLLINS	FTCLCOHM				\$ -
83 FT COLLINS	WELLINGTON	WGTCOMMA	\$ 23.79	\$ 25.67	\$ 18.01	\$ 18.01
84 FT LUPTON	FT LUPTON	FTLPCOMA	\$ 1.12	\$ 3.13	\$ 3.08	\$ 3.08
85 FT MORGAN	FT MORGAN	FTMRCOMA	\$ -	\$ 2.35	\$ 1.79	\$ 1.79
86 GEORGETOWN	GEORGETOWN	GRTWCOMA	\$ 27.38	\$ 18.69	\$ 17.58	\$ 17.58
87 GILCREST	GILCREST	GLCRCOMA	\$ 24.20	\$ 41.97	\$ 37.24	\$ 37.24
88 GLENWOOD SPRINGS	GLENWOOD SPRINGS	GLSPCOMA	\$ -	\$ -	\$ -	\$ -
89 GOLDEN ZONE	GOLDEN	GLDNCOMA				\$ -
90 GRANBY	GRANBY	GRNBCOMA	\$ 23.53	\$ 25.23	\$ 20.17	\$ 20.17
91 GRAND JUNCTION	CLIFTON	CFTNCONM	-	\$ -		\$ -
92 GRAND JUNCTION	GRAND JUNCTION	GDJTCOMA				\$ -
93 GRAND LAKE	GRAND LAKE	GDLKCOMA	\$ 25.74	\$ 13.81	\$ 11.04	\$ 11.04
94 GREELEY	GREELEY	GRELCOJC				\$ -
95 GREELEY	GREELEY	GRELCOMA				\$ -
96 GUNNISON	GUNNISON	GNSNSOMA	\$ 11.97	\$ 22.13	\$ 22.80	\$ 22.80
97 HAYDEN	HAYDEN	HYDNCOMA	\$ 73.98	\$ 55.17	\$ 54.68	\$ 54.68
98 HILLROSE	HILLROSE	HLRSCOMA	\$ 66.94	\$ 130.71	\$ 124.41	\$ 124.41
99 HOT SULPHUR SPRING	HOT SULPHUR SPRING	HSSPCOMA	\$ 131.97	\$ 73.12	\$ 60.02	\$ 60.02
100 HUDSON	HUDSON	HDSNCOMA	\$ 35.11	\$ 35.74	\$ 30.31	\$ 30.31
101 IDAHO SPRINGS	IDAHO SPRINGS	IDSPCOMA	\$ 15.06	\$ 20.35	\$ 19.37	\$ 19.37
102 JOHNSTON MILLIKEN	JOHNSTON MILLIKEN	JHMLCOMA	\$ 7.85	\$ 6.17	\$ 2.09	\$ 2.09
103 JULESBURG	JULESBURG	JLBGCOMA	\$ 10.56	\$ 41.45	\$ 43.22	\$ 43.22
104 JULESBURG	OID	OIDCOMA	\$ 76.07	\$ 116.23	\$ 132.73	\$ 132.73
105 KEENESBURG	KEENESBURG	KNBGCOMA	\$ 39.32	\$ 53.32	\$ 39.96	\$ 39.96
106 KIOWA	KIOWA	KIOWCOMA	\$ 68.17	\$ 66.00	\$ 57.57	\$ 57.57
107 KREMMLING	KREMMLING	KRNGCOMA	\$ 64.47	\$ 36.27	\$ 35.85	\$ 35.85
108 LA SALLE	LA SALLE	LSLLCOMA	\$ 9.58	\$ 33.41	\$ 30.99	\$ 30.99
109 LAFAYETTE-LOUISVILLE	LAFAYETTE	DNVRCOCW				
110 LAKEWOOD ZONE	LAKEWOOD	LKWDCOMA				\$ -
111 LEADVILLE	LEADVILLE	LDVLCOMA	\$ -	\$ -	\$ 2.70	\$ 2.70
112 LIMON	LIMON	LIMNCOMA	\$ 36.27	\$ 32.14	\$ 44.78	\$ 44.78
113 LITTLETON ZONE	KEN CARYL RANCH	DNVRCOCL				\$ -
114 LITTLETON ZONE	GREENWOOD VILLAGE	DNVRCODC				
115 LITTLETON ZONE	Douglas County	ENWDCOAB				\$ -
116 LITTLETON ZONE	LITTLETON	LTTNCOHL				\$ -
117 LITTLETON ZONE	LITTLETON	LTTNCOMA				\$ -
118 LONGMONT	LONGMONT	LNMTCOMA				\$ -
119 LONGMONT	NIWOT	NIWTCOMA	\$ 1.67	\$ 3.59	\$ 4.64	\$ 4.64
120 LOOKOUT MOUNTAIN	JEFFERSON COUNTY	LKMTCOMA	\$ 0.98	\$ -	\$ -	\$ -

Colorado High Cost Supportper Access Line per Month
Residential Support

EXCHANGE	CITY	CLLI	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	Primary 2006 Support
121 LOVELAND	LOVELAND	LVLDCOMA				\$ -
122 LYONS	LYONS	LYNSCOMA	\$ 15.77	\$ 20.40	\$ 19.68	\$ 19.68
123 MANCOS	MANCOS	MNCSCOMA	\$ 39.61	\$ 60.19	\$ 55.39	\$ 55.39
124 MEAD	MEAD	MEADCOMA	\$ 16.95	\$ 12.94	\$ 17.69	\$ 17.69
125 MEEKER	MEEKER	MEKRCOMA	\$ 36.37	\$ 75.98	\$ 73.10	\$ 73.10
126 MONTE VISTA	MONTE VISTA	MTVSCOMA	\$ 3.52	\$ 9.50	\$ 10.30	\$ 10.30
127 MONTROSE	MONTROSE	MTRSCOMA	\$ 0.65	\$ 5.87	\$ 4.24	\$ 4.24
128 MORRISON	MORRISON	MRSNCOMA	\$ 3.43	\$ 11.81	\$ 10.10	\$ 10.10
129 NEDERLAND	NEDERLAND	NDLDCOMA	\$ 16.40	\$ 21.73	\$ 19.59	\$ 19.59
130 NEW CASTLE	NEW CASTLE	NWCSCOMA	\$ 27.30	\$ 33.64	\$ 25.45	\$ 25.45
131 NORTHEAST ZONE	COMMERCE CITY	DNVRCONE				\$ -
132 OAK CREEK	OAK CREEK	OKCKCOMA	\$ 36.62	\$ 56.22	\$ 56.11	\$ 56.11
133 OLATHE	OLATHE	OLTHCOMA	\$ 16.72	\$ 19.96	\$ 22.80	\$ 22.80
134 OURAY	OURAY	OURYCOMA	\$ 41.99	\$ 23.87	\$ 29.18	\$ 29.18
135 PALISADE	PALISADE	PLSDCOMA	\$ 8.09	\$ 8.88	\$ 12.40	\$ 12.40
136 PARACHUTE	PARACHUTE	PACHC01	\$ 14.06	\$ 11.53	\$ 15.61	\$ 15.61
137 PARKER	PARKER	PRKRCOMA	\$ -	\$ -	\$ -	\$ -
138 PEYTON	PEYTON	PYTNCOMA	\$ 28.52	\$ 37.13	\$ 31.21	\$ 31.21
139 PLATTEVILLE	PLATTEVILLE	PTVLCOMA	\$ 18.09	\$ 13.51	\$ 17.61	\$ 17.61
140 PUEBLO	AVONDALE	AVDLCOMA	\$ 66.66	\$ 56.00	\$ 63.77	\$ 63.77
141 PUEBLO	PUEBLO	PUBLCO06	\$ 1.98	\$ -	\$ 0.44	\$ 0.44
142 PUEBLO	PUEBLO	PUBLCOMA				\$ -
143 PUEBLO	PUEBLO	PUBLOCOSU				\$ -
144 PUEBLO	VINELAND	VNLDCOMA	\$ -	\$ 10.72	\$ 13.82	\$ 13.82
145 RIDGEWAY	RIDGEWAY	RDGWCOMA	\$ 40.29	\$ 36.93	\$ 28.73	\$ 28.73
146 RIFLE	RIFLE	RIFLCOMA	\$ 3.15	\$ 8.66	\$ 5.70	\$ 5.70
147 SALIDA	SALIDA	SALDCOMA	\$ 1.41	\$ 7.56	\$ 8.98	\$ 8.98
148 SILT	SILT	SILTCOMA	\$ 27.59	\$ 31.46	\$ 25.09	\$ 25.09
149 SILVERTON	SILVERTON	SLTNCOMA	\$ 75.51	\$ 39.15	\$ 34.85	\$ 34.85
150 SOUTHWEST ZONE	LAKESWOOD	DNVRCOSW				\$ -
151 STEAMBOAT SPRINGS	STEAMBOAT SPRINGS	STSPCOMA	\$ 5.16	\$ 5.85	\$ 5.31	\$ 5.31
152 STERLING	STERLING	STNGCOMA	\$ 3.54	\$ 3.54	\$ 8.42	\$ 8.42
153 SULLIVAN ZONE	AURORA	DNVRCOSE				\$ -
154 SULLIVAN ZONE	AURORA	DNVRCOSL				\$ -
155 TELLURIDE	TELLURIDE	TLRDCOMA	\$ 29.82	\$ 12.01	\$ 10.46	\$ 10.46
156 TRINIDAD	TRINIDAD	TRNDCOMA	\$ 3.85	\$ 11.83	\$ 12.44	\$ 12.44
157 VAIL	AVON	AVONCOMA			\$ 3.68	\$ 3.68
158 VAIL	MINTURN	MNTRCOMA	\$ 15.29	\$ 33.03	\$ 36.28	\$ 36.28
159 VAIL	VAIL	VAILCOMA			\$ 0.36	\$ 0.36
160 WALSENBURG	WALSENBURG	WLBGCOMA	\$ 9.80	\$ 23.88	\$ 25.37	\$ 25.37

Colorado High Cost Supportper Access Line per Month
Residential Support

EXCHANGE	CITY	CLLI	Primary 2003 Support	Primary 2004 Support	Primary 2005 Support	Primary 2006 Support
161 WARD	WARD	WARDCOMA	\$ 88.34	\$ 42.40	\$ 42.83	\$ 42.83
162 WELDONA	WELDONA	WLDACONA	\$ 89.21	\$ 81.01	\$ 68.12	\$ 68.12
163 WINDSOR	WINDSOR	WNDSCOMA	\$ -	\$ 0.82	\$ -	\$ -
164 YAMPA	YAMPA	YAMPCOMA	\$ 106.67	\$ 106.26	\$ 82.80	\$ 82.80
			\$ -	\$ -	\$ -	\$ -
Statewide Average			\$ 12.30	\$ 13.87	\$ 11.59	\$ 11.59

Residential Revenue Benchmarks	\$20.40	\$19.55	\$19.02	\$19.02
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Colorado High Cost Supportper Access Line per Month
for Business Lines

EXCHANGE	CITY	CLLI	Business Support 2003	Business Support 2004	Business Support 2005	Business Support 2006
1 AGUILAR	AGUILAR	AGLRCOMA	\$ 49.75	\$ 69.84	\$ 64.59	\$ 64.59
2 ALAMOSA	ALAMOSA	ALMSCOMA	\$ 18.19	\$ 9.88	\$ -	\$ -
3 ALLENSPARK	ALLENS PARK	ALPKCOMA				
4 ARVADA ZONE	ARVADA	ARVDCOMA				
5 ARVADA ZONE	WESTMINSTER	WMNSCOMA	\$ -			
6 ASPEN	ASPEN	ASPECOMA				
7 ASPEN	SNOWMASS	SNMSCOMA				
8 AURORA ZONE	AURORA	AURRCOMA				
9 AURORA ZONE	AURORA	AURRCOMB	\$ 120.92	\$ 3.09	\$ 4.39	\$ 4.39
10 AURORA ZONE	DENVER	DNVRCOMB				
11 AURORA ZONE	DENVER	DNVRCOOU	\$ 8.08			
12 BAILEY	BAILEY	BALYCOMA	\$ -	\$ 2.74		
13 BASALT	BASALT	BSLTCOMA				
14 BAYFIELD	BAYFIELD	BYFDCOMA				
15 BERTHOUD	BERTHOUD	BRTHCOMA				
16 BOULDER	BOULDER	BLDRCOGB				
17 BOULDER	BOULDER	BLDRCOMA				
18 BOULDER	BOULDER	TEMACOMA				
19 BRECKENRIDGE	BRECKENRIDGE	BRRGCOMA				
20 BRIGHTON	BRIGHTON	BITNCOMA				
21 BROOMFIELD	BROOMFIELD	BRFDCOMA				
22 BROOMFIELD	NORTHGLENN	NGLNCOMA				
23 BRUSH	BRUSH	BRSHCOMA	\$ -	\$ 0.68		
24 BUENA VISTA	BUENA VISTA	BNVSCOMA	\$ 8.57	\$ 0.44		
25 CALHAN	CALHAN	CLHNCOMA	\$ 22.16	\$ 42.72	\$ 38.91	\$ 38.91
26 CANON CITY	CANON CITY	CACYCOMA	\$ -	\$ -	\$ -	\$ -
27 CARBONDALE	CARBONDALE	CRDLCOMA				
28 CASTLE ROCK	CASTLE ROCK	CSRKCONM				
29 CASTLE ROCK	LARKSPUR	LRKSCONM	\$ 3.94	\$ 6.16	\$ -	\$ -
30 CENTRAL CITY	CENTRAL CITY	CNCYCOMA				
31 COAL CREEK	COAL CREEK	CCCNCOMA	\$ -	\$ -	\$ -	\$ -
32 COLORADO SPRING AIR FORCE ACADEMY		AFACCOMA				
33 COLORADO SPRING BLACKFOREST		BLFSCOMA	\$ -	\$ 1.47		
34 COLORADO SPRING COLORADO SPRINGS		CLSPCO32				
35 COLORADO SPRING COLORADO SPRINGS		CLSPCOEA	\$ -	\$ -	\$ -	\$ -
36 COLORADO SPRING COLORADO SPRINGS		CLSPCOMA				
37 COLORADO SPRING COLORADO SPRINGS		CLSPCOPV				
38 COLORADO SPRING COLORADO SPRINGS		CLSPCOSM				
39 COLORADO SPRING FOUNTAIN		FONTCOMA				
40 COLORADO SPRING GREEN MOUNTAIN FALLS		GMFLCOMA				
41 COLORADO SPRING MONUMENT		MNMTCOMA				
42 COLORADO SPRING MANITOU SPRINGS		MNSPCOMA				
43 COLORADO SPRING SECURITY		SCRTCOMA				
44 COLORADO SPRING WOODLAND PARK		WDPKCOMA				
45 CORTEZ	CORTEZ	CRTZCOMA				

Colorado High Cost Supportper Access Line per Month
for Business Lines

EXCHANGE	CITY	CLLI	Business Support 2003	Business Support 2004	Business Support 2005	Business Support 2006
46 CORTEZ	MESA VERDE	MVNPCOMA	\$ 238.97	\$ 42.62	\$ 50.15	\$ 50.15
47 CRAIG	CRAIG	CRAGCOMA				
48 CRESTED BUTTE	CRESTED BUTTE	CRBTCOMA				
49 CRIPPLE CREEK	CRIPPLE CREEK	CRCKCOMA	\$ 49.82	\$ 21.49	\$ 20.36	\$ 20.36
50 DEBEQUE	DEBEQUE	DBEQCONC	\$ 125.61	\$ 121.76	\$ 102.69	\$ 102.69
51 DECKERS	DECKERS	DCKRCOMA	\$ 57.55	\$ 87.97	\$ 79.22	\$ 79.22
52 DEL NORTE	DEL NORTE	DLNRCOMA		\$ 17.82	\$ 15.31	\$ 15.31
53 DEL NORTE	SOUTH FORK	SFRKCOMA	\$ 3.13	\$ 11.42	\$ 9.60	\$ 9.60
54 DELTA	DELTA	DELTCOMA				
55 DENVER ZONE	DENVER	DNVRCOCH				
56 DENVER ZONE	DENVER	DNVRCOCP				
57 DENVER ZONE	DENVER	DNVRCOEA				
58 DENVER ZONE	DENVER	DNVRCOMA				
59 DENVER ZONE	DENVER	DNVRCONO				
60 DENVER ZONE	DENVER	DNVRCOSE				
61 DENVER ZONE	DENVER	DNVRCOSO				
62 DENVER ZONE	DENVER	DNVRCOWS				
63 DILLON	COPPER MOUNTAIN	CPMTCOMA	\$ 19.94	\$ -	\$ -	\$ -
64 DILLON	DILLON	DLLNCOMA				
65 DILLON	FRISCO	FRSCCOMA				
66 DURANGO	DURANGO	DURNCOMA				
67 EATON-AULT	AULT	AULTCOMA	\$ 7.38	\$ 33.53	\$ 25.02	\$ 25.02
68 EATON-AULT	EATON	EATNCOMA				
69 ELBERT	ELBERT	ELBRCOMA	\$ 37.26	\$ 44.99	\$ 34.65	\$ 34.65
70 ELIZABETH	ELIZABETH	ELZBCO01		\$ 2.16	\$ -	\$ -
71 ENGLEWOOD ZON	ENGLEWOOD	ENWDCOMA				
72 ERIE	ERIE	ERICOMA	\$ -	\$ 0.61	\$ -	\$ -
73 ESTES PARK	ESTES PARK	ESPKCOMA				
74 EVERGREEN	EVERGREEN	EVGCOMA				
75 FAIRPLAY	FAIRPLAY	FRPLCOMA	\$ 61.38	\$ 31.44	\$ 20.60	\$ 20.60
76 FLORENCE	FLORENCE	FLRNCOMA		\$ 6.56	\$ -	\$ -
77 FLORENCE	PENROSE	PNRSCOMA	\$ 0.29	\$ 5.75	\$ -	\$ -
78 FRASER	FRASER	FRSRCOMA				
79 FREDRICK	FREDRICK	FRDRCOMA				
80 FRUITA	FRUITA	FRUTCOMA		\$ 0.86		
81 FT COLLINS	FT COLLINS	FRCLCOMA				
82 FT COLLINS	FT COLLINS	FTCLCOHM				
83 FT COLLINS	WELLINGTON	WGTCOMA	\$ 7.63	\$ 9.22	\$ 1.97	\$ 1.97
84 FT LUPTON	FT LUPTON	FTLPCOMA				
85 FT MORGAN	FT MORGAN	FTMRCOMA				
86 GEORGETOWN	GEORGETOWN	GRTWCOMA	\$ 3.87	\$ -		
87 GILCREST	GILCREST	GLCRCOMA	\$ 10.85	\$ 28.64	\$ 23.15	\$ 23.15
88 GLENWOOD SPRIN	GLENWOOD SPRINGS	GLSPCOMA	\$ -	\$ -		
89 GOLDEN ZONE	GOLDEN	GLDNCOMA				
90 GRANBY	GRANBY	GRNBCOMA	\$ 3.02	\$ 3.91	\$ -	\$ -

Colorado High Cost Supportper Access Line per Month
for Business Lines

EXCHANGE	CITY	CLLI	Business Support 2003	Business Support 2004	Business Support 2005	Business Support 2006
91	GRAND JUNCTION	CLIFTON				
92	GRAND JUNCTION	GRAND JUNCTION				
93	GRAND LAKE	GRAND LAKE				
94	GREELEY	GREELEY				
95	GREELEY	GREELEY				
96	GUNNISON	GUNNISON			\$ 1.08	\$ 1.08
97	HAYDEN	HAYDEN	\$ 55.53	\$ 36.16	\$ 37.44	\$ 37.44
98	HILLROSE	HILLROSE	\$ 53.66	\$ 118.15	\$ 115.61	\$ 115.61
99	HOT SULPHUR SP	HOT SULPHUR SPRINGS	\$ 106.65	\$ 46.67	\$ 33.65	\$ 33.65
100	HUDSON	HUDSON	\$ 16.59	\$ 17.73	\$ 7.48	\$ 7.48
101	IDAHO SPRINGS	IDAHO SPRINGS		\$ 3.20	\$ -	\$ -
102	JOHNSTON MILLIK	JOHNSTON MILLIKEN				
103	JULESBURG	JULESBURG		\$ 24.36	\$ 26.24	\$ 26.24
104	JULESBURG	OVID	\$ 57.98	\$ 98.41	\$ 115.48	\$ 115.48
105	KEENESBURG	KEENESBURG	\$ 27.07	\$ 40.82	\$ 24.23	\$ 24.23
106	KIOWA	KIOWA	\$ 24.53	\$ 47.91	\$ 38.43	\$ 38.43
107	KREMMLING	KREMMLING	\$ 43.40	\$ 15.18	\$ 15.49	\$ 15.49
108	LA SALLE	LA SALLE		\$ 18.51	\$ 13.61	\$ 13.61
109	LAFAYETTE-LOUIS	LAFAYETTE				
110	LAKESWOOD ZONE	LAKESWOOD	\$ -			
111	LEADVILLE	LEADVILLE	\$ -	\$ -	\$ -	\$ -
112	LIMON	LIMON	\$ 22.65	\$ 17.29	\$ 26.58	\$ 26.58
113	LITTLETON ZONE	KEN CARYL RANCH				
114	LITTLETON ZONE	GREENWOOD VILLAGE				
115	LITTLETON ZONE	Douglas County	\$ -	\$ -	\$ -	\$ -
116	LITTLETON ZONE	LITTLETON				
117	LITTLETON ZONE	LITTLETON				
118	LONGMONT	LONGMONT	\$ -			
119	LONGMONT	NIWOT				
120	LOOKOUT MOUNT	JEFFERSON COUNTY	\$ 73.62			
121	LOVELAND	LOVELAND				
122	LYONS	LYONS				
123	MANCOS	MANCOS	\$ 20.35	\$ 40.71	\$ 35.80	\$ 35.80
124	MEAD	MEAD				
125	MEEKER	MEEKER	\$ 15.95	\$ 57.06	\$ 53.74	\$ 53.74
126	MONTE VISTA	MONTE VISTA				
127	MONTROSE	MONTROSE				
128	MORRISON	MORRISON				
129	NEDERLAND	NEDERLAND	\$ 0.11	\$ 5.29	\$ 0.70	\$ 0.70
130	NEW CASTLE	NEW CASTLE	\$ 10.13	\$ 16.02	\$ 7.73	\$ 7.73
131	NORTHEAST ZONE	COMMERCE CITY				
132	OAK CREEK	OAK CREEK	\$ 17.94	\$ 36.67	\$ 37.19	\$ 37.19
133	OLATHE	OLATHE			\$ 3.53	\$ 3.53
134	OURAY	OURAY	\$ 22.39	\$ 3.65	\$ 8.52	\$ 8.52
135	PALISADE	PALISADE				

Colorado High Cost Supportper Access Line per Month
for Business Lines

EXCHANGE	CITY	CLLI	Business Support 2003	Business Support 2004	Business Support 2005	Business Support 2006
136 PARACHUTE	PARACHUTE	PACHC01				
137 PARKER	PARKER	PRKRCOMA				
138 PEYTON	PEYTON	PYTNCOMA	\$ 12.26	\$ 19.63	\$ 14.28	\$ 14.28
139 PLATTEVILLE	PLATTEVILLE	PTVLCOMA				
140 PUEBLO	AVONDALE	AVDLCOMA	\$ 28.00	\$ 51.26	\$ 37.93	\$ 37.93
141 PUEBLO	PUEBLO	PUBLCO06	\$ 3.41	\$ -		
142 PUEBLO	PUEBLO	PUBLCOMA				
143 PUEBLO	PUEBLO	PUBLOCOSU	\$ -			
144 PUEBLO	VINELAND	VNLDCOMA				
145 RIDGEWAY	RIDGEWAY	RDGWCOMA	\$ 21.59	\$ 16.41	\$ 8.81	\$ 8.81
146 RIFLE	RIFLE	RIFLCOMA				
147 SALIDA	SALIDA	SALDCOMA				
148 SILT	SILT	SILTCOMA	\$ 8.22	\$ 11.51	\$ 6.69	\$ 6.69
149 SILVERTON	SILVERTON	SLTNCOMA	\$ 53.83	\$ 18.15	\$ 14.09	\$ 14.09
150 SOUTHWEST ZON	LAKEWOOD	DNVRCOSW				
151 STEAMBOAT SPRI	STEAMBOAT SPRINGS	STSPCOMA				
152 STERLING	STERLING	STNGCOMA	\$ 5.18	\$ 9.45		
153 SULLIVAN ZONE	AURORA	DNVRCOSE				
154 SULLIVAN ZONE	AURORA	DNVRCOSL				
155 TELLURIDE	TELLURIDE	TLRDCOMA	\$ 12.09	\$ -	\$ -	\$ -
156 TRINIDAD	TRINIDAD	TRNDCOMA		\$ 2.19	\$ 1.89	\$ 1.89
157 VAIL	AVON	AVONCOMA				
158 VAIL	MINTURN	MNTRCOMA	\$ 1.27	\$ 18.33	\$ 20.71	\$ 20.71
159 VAIL	VAIL	VAILCOMA				
160 WALSENBURG	WALSENBURG	WLBGCOMA	\$ -	\$ 5.07	\$ 2.73	\$ 2.73
161 WARD	WARD	WARDCOMA	\$ 59.86	\$ 19.91	\$ 10.80	\$ 10.80
162 WELDONA	WELDONA	WLDACONA	\$ 71.18	\$ 66.42	\$ 51.27	\$ 51.27
163 WINDSOR	WINDSOR	WNDSCOMA				
164 YAMPA	YAMPA	YAMPCOMA	\$ 85.70	\$ 85.12	\$ 62.08	\$ 62.08
			\$ -			
Statewide Average			\$ 23.85	\$ 17.23	\$ 16.97	\$ 16.97
Business Revenue Benchmarks			\$ 44.53	\$ 32.33	\$ 38.45	\$ 38.45