2008 Annual Report of the Colorado High Cost Support Mechanism



Prepared by:
The Colorado Public Utilities Commission Staff
December 1, 2008

STATE OF COLORADO

PUBLIC UTILITIES COMMISSION

Department of Regulatory Agencies

D. Rico Munn

Executive Director



Bill Ritter, Jr.

December 1, 2008

Ron Binz, Chairman

The General Assembly State Capitol Building Denver, Colorado 80203

James K. Tarpey, Commissioner Matt Baker, Commissioner Doug Dean, Director

Dear General Assembly Member:

The attached report on the Colorado High Cost Support Mechanism for 2008 is hereby submitted to the House Business Affairs and Labor Committee and the Senate Business, Labor and Technology Committee, in accordance with section 40-15-208, C.R.S. The proposed operations for calendar year 2009 are also included.

The Colorado High Cost Support Mechanism was created in House Bill 95-1335 to provide financial assistance to local exchange providers to help make basic local exchange service affordable and allow such providers to be fully reimbursed for the difference between the reasonable costs incurred in making basic service available to their customers within a rural, high cost geographic support area and the price charged for such service. This also considers any amounts received by the federal government.

Distributions from the high cost support mechanism for calendar year 2009 are estimated to be approximately \$60 million and contributions estimated at \$57 million. Currently, customers are paying a 2.2 percent rate element which may need to increase in subsequent quarters of 2009 to 2.7 percent in order to meet the forecasted demand for CHCSM if the federal regulatory environment changes as proposed by the Federal Communications Commission.

If	I can	be of	further	assistance	to you, 1	olease	let me .	know.
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Sincerely,

Doug Dean Director

Colorado High Cost Support Mechanism

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

I. Overview

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

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:

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

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

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The Colorado High Cost Support Mechanism (CHCSM) is under the administration of the Colorado Public Utilities Commission (Commission) pursuant to § 40-15-208 and implemented by the Commission rules found at 4 CCR 723-2-2840. The goal of 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 Commission has augmented and strengthened the CHCSM program through the issuance of regulation, 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 high in some areas. The CHCSM amounts paid to providers are coordinated with the amount received by other support mechanisms such as the federal Universal Service Fund (USF) program. Any federal USF received by providers is considered an offset to the CHCSM. This is to ensure that no provider is receiving funds from the CHCSM that when combined with any other revenue sources including local exchange service revenues exceeds the cost of providing local exchange service.

The Commission opened an investigatory docket² to comprehensively examine the CHCSM process. There were seven workshops held whereas the last workshop was completed in spring of 2007. In July 2008, a Report to the Commission was issued that presented an overview of the discussions that took place in the workshops. There were no recommendations made in this report.

Based on the conclusion of the workshops, in October 2008, the Commission issued a notice of proposed rulemaking to restructure the CHCSM rules³. Certain developments at the federal level and statutory changes at the state level had been enacted since the workshops that will have an affect on the processes used to implement the CHCSM. The Commission set a one-day technical conference where interested parties will present their views and issues to the Commission. In addition, interested parties may file written comments on this matter.

In 2008, two wireless carriers were granted eligible provider (EP) status. While Commnet Wireless, LLC was granted eligible provider status⁴, the company has not filed to receive its initial CHCSM support. This Commission granted Northeast Colorado Cellular, Inc. (NECC) request to expand its

² See Docket No. 05I-431T.

³ See Docket No. 08R-476T.

⁴ See Docket No. 08A-002T.

eligible provider designation in additional areas of Colorado⁵. NECC is expected to file soon to begin receiving its initial CHCSM support in the additional designation areas. Smith Bagley, Inc. (SBI), another wireless company, filed late in 2007 for eligible provider status but withdrew its application in early 2008.⁶ In addition to wireless providers seeking funding, five rural local exchange companies were granted initial or additional CHCSM support.⁷

An average of 92 companies contributed to the fund in 2008 which is estimated at \$62,673,329. An estimated total of \$60,009,136 will be distributed by year-end 2008. The Colorado universal service rate element on customer bills was reduced to 2.2 percent July 1, 2008 in order to achieve the target fund reserve balance of approximately \$13 to \$15 million. The forecast of certain companies that would request an increase in their CHCSM support or make requests for initial support from this fund did not materialize in 2008 as projected. Currently, the end-user rate element is held artificially low at 2.2% and may not need to be increased in 2009 if present circumstances and state of affairs remain status quo. However, the FCC has been reviewing several proposals it may mandate for intercarrier compensation and universal service support program. While the effects of these changes are currently unknown, any reductions in FCC USF support or reductions to the intercarrier compensation process could place additional pressure on eligible providers in Colorado to seek new or additional CHCSM support. Should any of these proposed FCC mandated changes occur, the Commission may need to reset the end-user rate element at 2.7 percent in 2009 in order to meet future commitments from the fund.

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 Telecommunications Service Providers (LECs) and established the Colorado High Cost Fund (CHCF). As discussed in more detail below, the CHCF was later renamed to the Colorado High Cost Support Mechanism (CHCSM) along with other minor modifications.

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.

⁵ See Docket No. 07A-153T.

⁶ See Docket 07A-524T.

⁷ See Docket Nos. 07M-124T, 07M-511T, 08M-019T, 07M-510T and 07M-506T.

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 CHCSM 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 CHCSM. 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 telecommunications service providers collect

and remit receipts based upon a percent of its end-user intrastate telecommunications services revenues. Incumbent eligible providers that receive support are net recipients from the CHCSM.

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 residential rates by as much as \$20.00 per line per month.

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 Commission 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 rules⁸ and, subsequently, permanent rules⁹ 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.

⁸ See PUC Docket No. 98R-334T.

⁹ See PUC Docket No. 99R-028T.

In 2003, the Commission adopted Rule 4 CCR 723-41-9.2.3 (recodified 4 CCR 723-2-2848(d)(II), effective April 1, 2006), which extended CHCSM support to all residential and business lines to non-rural providers in this state. With financial support being extended to all access lines for non-rural providers, the projected distribution requirements to Qwest were increased.

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. The Commission approved a Stipulation which used average monthly costs per line 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, Docket No. 98M-147T was closed and a new docket was opened to consider future cost methodologies. Docket No. 04M-388T was opened and is ongoing to consider further development of Proxy Cost Models used to establish Qwest's yearly CHCSM draw.

In 2005 Northeast Colorado Cellular, Inc., doing business as Viaero Wireless (Viaero), became the first wireless carrier to begin drawing CHCSM support. Viaero is eligible to receive CHCSM support based on the amount the underlying incumbent carrier receives for that wire center and on the number of Viaero's lines.

In 2005, the Commission opened an investigatory docket (05I-431T) for the purpose of examining the CHCSM process. Seven workshops were conducted where parties discussed in detail their views on issues. A report was issued to the Commission that outlined the discussions that took place during the workshops.

During its regular 2005 session, the Colorado General Assembly enacted House Bill 05-1203 which became effective July 1, 2005. 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 shall be made 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 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 made in a nondiscriminatory manner and regulatory requirements are not imposed on one set of carriers without having them imposed on all. 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.

The Commission adopted permanent rules to address the implementation of the new statutory language the Colorado General Assembly enacted in House Bill 05-1203¹⁰ in 2006. The purpose of the legislation was to eliminate any inequitable treatment in the distribution of CHCSM support and to ensure that the CHCSM is implemented in a manner that is nondiscriminatory and on a competitively neutral basis. The rules adopted eliminated the long standing practice of applying a general rate case filing process to establish earning requirements as the basis for setting the initial or increased CHCSM draw. Going forward the initial level of support and any increases in support are determined using streamlined data and analysis requirements as set forth by the Commission's Decision No. C07-0919. Additionally, under the new rules once the CHCSM support amount is set, the petitioning company will continue to receive the support each year unless modified by the Commission or the company requests an increase. A simple single page form was implemented that incorporates available provider information for the purpose of monitoring the earnings of these rate-of-return regulated companies once support is established. Should a concern arise, or indications that an over-earnings situation may exist, the Commission Staff may initiate a formal complaint and bring this matter before the Commission. After an opportunity for hearing on any formal complaint, the outcome of this proceeding could result in the re-setting of CHCSM support for a provider.

In February 2006, the Commission opened an investigation docket (Docket No. 06I-084T) to consider the revision of the definition of basic local exchange telephone service (basic service). The docket was opened to satisfy the provision of § 40-15-502(2), C.R.S., requiring the Commission to conduct a proceeding no less frequently than every three years to consider the revision of the definition of basic service. The Commission found that the existing definition of basic local exchange telephone service

¹⁰ See Docket 05R-529T.

continues to meet the goal of maintaining the affordability and quality of basic local exchange service. However, the Commission also stated that it may re-examine the definition of basic local exchange service as it relates to issues currently under examination in the investigation of the CHCSM in Docket No. 05I-431T.

In June, 2006 the FCC issued an order in its IP Enabled Services and Universal Service Fund dockets that established universal service contribution obligations for providers of interconnected VoIP. While the FCC acknowledged VoIP as a mixed use service (i.e. interstate and intrastate) and concluded that VoIP providers are telecommunications providers¹¹ the FCC has not yet defined VoIP as a telecommunications service or an information service. The FCC has declared that interconnected VoIP providers have three options to determine their interstate revenues for which they can assess the USF rate: 1) they may use the interim safe harbor provision established by the FCC at 64.9 percent interstate, 2) they may report their actual interstate telecommunications revenues; or 3) they may rely on traffic studies to allocate interstate revenues. In this same order the FCC raised the interim safe harbor percentage for USF contributions from 28.5% to 37.1% for wireless providers. Currently there are four wireless providers and one VoIP provider that report and contribute to the CHCSM based on the FCC's safe harbor percentages.

III. Administration

The Commission, acting as Administrator, administers billing, collection and disbursement functions for all CHCSM. It also collects information regarding contributing entities and end-user intrastate telecommunications revenues, submits projections of demand, determines benchmarks used, determines the amount of distributions made from the CHCSM, and records the cost of 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 rules and regulations, updating the web site for such processes and development and implementation of other processes unique to CHCSM.

¹¹ See Report and Order and Notice of Proposed Rulemaking, FCC 06-94, released June 27, 2006.

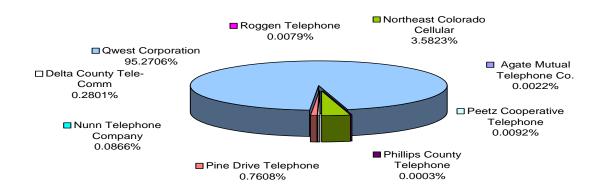
As the Administrator, the Commission continues to take enforcement actions (complaint dockets) against certain delinquent telecommunications service providers who are not in compliance with the Commission rules and continues to conduct audits of data submitted by providers. Due to the rapidly changing 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.

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 be required, under direction from the Commission, to transfer support to eligible recipients per quarter. 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. Prior to CenturyTel, Inc., Owest Corporation was the Custodial Receiver of the CHCSM funds.

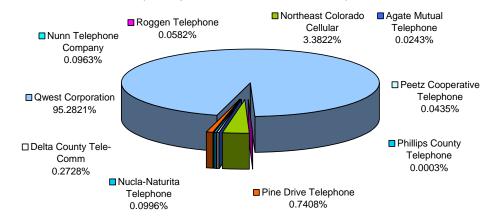
Regions provides the Commission a monthly report which identifies receipts (contributor, date of receipt, amount received), disbursements, transfers, and the current balance of the Escrow Account. All costs related to the Escrow Account are satisfied by interest earned from the Escrow Account. In accordance with the MOU, payments made to CenturyTel for managing the Escrow Account for 2008 were \$275,000. The interest yield for 2008 has decreased from 2007 yield levels; resulting in \$414,095 interest earned for the first 9 months and estimated \$109,541 of interest earned for the last three months in 2008. In 2007, the Department of Regulatory Agencies sent a Request For Information (RFI) to seek solicitation for the financial administration of the fund. The purpose of this RFI was to assimilate information regarding potential vendors qualified to be the financial and/or Administrator of the fund at a reasonable cost. The selection of a vendor is still under consideration.

The following charts summarize the state universal service contributions and distributions paid to eligible providers for calendar years 2007, 2008 and 2009. The first chart shows the percentage of actual CHCSM distributions to eligible providers for 2007. The second chart shows the percentage of CHCSM distributions, both actual and projected, to eligible providers for 2008. The third chart shows the projected 2009 CHCSM distributions which include an estimate of additional carriers that will seek CHCSM funding. The fourth chart summarizes the dollar value of distributions from and contributions to the fund for calendar years 2004 through 2008. For 2004 and 2005, contributions to the fund were held artificially low in order to reduce the Fund reserve. The goal however is to have the contributions and distributions equal for the most part.

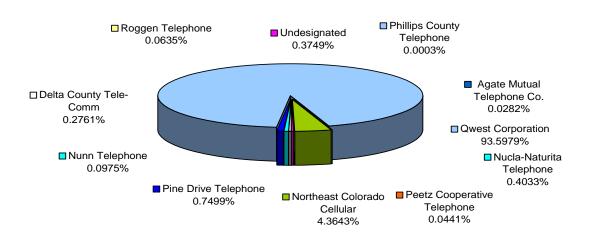
2007 Actual Distributions

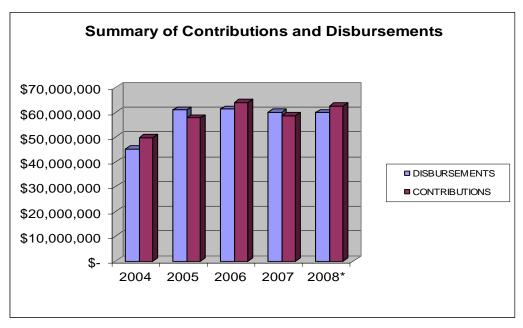


2008 Actual and Estimated Distributions (Jan-Sep Actuals and Oct-Dec Estimated)



Projected 2009 Distributions





Rate Element: Jan. 2004 through Sep. 2005 - 2.0%,
Oct. 2005 through Sep. 2006 - 2.9%, Oct. 2006 through Mar 2007 – 1.6%,
Apr 2007 to Jun 2008 – 2.7%, Jul 2008 to present – 2.2%

^{*} Dollar value is based on actual amounts for the first nine months and estimated for the last three months.

Coordination of State and Federal Universal Service Support

The CHCSM is coordinated with the federal Universal Service Fund (USF). As a result of this offset, the rural carriers receive proportionally more support from the USF fund than from the CHCSM, conversely, Qwest receives more support from the CHCSM than from the USF.

Federal USF consists of five components of support:

- 1) High Cost Loop with two subcomponents Safety Valve Support and Safety Net Additive Support;
 - a) High Cost Loop Support available to rural ETCs and competitive ETCs provides support for the "last mile" of connection for rural companies in service areas where the cost to provide this service exceeds 115% of the national average cost per line. Qwest and Rico are the only ETCs that do not receive this support.
 - b) Safety Net Additive Support is intended to provide carriers with additional incentives to invest in their networks. To qualify, a rural carrier must show that growth in telecommunications plant in service (TPIS) per line is at least 14% greater than the study area's TPIS per line in the prior year. Six rural ETCs (Agate, Blanca, Nunn, Plains, South Park, Roggen and Rye) receive this support as well as Western Wireless and NECC.
 - c) Safety Valve Support additional support for carriers that buy or acquire exchanges and make substantial post-transaction investments to enhance network infrastructure. There are no ETCs in the state of Colorado that receive this support.
- 2) High Cost Model Support support intended to keep the cost for telephone service comparable in all areas (urban and rural) of a state. HCM support is distributed at the wire center level and is targeted to carriers serving wire centers with forward-looking costs that exceed the national benchmark. There are no ETCs in the state of Colorado that receive this support.
- 3) Interstate Access Support (IAS) available to non-rural ETCs and to some competitive ETCs. This support was established when the FCC removed implicit support from interstate access charges and established an explicit component for price-cap carriers. El Paso, Qwest, NECC, and Western Wireless receive this support.

4) Interstate Common Line Support (ICLS) – available to rural ETCs and some competitive ETCs to help offset interstate access charges and is designed to permit each rate-of-return carrier to recover its common line revenue requirement, while ensuring that its subscriber line charges (SLCs) remain affordable to its customers. All carriers receive this support with the exception of El Paso and Qwest.

5) Local Switching Support (LSS) – available to rural ETCs and some competitive ETCs to reimburse some high switching cost in order to provide service to fewer customers. All carriers receive this support with the exception of CenturyTel of Eagle and Qwest.

The table below shows the amount of distributions made in 2007 to each eligible telecommunications carrier from the USF and the amount each carrier received from the CHCSM. The chart depicts the total universal support amount on a per access line basis for each carrier along with the basic local service rate each carrier charges its end-user. For 2007, only six rural local exchange companies were recipients of CHCSM. CenturyTel of Eagle, the largest rural local exchange company, contributed approximately \$600,000 in 2007 and was not a recipient of any CHCSM funding. In 2007, twenty-seven rural local exchange carriers, including CenturyTel of Eagle, contributed almost \$1 million to the CHCSM fund on a quarterly basis and seven providers received approximately \$680,000 from the fund.

	Supported Access Lines for Year 2007	TOTAL USF Support for Year 2007	CHCSM Authorized Support for Year 2007	USF/CHCSM Support per Access Lines for Year 2007	Residential Basic Local Service Rate	Business Basic Local Service Rate
RURAL CARRIERS	<u> </u>		<u> </u>		T .	
AGATE	139	\$ 320,853	\$ 1,306	\$ 2,317.69	\$ 14.09	\$ 14.09
BIG SANDY	968	\$ 462,081		\$ 477.36	\$ 15.44	\$ 25.18
BIJOU	1,379	\$ 1,105,701		\$ 801.81	\$ 13.59	\$ 20.14
BLANCA	1,198	\$ 2,241,756		\$ 1,871.25	\$ 16.11	\$ 22.11
CENTURYTEL OF COLORADO	10,493	\$ 3,694,197		\$ 352.06	\$ 11.77	\$ 36.79
CENTURYTEL OF EAGLE	73,422	\$ 27,692,925		\$ 377.17	\$ 14.74	\$ 36.79
COLUMBINE	1,583	\$ 1,125,249		\$ 710.83	\$ 18.98	\$ 32.28
DELTA COUNTY TELE-COMM	9,978	\$ 1,515,558	\$ 165,721	\$ 168.50	\$ 16.20	\$ 28.70
EASTERN SLOPE	4,836	\$ 2,685,012		\$ 555.21	\$ 13.36	\$ 16.03
EL PASO	4,360	\$ 475,506		\$ 109.06	\$ 15.40	\$ 30.60
FARMERS	565	\$ 558,924		\$ 989.25	\$ 16.74	\$ 25.12
HAXTUN	1,508	\$ 879,210		\$ 583.03	\$ 13.70	\$ 20.55
NUCLA-NATURITA TELEPHONE	1,760	\$ 713,838		\$ 405.59	\$ 16.95	\$ 24.81
NUNN	708	\$ 1,021,023	\$ 51,222	\$ 1,514.47	\$ 20.56	\$ 30.86
PEETZ	233	\$ 175,746	\$ 5,464	\$ 777.73	\$ 15.50	\$ 19.85
PHILLIPS COUNTY	1,822	\$ 1,219,482	\$ 168	\$ 669.40	\$ 12.00	\$ 15.00
PINE DRIVE TELEPHONE	924	\$ 219,540	\$ 450,075	\$ 724.69	\$ 17.05	\$ 18.63
PLAINS	1,366	\$ 1,830,957		\$ 1,340.38	\$ 20.62	\$ 25.25
RICO TELEPHONE	208	\$ 77,586		\$ 373.01	\$ 20.65	\$ 25.95
ROGGEN	255	\$ 402,900	\$ 4,648	\$ 1,598.23	\$ 10.50	\$ 10.50
RYE	2,380	\$ 3,737,904		\$ 1,570.55	\$ 19.70	\$ 30.00
SOUTH PARK	207	\$ 920,052		\$ 4,444.70	\$ 29.98	\$ 39.98
STONEHAM	75	\$ 53,232		\$ 709.76	\$ 16.26	\$ 16.26
STRASBURG	1,878	\$ 616,446		\$ 328.25	\$ 16.40	\$ 26.40
SUNFLOWER	296	\$ 245,088		\$ 828.00	\$ 12.22	\$ 18.34
WIGGINS WILLARD	1,698 61	\$ 356,530 \$ 49,824		\$ 209.97 \$ 816.79	\$ 19.84 \$ 16.27	\$ 23.84 \$ 16.27
	124,300	\$ 54,397,120	\$ 678,604	\$ 443.09		
NON-RURAL CARRIERS						
QWEST CORPORATION ¹	433,811	\$ 18,384,618	\$ 56,362,023	\$ 172.30	\$ 14.88	\$ 35.02
COMPETITIVE CARRIERS	T				1	
SAN ISABEL TELECOM	854*	\$ 52,677		\$ 61.68	\$ 12.22	\$ 24.31
WIRELESS CARRIERS	1					
N.E.COLORADO CELLULAR	10,121*	\$ 6,065,803	\$ 2,119,306	\$ 808.73	\$ 15.00	\$ 15.00
WESTERN WIRELESS	8,192*	\$ 3,150,472		\$ 384.58	\$ 14.99	\$ 14.99
	18,313	9,216,275	2,119,306	\$ 618.99		
TOTAL SUPPORT	577,278	\$ 82,050,690	\$ 59,159,933	\$ 244.61		

^{*} Line counts taken from USAC website for 4Q07.

Qwest only receives Interstate Access Support from the USF but does not receive loop or switching support. The amount of USF/CHCSM support Qwest receives averaged over all lines is \$39.20.

IV. Operations - 2008

Calendar Year 2008. Support was provided to both rural and non-rural incumbent eligible providers who served customers in high-cost geographic areas in the calendar year 2008. The 2008 budget for the CHCSM was estimated at \$72,357,573 based on the assumption that there would be more rural providers seeking support. By year-end 2008, an estimated \$121,182 will be expensed to the Commission administrative budget.

Incumbent eligible providers that draw support are net recipients from the CHCSM. Net distributions to eligible providers for the first nine months were \$32,002,733, and are estimated at \$11,456,770 for the remaining three months of 2008. An estimated net total of \$43,459,503 will be distributed by year-end 2008. The method by which NECC and Qwest receives CHCSM support in a given wire-center area changes on a quarterly basis depending on the number of access lines or customers each was able to acquire in that wire center. The amount of high cost funding is based on the actual residential and business access line counts multiplied by the support per access line in that wire center. The 2008 gross distributions to eligible providers are identified below:

Table A
2008 Colorado High Cost Support Mechanism

	Estimated Supported Access Lines for	Estimated Gross Distributions Calendar Year	Estimated 2008 Distributions per
Local Exchange Provider	Year 2008	2008*	Access Line
Agate Mutual Telephone	139	\$14,633	\$105.27
Delta County	9,978	\$165,721	\$16.61
Nunn Telephone Company	708	\$58,540	\$82.68
Nucla-Naturita Telephone	1,760	\$221,852	\$126.05
Peetz Cooperative	233	\$25,899	\$111.15
Philips County	1,822	\$168	\$0.09
Pine Drive Telephone	924	\$450,075	\$487.09
Qwest Corporation	433,811	\$56,848,005	\$131.04
Roggen Telephone	255	\$35,344	\$138.60
N. E. Colorado Cellular	9,448	\$2,115,605	\$223.92
Total	459,078	\$59,935,842	
Average Per Line Support for Eligible Companies			\$130.56

^{*} Distributions for 2008 are actual information for January - September and estimated for October – December.

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In 2008, ten eligible providers received support. The support per line varied ranging from \$0.09 per

line for Phillips County Telephone to \$487.09 per supported access line for Pine Drive Telephone.

Nucla Naturita Telephone Company filed a petition for declaratory ruling in September, 2007 asking

the Commission to re-instate its CHCSM draw in the amount of \$198,580 per year and that it be made

retroactive to November 1, 2006. The Commission denied Nucla Naturita's petition in 2008.

The Commission approved N. E. Colorado Cellular Inc. (NECC) application to expand its Eligible

Telecommunications Carrier (ETC) designation and its state Eligible Provider (EP) designation in

additional areas of Colorado within its newly expanded FCC-licensed service area. The service area

was expanded in the southeast portion of the state into the southern central region, and from the

northeast portion of the state into the central northern region of Colorado. NECC is expected to file an

application seeking initial CHCSM support in this expanded EP service area by the end of the year.

The Commission approved Commnet Wireless, LLC (Commnet) on behalf of its two subsidiaries,

Commnet Four Corners, LLC and Elbert County Wireless, LLC, application for designation of EP and

ETC status. Commnet is not expected to file its application seeking initial CHCSM support in 2008.

In 2008, the Commission approved the requests for increases in CHCSM support for five rural local

exchange providers. This combined increase in CHCSM funding for these five rural companies total

an additional \$370,839 per year.

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

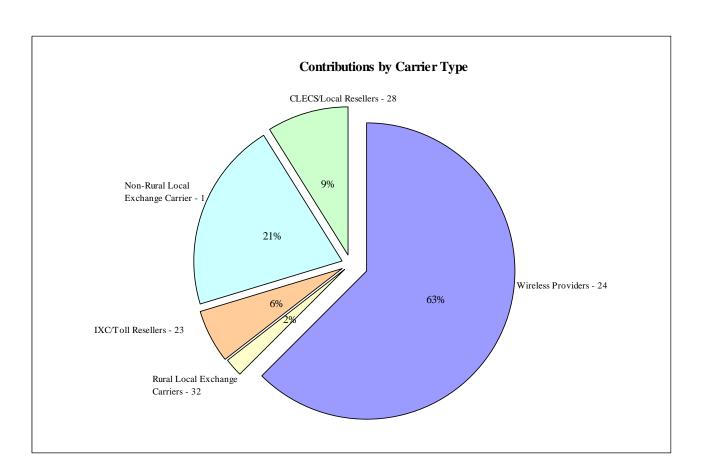
suspended until March 31 of the budget year.

Contributions in 2008 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

was decreased to 2.2 percent effective July 1, 2008 from 2.7 percent due to requests for CHCSM support not materializing as projected. For the first nine months, the rate assessment generated \$39,331,721 in contributions and is estimated to generate \$13,110,574 for the last three months of 2008 for a total estimate of \$52,442,295. The 2.2% rate element is expected to be sufficient to maintain the desired level of reserve balance through 2009 if the regulatory environment remains status quo. As previously discussed, the FCC is considering a proposal in the very near future that would affect intercarrier compensation and the universal service fund. Depending on the specifics the FCC orders, the impact of this new proposal on carriers in Colorado is uncertain at this time but could be significant. Because of this uncertainty, the CHCSM surcharge may need to be reset to 2.7 percent sometime after first quarter 2009 to meet future demands on the CHCSM.

At the beginning of 2008, a total of 92 telecommunication providers contributed to the fund on a quarterly basis. The chart below depicts the approximate 2008 average breakdown of the quarterly invoices by carrier type and the percentage of contributions to the fund.



In 2008, contributions from wireline providers have maintained at a steady level. Comcast continues to voluntarily pay into the fund on its bundled VoIP services which it aggressively markets. Wireless providers revenues continue to increase and represent approximately 63% of the revenues to the fund.

In 2008, HB08-1227 amended the law with respect to the maximum price a telecommunication carrier may charge for residential basic local exchange service. Qwest was the first carrier to file an application¹² under the provisions of HB 08-1227. Before this amendment, the rates for basic local exchange service, including any zone charges, if any, could not rise above the levels in effect on May 24, 1995. Colorado consumers have not had an increase in basic local exchange service rates for thirteen years. The amendment allowed the Commission to take into account when determining the appropriate maximum price, the changes in costs to provide service since May 24, 1995, the nationwide average price for providing comparable service, and the net revenues from other regulated services under Article Part 2 or Part 3 with the exception of switched access revenues. The impact of this amendment on the CHCSM may decrease the amount of universal support a carrier receives due to the fact that rate increases allow the carrier to recover its costs and expenses from its end-users instead of the CHCSM.

V. Projected Operations – 2009

Calendar Year 2009 Projections. 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 2009. For 2009, Qwest Corporation's CHCSM funding is expected to decrease by \$1,717,179 and the forecasted (Undesignated) amount is estimated at \$825,000 compared to the 2008 forecast of \$11,565,075. The total distribution for 2009 is estimated at \$60,312,833 as identified in Table B below.

¹² See Docket No. 08A-403T.

Table B
2009 Colorado High Cost Support Mechanism
Estimated Distributions

Local Exchange Provider	Estimated Supported Access Lines for Year 2009	Estimated 2009 Gross CHCSM Support	Estimated 2009 CHCSM Distributions per Access Line
Agate Mutual Telephone	139	\$16,941	\$121.88
Delta County Tele-Comm	9,978	\$165,721	\$16.61
Nunn Telephone Company	708	\$58,540	\$82.68
Nucla-Naturita Telephone	1,760	\$242,020	\$137.51
Peetz Cooperative	233	\$26,441	\$113.48
Philips County	1,822	\$168	\$0.09
Pine Drive Telephone	924	\$450,075	\$487.09
Qwest Corporation	433,811	\$56,174,188	\$129.49
Roggen Telephone	255	\$38,134	\$149.55
N. E. Colorado Cellular	9,448	\$2,315,605	\$245.09
Forecasted (Undesignated)	9,422	\$825,000	\$87.56
Total	468,500	\$60,312,833	
Average Per Line Support for Eligible Companies			\$128.74

The CHCSM distribution for Qwest will decrease for 2009 as a result of the negotiated Stipulation and Settlement Agreement ¹³ between Staff and Qwest. The Agreement adopted a procedure similar to that used to determine the 2004 through 2008 high cost support amounts. The Agreement involves the use of average monthly per line costs produced by the HAI Consulting, Inc.'s ("HAI") model used in Docket No. 99A-577T (HAI Model 5.2a) and updating the Qwest expense and investment figures with Qwest's 2007 ARMIS data and line count information. Based on these adjustments, Qwest's 2009 CHCSM support for calendar year 2009 would be \$56,174,188. This is a decrease in CHCSM support Qwest was authorized to receive for 2008 which was \$57,891,367. For 2009, the average revenue benchmarks for Qwest will be \$18.99 per month for residential and \$34.79 for business.

¹³ Docket No. 04M-388T.

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One rural local exchange carrier is expected to reset its CHCSM funding and two wireless carriers are

expected to file for initial CHCSM funding. Depending on the FCC's ruling regarding intercarrier

compensation and universal service reform, there may be more eligible carriers seeking CHCSM

support.

Expenditures for administering the CHCSM in year 2009 is estimated to increase slightly over actual

amounts from 2008, due to the number of eligible providers that is estimated to seek CHCSM support

for 2009 and the normal increase in personnel service costs. Based on the fund level, the projected

Commission administration cost requirement is estimated to be \$162,181 (or 0.2% of total

disbursements). Personnel service costs include a percentage of employee wages, data processing,

auditing and compliance activities, legal services, expenditures for the acquisition of computer

software, and proxy cost model development and review.

In 2008, SB 08-215 directed the Chief Information Officer of the Governor's Office of Information

Technology to create an inventory of broadband service areas within Colorado and authorizing the

Commission to establish a funding mechanism to help defray the cost of preparing the inventory. The

Bill authorized the payment of up to \$100,000 from the CHCSM Fund to assist in paying the expense

for the development of the broadband map. It is expected that this payment will be made late in 2008

or early in 2009.

The fund is currently under consideration of whether it should be transitioned to a neutral third party

entity to perform the financial administration duties. The Escrow Account will remain with

CenturyTel under the current agreement until such time an entity has been engaged to perform these

duties. The agreed upon administrative expense of \$275,000 will be paid to CenturyTel for 2009 and

will be pro-rated when or if a new entity is selected.

In 2009, budgeted contributions to the CHCSM will again be made via an assessment on end-user

intrastate telecommunications service revenues as billed by each telecommunications service provider.

The desired level of reserve balance for the CHCSM Fund is estimated to have a cash balance of

approximately \$13 to \$15 million based on current distributions made to eligible providers. The target

reserve balance is equal to one quarter of net distributions to eligible providers. The goal is to

maintain a moderate surplus in the Fund so that the Commission, as Administrator, is prepared to make future CHCSM distributions from the fund to eligible providers. Taking the reserve into account, the rate element has been set at 2.2% in order to maintain the Fund reserve at a minimum level. It is projected that the end-user rate element may need to be reset to 2.7 percent if the FCC's proposal for intercarrier compensation and universal service are imposed. The end-user rate element should only be increased if at any time after the first quarter in a given year, the funds reserve balance falls below the quarterly disbursement amount. It is not anticipated that there will be new eligible providers applying for funding that currently are not authorized to draw from the CHCSM fund.

VI. Pending Activities, Legislation, and Rulemaking that Could Impact the CHCSM

On May 2, 2008, the FCC released an order that places an "interim emergency cap" on the amount of high-cost universal service funding available to competitive eligible telecommunications carriers ("CETCs"). The order, which comes in response to a Recommended Decision by the Federal-State Joint Board on Universal Service, caps the amount of universal support for CETCs at the amount available in each state as of March 2008, on an annualized basis. The FCC's action effectively eliminates the identical support rule, because wireless carriers will no longer receive the identical perline support available to the incumbent LEC unless the wireless carrier can demonstrate the need for additional universal support based on its own costs. This difference will increase over time as supported wireless subscribers continue to grow relative to wireline customers. The interim cap will remain in place until the FCC "adopts comprehensive high-cost universal service reform".

In its efforts to reform the universal service fund, the FCC proposes to require wireless carriers who seek universal service support to file on their own costs. Contributions will be based on a flat rate for each telephone number and if there is a shortfall, business numbers will make up the difference. The FCC proposal includes the overall high cost fund to be capped. Study areas will have a capped amount of support and the incumbent local exchange carrier will be required to build out broadband facilities within five years. At the end of that time, if broadband facilities have not been employed, a reverse auction process would be offered to do so.

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VII. SUMMARY SCHEDULES

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 2009	AMOUNT FROM THE HCSM Effective Second Quarter 2009	AMOUNT FROM THE HCSM Effective Third Quarter 2009	AMOUNT FROM THE HCSM Effective Fourth Quarter 2009	CALENDAR YEAR 2009
1 AGATE	\$16,941	02/25/08	\$4,235	\$4,235	\$4,235	\$4,235	\$16,940
2 BIG SANDY			\$0		\$0	\$0	\$0
3 BIJOU			\$0		\$0	\$0	\$0
4 BLANCA			\$0		\$0	\$0	\$0
5 CENTURYTEL OF COLORADO			\$0		\$0	\$0	\$0
6 CENTURYTEL OF EAGLE			\$0		\$0	\$0	\$0
7 COLUMBINE		00/00/00	\$0		\$0	\$0	\$0
8 COMMNET WIRELESS, LLC	****	08/08/08	\$0		\$0	\$0	\$0
9 DELTA COUNTY TELE-COMM	\$165,721	10/01/06	\$41,430		\$41,430	\$41,431	\$165,721
10 DUBOIS			\$0		\$0	\$0	\$0
11 EASTERN			\$0		\$0	\$0	\$0
12 EL PASO			\$0		\$0	\$0	\$0
13 FARMERS			\$0		\$0	\$0	\$0
14 GREAT PLAINS			\$0		\$0	\$0	\$0
15 HAXTUN			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA TELEPHONE	\$242,020	02/01/08	\$60,505	\$60,505	\$60,505	\$60,505	\$242,020
17 N.E.COLORADO CELLULAR		12/21/01	\$578,901	\$578,901	\$578,901	\$578,901	\$2,315,605
18 NUNN	\$58,540	05/17/07	\$14,635	\$14,635	\$14,635	\$14,635	\$58,540
19 PEETZ	\$26,441	01/18/08	\$6,610	\$6,610	\$6,610	\$6,611	\$26,441
20 PHILLIPS COUNTY	\$168	10/01/03	\$42	\$42	\$42	\$42	\$168
21 PINE DRIVE TELEPHONE	\$450,075	10/01/06	\$112,519	\$112,519	\$112,519	\$112,519	\$450,076
22 PLAINS			\$0	\$0	\$0	\$0	\$0
23 QWEST CORPORATION	\$56,174,188	01/01/08	\$14,043,547	\$14,043,547	\$14,043,547	\$14,043,547	\$56,174,188
24 RICO TELEPHONE			\$0	\$0	\$0	\$0	\$0
25 ROGGEN	\$38,134	02/01/08	\$9,533	\$9,534	\$9,534	\$9,534	\$38,135
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			\$40,545	\$40,545	\$40,545	\$40,545	\$162,181
UNDESIGNATED			\$206,250	\$206,250	\$206,250	\$206,250	\$825,000

\$15,118,752

Total

\$15,118,753

\$15,118,753

\$60,475,014

\$15,118,756

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 2008	AMOUNT FROM THE HCSM Effective Second Quarter 2008	AMOUNT FROM THE HCSM Effective Third Quarter 2008	AMOUNT FROM THE HCSM Effective Fourth Quarter 2008	CALENDAR YEAR 2008
1 AGATE	\$16,941	02/25/08	\$1,928	\$4,235	\$4,235	\$4,235	\$14,633
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 COMMNET WIRELESS, LLC		08/08/08	\$0	\$0	\$0	\$0	\$0
9 DELTA COUNTY TELE-COMM	\$165,721	10/01/06	\$41,430	\$41,430	\$41,430	\$41,431	\$165,721
10 DUBOIS			\$0	\$0	\$0	\$0	\$0
11 EASTERN			\$0	\$0	\$0	\$0	\$0
12 EL PASO			\$0	\$0	\$0	\$0	\$0
13 FARMERS			\$0	\$0	\$0	\$0	\$0
14 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
15 HAXTUN			\$0	\$0	\$0	\$0	\$0
16 NUCLA-NATURITA TELEPHONE	\$242,020	02/01/08	\$40,337	\$60,505	\$60,505	\$60,505	\$221,852
17 N.E.COLORADO CELLULAR		12/21/01	\$487,193	\$502,045	\$517,069	\$502,102	\$2,115,605
18 NUNN	\$58,540	05/17/07	\$14,635	\$14,635	\$14,635	\$14,635	\$58,540
19 PEETZ	\$26,441	01/18/08	\$6,068	\$6,610	\$6,610	\$6,611	\$25,899
20 PHILLIPS COUNTY	\$260	10/01/03	\$42	\$42	\$42	\$42	\$168
21 PINE DRIVE TELEPHONE	\$450,075	10/01/06	\$112,519	\$112,519	\$112,519	\$112,519	\$450,076
22 PLAINS			\$0	\$0	\$0	\$0	\$0
23 QWEST CORPORATION	\$57,891,367	01/01/08	\$14,238,365	\$14,214,883	\$14,182,756	\$14,212,001	\$56,848,005
24 RICO TELEPHONE			\$0	\$0	\$0	\$0	\$0
25 ROGGEN	\$38,134	02/01/08	\$6,743	\$9,534	\$9,534	\$9,534	\$35,345
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			\$39,536	\$39,536	\$39,536	\$39,536	\$158,145
UNDESIGNATED			\$2,891,269	\$2,891,269	\$2,891,269	\$2,891,269	\$11,565,075

\$17,880,065

Total

\$17,897,243

\$17,880,140

\$17,894,421

\$71,551,869

Eligible Local Exchange Provider AGATE BIG SANDY BIJOU BLANCA CENTURYTEL OF COLORADO CENTURYTEL OF EAGLE	\$3,262	01/01/02	\$326		Quarter 2007	Quarter 2007	Calendar Year 2007
BIJOU BLANCA CENTURYTEL OF COLORADO				\$326	\$326	\$327	\$1,305
BLANCA CENTURYTEL OF COLORADO			\$0	\$0	\$0	\$0	\$0
CENTURYTEL OF COLORADO			\$0	\$0	\$0	\$0	\$0
			\$ 0	\$0	\$0	\$0	\$0
CENTURYTEL OF EAGLE			\$0	\$0	\$0	\$0	\$0
			\$0	\$0	\$0	\$0	\$0
COLUMBINE			\$0	\$0	\$0	\$0	\$0
COMMNET WIRELESS, LLC		08/08/08	\$0	\$0	\$0	\$0	\$0
DELTA COUNTY TELE-COMM	\$165,721	10/01/06	\$ 41,430	\$41,430	\$41,430	\$41,431	\$165,721
DUBOIS	· .		\$0	\$0	\$0	\$0	\$0
EASTERN			\$0	\$0	\$0	\$0	\$0
EL PASO			\$0	\$0	\$0	\$0	\$0
FARMERS			\$0	\$0	\$0	\$0	\$0
GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
HAXTUN			\$0	\$0	\$0	\$0	\$0
NUCLA-NATURITA TELEPHONE			\$0	\$0	\$0	\$0	\$0
N.E.COLORADO CELLULAR		12/21/01	\$515,568	\$529,038	\$542,098	\$532,602	\$2,119,306
NUNN	\$ 58,540	11/09/07	\$0	\$7,318	\$14,635	\$14,635	\$36,588
PEETZ	\$27,321	10/01/01	\$1,366	\$1,366	\$1,366	\$1,366	\$5,464
PHILLIPS COUNTY	\$168	10/01/03	\$42	\$42	\$42	\$42	\$168
PINE DRIVE TELEPHONE	\$450,075	10/01/06	\$112,519	\$112,519	\$112,519	\$112,519	\$450,076
PLAINS			\$0	\$0	\$0	\$0	\$0
QWEST CORPORATION	\$57,891,367		\$13,501.477	\$14,309,004	\$14,286.036	\$14,265,506	\$56,362,023
RICO TELEPHONE		_	\$0	\$0	\$0	\$0	\$0
ROGGEN	\$7 ,150	10/01/03	\$1,162	\$1.162	\$1.162	\$1,162	\$4,648
RYE			\$0	\$0	\$0	\$0	\$0
SAN ISABEL TELECOM			\$0	\$0	\$0	\$0	\$0
SOUTH PARK			\$0	\$0	\$0	\$0	\$0
STONEHAM			\$0	\$0	\$0	\$0	
STRASBURG			\$0	\$0	\$0	\$0	\$0
SUNFLOWER			\$0	\$0	\$0	\$0	\$0
UNION			\$0	\$0	\$0	\$0	\$0
WESTERN WIRELESS			\$0	\$0	\$0	\$0	\$0
WIGGINS			\$0	\$0	\$0	\$0	\$0
WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE			\$39,065	\$39,065	\$39,065	\$39,065	\$156,258
UNDESIGNATED			\$25,000	\$25,000	\$25.000	\$25,000	\$0

	Initial Authorized	Effective	AMOUNT FROM	AMOUNT FROM	AMOUNT FROM	AMOUNT FROM	
Eligible	Gross	Date	THE HCSM	THE HCSM	THE HCSM	THE HCSM	
Local	Amount From	of	Effective	Effective	Effective	Effective	CALENDAR
Exchange	The HCSM	HCSM	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YEAR
Provider	per Year	Funding	2006	2006	2006	2006	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
5 CENTURYTEL OF COLORADO			\$0		\$0	\$0	\$0
6 CENTURYTEL OF EAGLE			\$0	\$0	\$0	\$0	\$0
7 COLUMBINE			\$0		\$0	\$0	\$0
8 DELTA COUNTY TELE-COMM	\$346,770	10/18/00	\$17,339	\$17,339	\$17,339	\$41,430	\$93,447
9 DUBOIS			\$0		\$0	\$0	\$0
10 EASTERN			\$0	\$0	\$0	\$0	\$0
11 EL PASO			\$0		\$0	\$0	\$0
12 FARMERS			\$0		\$0	\$0	\$0
13 GREAT PLAINS			\$0	\$0	\$0	\$0	\$0
14 HAXTUN			\$0		\$0	\$0	\$0
15 NUCLA-NATURITA TELEPHONE	\$198,580	11/01/05	\$49,645	\$49,645	\$49,645	\$16,548	\$165,483
16 N.E.COLORADO CELLULAR		12/21/01	\$536,956		\$513,731	\$499,232	\$2,085,706
17 NUNN			\$0		\$0	\$0	\$0
18 PEETZ	\$27,321	10/01/01	\$2,732		\$2,732	\$1,366	\$9,562
19 PHILLIPS COUNTY	\$260	10/01/03	\$54		\$54	\$42	\$204
20 PINE DRIVE TELEPHONE	\$470,000	10/01/05	\$117,500	\$117,500	\$117,500	\$112,519	\$465,019
21 PLAINS			\$0		\$0	\$0	\$0
22 QWEST CORPORATION	\$58,386,874		\$14,525,239	\$14,497,567	\$14,472,527	\$14,452,081	\$57,947,414
23 RICO TELEPHONE			\$0		\$0	\$0	\$0
24 ROGGEN	\$7,150	10/01/03	\$1,475		\$1,475	\$1,162	\$5,587
25 RYE			\$0		\$0	\$0	\$0
26 SAN ISABEL TELECOM			\$0		\$0	\$0	\$0
27 SOUTH PARK			\$0	\$0	\$0	\$0	\$0
28 STONEHAM			\$0		\$0	\$0	\$0
29 STRASBURG			\$0		\$0	\$0	\$0
30 SUNFLOWER			\$0	\$0	\$0	\$0	\$0
31 UNION			\$0		\$0	\$0	\$0
32 WESTERN WIRELESS			\$0		\$0	\$0	\$0
33 WIGGINS			\$0	\$0	\$0	\$0	\$0
34 WILLARD			\$0	\$0	\$0	\$0	\$0
ADMINISTRATIVE			\$37,950	\$37,950	\$37,950	\$37,950	\$151,800
UNDESIGINATED			\$532,727	\$532,727	\$532,727	\$532,727	\$2,130,909

Total \$15,821,943 \$15,793,102 \$15,746,006 \$15,695,384 \$63,056,435

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VIII. SUPPORTING SCHEDULES

Colorado High Cost Support Mechanism Summary of Distributions

	Eligible Local Exchange Service Provider	Gross Distributions Calendar Year 2006	Gross Distributions Calendar Year 2007	Gross Distributions Calendar Year 2008*	Gross Distributions Calendar Year 2009*
1	Agate Mutual Telephone Company	\$ 1,305	\$ 1,305	\$ 14,335	\$ 16,941
3	Delta County Tele-Comm	\$ 93,447	\$ 165,721	\$ 165,721	\$ 165,721
4	Northeast Colorado Cellular	\$ 2,085,706	\$ 2,115,605	\$ 2,115,605	\$ 2,315,605
5	Nucla-Naturita	\$ 165,483	\$ -	\$ 221,852	\$ 242,020
	Nunn Telephone Company	\$ -	\$ 36,588	\$ 58,540	\$ 58,540
6	Phillips County Telephone Company	\$ 204	\$ 168	\$ 168	\$ 168
7	Peetz Cooperative Telephone Co.	\$ 9,562	\$ 5,464	\$ 25,899	\$ 26,441
8	Pine Drive	\$ 465,019	\$ 450,075	\$ 450,075	\$ 450,075
9	Qwest Corp.	\$ 57,947,414	\$ 57,241,560	\$ 56,848,005	\$ 56,174,188
10	Roggen Telephone	\$ 5,587	\$ 4,648	\$ 35,345	\$ 38,134
	Estimated Undesignated	\$ -	\$ -	\$ -	\$ 825,000
	Totals	\$ 60,773,727	\$ 60,021,134	\$ 59,935,545	\$ 60,312,833

^{*} The disbursements for 2008 are actual information for January - September 2008 and estimated figures for October - December 2008. Disbursements for 2009 are estimated.

	Color	ado High C	ost	Support Med	har	nism				
				on & Disburs						
		2006		2007		2008*	2009*			
DISBURSEMENTS:										
Distributions	\$	60,773,727	\$	60,021,134	\$	59,935,545	\$	60,312,833		
Administrative Expenses Based on Fiscal Year	\$	151,800	\$	156,258		\$158,145		\$162,181		
Total Disbursements										
& Expenditures	\$	60,925,527	\$	60,177,392	\$	60,093,690	\$	60,475,014		
CONTRIBUTIONS:										
Jan 1 through March 31	\$	15,633,690	\$	5,135,111	\$	17,624,388	\$	14,360,612		
April 1 through June 30	\$	19,131,912	\$	12,418,529	\$	17,631,278	\$	14,366,226		
July 1 through Sept 30	\$	18,905,820	\$	15,937,966	\$	16,857,729	\$	13,735,928		
Oct 1 through Dec 31	\$	7,162,563	\$	17,231,201	\$	14,040,238	\$	14,125,751		
Total Contributions	-	\$60,833,985		\$50,722,807	\$	66,153,633	\$	56,588,517		

 $^{^{\}star}$ Contributions for the year 2008 and 2009 are estimated. The Year 2008 contains actual information for the first nine months.

Colorado High Cost Support Mechanism Rate Element Assessment Percentage Summary

Rate Element:	2006	2007	2008	2009*
1st Qtr	2.90%	1.60%	2.70%	2.20%
2nd Qtr	2.90%	2.70%	2.70%	2.20%
3rd Qtr	2.90%	2.70%	2.20%	2.20%
4th Qtr	1.60%	2.70%	2.20%	2.20%

^{*} Distributions for 2007 remain the same as 2006 based on Commission rules that went into effect 12/31/06. Distributions for 2008 are estimated.

				R	esidential	Re	esidential	Re	esidential	Re	sidential
	EXCHANGE	CITY	CLLI		Support		Support		Support		upport
					2006		2007		2008		2009
1	LITTLETON ZONE	ABERDEEN	ENWDCOAB	\$		\$	-	\$	-	\$	-
2	AGUILAR	AGUILAR	AGLRCOMA	\$	94.19	\$	91.48	\$	91.48	\$	89.79
3	COLORADO SPRINGS	AIR FORCE ACADEMY	Y AFACCOMA	\$	9.96	\$	9.86	\$	9.86	\$	11.77
4	ALAMOSA	ALAMOSA	ALMSCOMA	\$	5.77	\$	7.10	\$	7.10	\$	7.95
5	ALLENSPARK	ALLENS PARK	ALPKCOMA	\$	40.56	\$	39.26	\$	39.26	\$	37.26
6	ARVADA ZONE	ARVADA	ARVDCOMA	\$		\$	-	\$	-	\$	-
7	ASPEN	ASPEN	ASPECOMA	\$	-	\$	-	\$	-	\$	-
8	EATON-AULT	AULT	AULTCOMA	\$	42.16	\$	42.39	\$	42.39	\$	43.95
9	AURORA ZONE	AURORA	AURRCOMA			\$	-	\$	-	\$	-
10	VAIL	AVON	AVONCOMA	\$	3.68	\$	4.56	\$	4.56	\$	3.45
11	PUEBLO	AVONDALE	AVDLCOMA	\$	63.77	\$	63.88	\$	63.88	\$	63.30
12	BAILEY	BAILEY	BALYCOMA	\$	15.06	\$	15.58	\$	15.58	\$	15.71
13	BASALT	BASALT	BSLTCOMA	\$	12.30	\$	11.54	\$	11.54	\$	11.38
14	BAYFIELD	BAYFIELD	BYFDCOMA	\$	18.65	\$	16.57	\$	16.57	\$	15.85
15	BERTHOUD	BERTHOUD	BRTHCOMA	\$	7.37	\$	7.09	\$	7.09	\$	8.13
16	COLORADO SPRINGS	BLACK FOREST	BLFSCOMA	\$	12.52	\$	12.13	\$	12.13	\$	7.50
17	BOULDER	BOULDER MAIN	BLDRCOMA	\$	-	\$	-	\$	-	\$	-
18	BRECKENRIDGE	BRECKENRIDGE	BRRGCOMA	\$	4.32	\$	5.31	\$	5.31	\$	5.09
19	BRIGHTON	BRIGHTON	BITNCOMA	\$	-	\$	-	\$	-	\$	-
20	BROOMFIELD	BROOMFIELD	BRFDCOMA	\$	-	\$	-	\$	-	\$	-
21	BRUSH	BRUSH	BRSHCOMA	\$	13.98	\$	15.29	\$	15.29	\$	17.55
22	BUENA VISTA	BUENA VISTA	BNVSCOMA	\$	15.89	\$	15.72	\$	15.72	\$	16.47
23	CALHAN	CALHAN	CLHNCOMA	\$	54.04	\$	54.84	\$	54.84	\$	57.38
24	CANON CITY	CANON CITY	CACYCOMA	\$	0.76	\$	0.52	\$	0.52	\$	3.42
25	DENVER ZONE	CAPITAL HILL	DNVRCOCH	\$	-	\$	-	\$	-	\$	-
26	CARBONDALE	CARBONDALE	CRDLCOMA	\$	8.56	\$	8.14	\$	8.14	\$	8.37
27	CASTLE ROCK	CASTLE ROCK	CSRKCONM	\$	3.91	\$	4.61	\$	4.61	\$	4.80
28	CENTRAL CITY	CENTRAL CITY	CNCYCOMA	\$	12.44	\$	12.65	\$	12.65	\$	11.10
29	GRAND JUNCTION	CLIFTON	CFTNCONM	\$	-	\$	-	\$	-	\$	-
30	COAL CREEK	COAL CREEK	CCCNCOMA	\$	16.87	\$	16.60	\$	16.60	\$	18.42
31	COLORADO SPRINGS	COLO SPRINGS - EAS	CLSPCOEA	\$	-	\$	-	\$	-	\$	-
32	COLORADO SPRINGS	COLORADO SPRINGS	SCLSPCOMA	\$	-	\$	-	\$	-	\$	-
33	LITTLETON ZONE	COLUMBINE	DNVRCOCL	\$	-	\$	-	\$	-	\$	-
34	DILLON	COPPER MOUNTAIN	CPMTCOMA	\$	11.07	\$	12.25	\$	12.25	\$	13.23
35	CORTEZ	CORTEZ	CRTZCOMA	\$	9.15	\$	9.57	\$	9.57	\$	9.84
36	LAFAYETTE-LOUISVILL	I COTTONWOOD	DNVRCOCW			\$	-	\$	-	\$	-
37	CRAIG	CRAIG	CRAGCOMA	\$	12.30	\$	12.40	\$	12.40	\$	14.90
38	CRESTED BUTTE	CRESTED BUTTE	CRBTCOMA	\$	10.65	\$	10.49	\$	10.49	\$	10.29
39	CRIPPLE CREEK	CRIPPLE CREEK	CRCKCOMA	\$	36.59	\$	34.67	\$	34.67	\$	37.26
40	DENVER ZONE	CURTIS PARK	DNVRCOCP			\$	-	\$	-	\$	-

			R	esidential	Re	esidential	Re	esidential	Re	sidential
EXCHANGE	CITY	CLLI	\$	Support	S	Support	S	Support		Support
				2006		2007		2008		2009
41 DEBEQUE	DEBEQUE	DBEQCONC	\$	123.23	\$	116.95	\$	116.95	\$	98.29
42 DECKERS	DECKERS	DCKRCOMA	\$	106.87	\$	99.92	\$	99.92	\$	104.56
43 DEL NORTE	DEL NORTE	DLNRCOMA	\$	34.77	\$	36.57	\$	36.57	\$	38.34
44 DELTA	DELTA	DELTCOMA	\$	5.96	\$	5.51	\$	5.51	\$	5.78
45 DENVER ZONE	DENVER - NORTH	DNVRCONO	\$	-	\$	-	\$	-	\$	-
46 NORTHEAST ZONE	DENVER - NORTHEA		\$	-	\$	-	\$	-	\$	-
47 DENVER ZONE	DENVER - SOUTH	DNVRCOSO	\$	-	\$	-	\$	-	\$	-
48 DENVER ZONE	DENVER - SOUTHEA		\$	-	\$	-	\$	-	\$	-
49 SOUTHWEST ZONE	DENVER - SOUTHWI		\$	-	\$	-	\$	-	\$	-
50 DENVER ZONE	DENVER - WEST	DNVRCOWS	\$	-	\$	-	\$	-	\$	-
51 DENVER ZONE	DENVER EAST	DNVRCOEA			\$	-	\$	-	\$	-
52 DENVER ZONE	DENVER MAIN	DNVRCOMA	\$	-	\$	-	\$	-	\$	-
53 AURORA ZONE	DIA	DNVRCOOU	\$	16.94	\$	17.65	\$	17.65	\$	18.32
54 DILLON	DILLON	DLLNCOMA	\$	3.32	\$	4.08	\$	4.08	\$	4.53
55 LITTLETON ZONE	DRY CREEK	DNVRCODC			\$	-	\$	-	\$	-
56 DURANGO	DURANGO	DURNCOMA	\$	2.77	\$	3.68	\$	3.68	\$	4.42
57 EATON-AULT	EATON	EATNCOMA	\$	8.84	\$	8.55	\$	8.55	\$	8.65
58 ELBERT	ELBERT	ELBRCOMA	\$	51.81	\$	49.28	\$	49.28	\$	50.17
59 ELIZABETH	ELIZABETH	ELZBCO01	\$	13.28	\$	13.44	\$	13.44	\$	14.69
60 ENGLEWOOD ZONE	ENGLEWOOD	ENWDCOMA	\$	-	\$	-	\$	-	\$	-
61 ERIE	ERIE	ERIECOMA	\$	11.18	\$	11.65	\$	11.65	\$	13.18
62 ESTES PARK	ESTES PARK	ESPKCOMA	\$	4.39	\$	4.30	\$	4.30	\$	4.40
63 EVERGREEN	EVERGREEN	EVRGCOMA	\$	2.12	\$	2.67	\$	2.67	\$	2.84
64 FAIRPLAY	FAIRPLAY	FRPLCOMA	\$	51.78	\$	3.96	\$	3.96	\$	41.45
65 FLORENCE	FLORENCE	FLRNCOMA	\$	20.34	\$	18.75	\$	18.75	\$	24.10
66 COLORADO SPRINGS	FOUNTAIN	FONTCOMA	\$	-	\$	-	\$	-	\$	-
67 FRASER	FRASER	FRSRCOMA	\$	9.46	\$	9.43	\$	9.43	\$	9.92
68 FREDRICK	FREDRICK	FRDRCOMA	\$	0.33	\$	44.03	\$	44.03	\$	0.61
69 DILLON	FRISCO	FRSCCOMA	\$	5.29	\$	9.51	\$	9.51	\$	4.98
70 FRUITA	FRUITA	FRUTCOMA	\$	10.43	\$	-	\$	-	\$	11.17
71 FT COLLINS	FT COLLINS	FRCLCOMA			\$	1.18	\$	1.18	\$	0.24
72 FT LUPTON	FT LUPTON	FTLPCOMA	\$	3.08	\$	3.91	\$	3.91	\$	3.84
73 FT MORGAN	FT MORGAN	FTMRCOMA	\$	1.79	\$	2.62	\$	2.62	\$	4.26
74 COLORADO SPRINGS	GATEHOUSE	CLSPCO32	\$	1.33	\$	0.89	\$	0.89	\$	0.98
75 GEORGETOWN	GEORGETOWN	GRTWCOMA	\$	17.58	\$	18.76	\$	18.76	\$	20.90
76 GILCREST	GILCREST	GLCRCOMA	\$	37.24	\$	37.73	\$	37.73	\$	39.80
77 GLENWOOD SPRINGS	GLENWOOD SPRING	SS GLSPCOMA	\$	-	\$	-	\$	-	\$	-
78 GOLDEN ZONE	GOLDEN	GLDNCOMA	\$	-	\$	-	\$	-	\$	-
79 GRANBY	GRANBY	GRNBCOMA	\$	20.17	\$	18.98	\$	18.98	\$	19.55
80 GRAND JUNCTION	GRAND JUNCTION	GDJTCOMA	\$	-	\$	-	\$	-	\$	-

				F	Residential	Re	esidential	R	esidential	Re	sidential
	EXCHANGE	CITY	CLLI		Support		Support		Support		Support
					2006		2007		2008		2009
81	GRAND LAKE	GRAND LAKE	GDLKCOMA	\$	11.04	\$	11.28	\$	11.28	\$	13.36
82	GREELEY	GREELEY	GRELCOMA	\$	-	\$	-	\$	-	\$	-
83	COLORADO SPRINGS	GREEN MOUNTAIN F	GMFLCOMA	\$	15.27	\$	16.18	\$	16.18	\$	17.72
84	BOULDER	GUNBARREL	BLDRCOGB	\$	-	\$	-	\$	-	\$	-
85	GUNNISON	GUNNISON	GNSNSOMA	\$	22.80	\$	23.20	\$	23.20	\$	24.25
86	FT COLLINS	HARMONY	FTCLCOHM	\$	-	\$	-	\$	-	\$	-
87	HAYDEN	HAYDEN	HYDNCOMA	\$	54.68	\$	53.52	\$	53.52	\$	60.17
88	LITTLETON ZONE	HIGHLANDS RANCH	LTTNCOHL	\$	-	\$	-	\$	-	\$	-
89	HILLROSE	HILLROSE	HLRSCOMA	\$	124.41	\$	124.27	\$	124.27	\$	134.45
90	HOT SULPHUR SPRING	HOT SULPHUR SPRIN	NHSSPCOMA	\$	60.02	\$	56.88	\$	56.88	\$	61.32
91	HUDSON	HUDSON	HDSNCOMA	\$	30.31	\$	31.31	\$	31.31	\$	29.48
92	IDAHO SPRINGS	IDAHO SPRINGS	IDSPCOMA	\$	19.37	\$	20.57	\$	20.57	\$	19.90
93	JOHNSTON MILLIKEN	JOHNSTON-MILLIKEN	I JHMLCOMA	\$	2.09	\$	2.15	\$	2.15	\$	1.84
94	JULESBURG	JULESBURG	JLBGCOMA	\$	43.22	\$	44.44	\$	44.44	\$	45.64
95	KEENESBURG	KEENESBURG	KNBGCOMA	\$	39.96	\$	38.77	\$	38.77	\$	39.47
96	KIOWA	KIOWA	KIOWCOMA	\$	57.57	\$	57.29	\$	57.29	\$	62.07
97	KREMMLING	KREMMLING	KRNGCOMA	\$	35.85	\$	33.90	\$	33.90	\$	36.01
98	LA SALLE	LA SALLE	LSLLCOMA	\$	30.99	\$	31.16	\$	31.16	\$	33.36
99	LAKEWOOD ZONE	LAKEWOOD DGTL CA	LKWDCOMA	\$	-	\$	-	\$	-	\$	-
100	CASTLE ROCK	LARKSPUR	LRKSCONM	\$	13.95	\$	15.16	\$	15.16	\$	15.45
101	LEADVILLE	LEADVILLE	LDVLCOMA	\$	2.70	\$	3.53	\$	3.53	\$	4.55
102	LIMON	LIMON	LIMNCOMA	\$	44.78	\$	47.36	\$	47.36	\$	51.19
103	LITTLETON ZONE	LITTLETON	LTTNCOMA	\$	-	\$	-	\$	-	\$	-
104	LONGMONT	LONGMONT	LNMTCOMA	\$	-	\$	-	\$	-	\$	-
105	LOOKOUT MOUNTAIN	LOOKOUT MOUNTAIN	LKMTCOMA	\$	-	\$	-	\$	-	\$	0.32
106	LOVELAND	LOVELAND	LVLDCOMA	\$	-	\$	-	\$	-	\$	-
107	LYONS	LYONS	LYNSCOMA	\$	19.68	\$	19.06	\$	19.06	\$	17.89
108	MANCOS	MANCOS	MNCSCOMA	\$	55.39	\$	54.91	\$	54.91	\$	54.83
109	COLORADO SPRINGS	MANITOU SPRINGS	MNSPCOMA	\$	0.67	\$	1.78	\$	1.78	\$	2.24
110	MEAD	MEAD	MEADCOMA	\$	17.69	\$	16.44	\$	16.44	\$	16.26
111	MEEKER	MEEKER	MEKRCOMA	\$	73.10	\$	69.46	\$	69.46	\$	68.06
	CORTEZ	MESA VERDE	MVNPCOMA	\$	67.48	\$	93.53	\$	93.53	\$	79.76
113	VAIL	MINTURN	MNTRCOMA	\$	36.28	\$	41.30	\$	41.30	\$	42.62
114	AURORA ZONE	MONAGHAN	AURRCOMB	\$	21.62	\$	20.72	\$	20.72	\$	22.41
115	AURORA ZONE	MONTBELLO	DNVRCOMB	\$		\$		\$		\$	-
116	MONTE VISTA	MONTE VISTA	MTVSCOMA	\$	10.30	\$	11.26	\$	11.26	\$	14.61
117	MONTROSE	MONTROSE	MTRSCOMA	\$	4.24	\$	4.35	\$	4.35	\$	4.85
118	COLORADO SPRINGS	MONUMENT	MNMTCOMA	\$	-	\$	0.16	\$	0.16	\$	-
119	MORRISON	MORRISON	MRSNCOMA	\$	10.10	\$	11.56	\$	11.56	\$	13.05
120	NEDERLAND	NEDERLAND	NDLDCOMA	\$	19.59	\$	19.30	\$	19.30	\$	19.93

			F	Residential	Re	esidential	R	esidential	Re	sidential
EXCHANGE	CITY	CLLI		Support	5	Support	5	Support	S	Support
				2006		2007		2008		2009
121 NEW CASTLE	NEW CASTLE	NWCSCOMA	\$	25.45	\$	23.03	\$	23.03	\$	21.67
122 LONGMONT	NIWOT	NIWTCOMA	\$	4.64	\$	4.62	\$	4.62	\$	4.05
123 BROOMFIELD	NORTHGLENN	NGLNCOMA	\$	-	\$	-	\$	-	\$	-
124 OAK CREEK	OAK CREEK	OKCKCOMA	\$	56.11	\$	51.29	\$	51.29	\$	51.85
125 OLATHE	OLATHE	OLTHCOMA	\$	22.80	\$	21.13	\$	21.13	\$	21.00
126 OURAY	OURAY	OURYCOMA	\$	29.18	\$	26.93	\$	26.93	\$	28.41
127 JULESBURG	OVID	OVIDCOMA	\$	132.73	\$	131.20	\$	131.20	\$	137.40
128 PALISADE	PALISADE	PLSDCOMA	\$	12.40	\$	15.26	\$	15.26	\$	18.78
129 PARACHUTE	PARACHUTE	PACHC01	\$	15.61	\$	14.90	\$	14.90	\$	14.00
130 PARKER	PARKER	PRKRCOMA	\$	-	\$	0.28	\$	0.28	\$	0.08
131 GREELEY	PARKVIEW	GRELCOJC	\$	-	\$	-	\$	-	\$	-
132 FLORENCE	PENROSE	PNRSCOMA	\$	16.67	\$	18.10	\$	18.10	\$	23.40
133 PEYTON	PEYTON	PYTNCOMA	\$	31.21	\$	29.94	\$	29.94	\$	31.70
134 COLORADO SPRINGS	PIKEVIEW	CLSPCOPV	\$	-	\$	-	\$	-	\$	-
135 PLATTEVILLE	PLATTEVILLE	PTVLCOMA	\$	17.61	\$	17.77	\$	17.77	\$	19.02
136 PUEBLO	PUEBLO MAIN	PUBLCOMA	\$	-	\$	-	\$	-	\$	-
137 PUEBLO	PUEBLO WEST	PUBLCO06	\$	0.44	\$	0.43	\$	0.43	\$	-
138 RIDGEWAY	RIDGEWAY	RDGWCOMA	\$	28.73	\$	25.92	\$	25.92	\$	24.40
139 RIFLE	RIFLE	RIFLCOMA	\$	5.70	\$	4.72	\$	4.72	\$	4.17
140 SALIDA	SALIDA	SALDCOMA	\$	8.98	\$	8.95	\$	8.95	\$	10.48
141 COLORADO SPRINGS	SECURITY MAIN	SCRTCOMA	\$	-	\$	-	\$	-	\$	-
142 SILT	SILT	SILTCOMA	\$	25.09	\$	23.11	\$	23.11	\$	23.74
143 SILVERTON	SILVERTON	SLTNCOMA	\$	34.85	\$	32.00	\$	32.00	\$	34.19
144 SULLIVAN ZONE	SMOKY HILL	DNVRCOSE	\$	-	\$	-	\$	-	\$	-
145 ASPEN	SNOWMASS	SNMSCOMA	\$	3.75	\$	4.23	\$	4.23	\$	4.61
146 DEL NORTE	SOUTH FORK	SFRKCOMA	\$	34.02	\$	31.31	\$	31.31	\$	31.25
147 STEAMBOAT SPRINGS	STEAMBOAT SPRING		\$	5.31	\$	5.65	\$	5.65	\$	5.82
148 STERLING	STERLING	STNGCOMA	\$	8.42	\$	9.42	\$	9.42	\$	12.94
149 COLORADO SPRINGS	STRATMOOR	CLSPCOSM	\$	-	\$	-	\$	-	\$	-
150 SULLIVAN ZONE	SULLIVAN	DNVRCOSL	\$	-	\$	-	\$	-	\$	-
151 PUEBLO	SUNSET	PUBLOCOSU	\$	-	\$	-	\$	-	\$	-
152 BOULDER	TABLE MESA	TEMACOMA	\$	-	\$	-	\$	-	\$	-
153 TELLURIDE	TELLURIDE	TLRDCOMA	\$	10.46	\$	10.77	\$	10.77	\$	10.83
154 TRINIDAD	TRINIDAD	TRNDCOMA	\$	12.44		12.41	\$	12.41	\$	12.43
155 VAIL	VAIL	VAILCOMA	\$	0.36	\$	0.83	\$	0.83	\$	0.62
156 PUEBLO	VINELAND	VNLDCOMA	\$	13.82		15.29	\$	15.29	\$	16.75
157 WALSENBURG	WALSENBURG	WLBGCOMA	\$	25.37		25.87	\$	25.87	\$	27.82
158 WARD	WARD	WARDCOMA	\$	42.83		37.74	\$	37.74	\$	37.50
159 WELDONA	WELDONA	WLDACONA	\$	68.12	\$	62.65	\$	62.65	\$	62.74
160 FT COLLINS	WELLINGTON	WGTNCOMA	\$	18.01	\$	16.18	\$	16.18	\$	17.69

EXCHANGE	CITY	CLLI	S	esidential Support 2006	S	sidential upport 2007	S	sidential upport 2008	S	sidential upport 2009
161 ARVADA ZONE	WESTMINSTER	WMNSCOMA	\$	-	\$	-	\$	-	\$	-
162 WINDSOR	WINDSOR	WNDSCOMA	\$	-	\$	-	\$	-	\$	-
163 COLORADO SPRINO	SS WOODLAND PARK	WDPKCOMA	\$	6.54	\$	6.42	\$	6.42	\$	6.30
164 YAMPA	YAMPA	YAMPCOMA	\$	82.80	\$	85.13	\$	85.13	\$	89.37
Statewide Average			\$	11.59	\$	10.86	\$	10.86	\$	11.43
Residential Revenue	Benchmarks			\$19.02		\$18.59		\$18.59		\$18.99

				E	Business	В	usiness	В	usiness		Business
	EXCHANGE	CITY	CLLI		Support	5	Support	S	Support		Support
			_		2006		2007		2008		2009
1	AGUILAR	AGUILAR	AGLRCOMA	\$	64.59	\$	65.18	\$	65.18	\$	62.97
2	LITTLETON ZONE	ABERDEEN	ENWDCOAB	\$	-	\$	-	\$	-	\$	-
3	COLORADO SPRIN	AIR FORCE ACADEMY	AFACCOMA			\$	-	\$	-	\$	10.66
4	ALAMOSA	ALAMOSA	ALMSCOMA	\$	-	\$	_	\$	-	\$	-
5	ALLENSPARK	ALLENS PARK	ALPKCOMA			\$	7.87	\$	7.87	\$	10.75
6	ARVADA ZONE	ARVADA	ARVDCOMA			\$	-	\$	-	\$	-
7	ASPEN	ASPEN	ASPECOMA			\$	-	\$	-	\$	-
8	EATON-AULT	AULT	AULTCOMA	\$	25.02	\$	25.65	\$	25.65	\$	28.70
9	AURORA ZONE	AURORA	AURRCOMA			\$	-	\$	-	\$	-
10	VAIL	AVON	AVONCOMA			\$	-	\$	-	\$	-
11	PUEBLO	AVONDALE	AVDLCOMA	\$	37.93	\$	24.26	\$	24.26	\$	24.01
12	BAILEY	BAILEY	BALYCOMA			\$	_	\$	-	\$	-
13	BASALT	BASALT	BSLTCOMA			\$	-	\$	-	\$	-
14	BAYFIELD	BAYFIELD	BYFDCOMA			\$	-	\$	-	\$	-
15	BERTHOUD	BERTHOUD	BRTHCOMA			\$	-	\$	-	\$	-
16	COLORADO SPRIN	BLACKFOREST	BLFSCOMA			\$	-	\$	-	\$	-
17	BOULDER	BOULDER	BLDRCOMA			\$	-	\$	-	\$	-
18	BRECKENRIDGE	BRECKENRIDGE	BRRGCOMA			\$	_	\$	_	\$	-
19	BRIGHTON	BRIGHTON	BITNCOMA			\$	_	\$	_	\$	-
20	BROOMFIELD	BROOMFIELD	BRFDCOMA			\$	_	\$	_	\$	_
21	BRUSH	BRUSH	BRSHCOMA			\$	_	\$	-	\$	1.70
22	BUENA VISTA	BUENA VISTA	BNVSCOMA			\$	_	\$	_	\$	-
23	CALHAN	CALHAN	CLHNCOMA	\$	38.91	\$	43.97	\$	43.97	\$	46.82
24	CANON CITY	CANON CITY	CACYCOMA	\$	-	\$	-	\$	-	\$	-
25	DENVER ZONE	DENVER	DNVRCOCH	1		\$	_	\$	_	\$	_
26	CARBONDALE	CARBONDALE	CRDLCOMA			\$	_	\$	-	\$	-
27	CASTLE ROCK	CASTLE ROCK	CSRKCONM			\$	_	\$	_	\$	_
28	CENTRAL CITY	CENTRAL CITY	CNCYCOMA			\$	_	\$	_	\$	_
29	GRAND JUNCTION		CFTNCONM			\$	_	\$	_	\$	_
30	COAL CREEK	COAL CREEK	CCCNCOMA	\$	_	\$	_	\$	_	\$	_
31		COLORADO SPRINGS	CLSPCOEA	\$	_	\$	_	\$	_	\$	_
32		COLORADO SPRINGS	CLSPCOMA	*		\$	_	\$	_	\$	_
		KEN CARYL RANCH	DNVRCOCL			\$	_	\$	_	\$	_
34	DILLON	COPPER MOUNTAIN	CPMTCOMA	\$	_	\$	_	\$	_	\$	_
_	CORTEZ	CORTEZ	CRTZCOMA	Ψ		\$	_	\$	_	\$	_
	LAFAYETTE-LOUIS		DNVRCOCW			\$	_	\$	_	\$	_
	CRAIG	CRAIG	CRAGCOMA			\$	_	\$	_	\$	_
	CRESTED BUTTE		CRBTCOMA			\$	_	\$	_	\$	_
	CRIPPLE CREEK	CRIPPLE CREEK	CRCKCOMA	\$	20.36	\$	15.91	\$	15.91	\$	18.80
	DENVER ZONE	DENVER	DNVRCOCP	"	20.00	\$	-	\$	-	\$	
	DEBEQUE	DEBEQUE	DBEQCONC	\$	102.69	\$	101.55	\$	101.55	_	82.91
	DECKERS	DECKERS	DCKRCOMA	\$	79.22	\$	71.91	\$	71.91	\$	77.93
	DEL NORTE	DEL NORTE	DLNRCOMA	\$	15.31	\$	18.97	\$	18.97		22.83
	DELTA	DELTA	DELTCOMA	ļΨ	10.01	\$	-	\$	10.37	Ψ	
	DENVER ZONE	DENVER	DNVRCONO			\$	-	\$	_	\$	_
70	DENVER ZONE	DLINVLIX	DIAMICOINO			9	-	ę	-	þ	-

				I E	Business	В	usiness	Ві	usiness	-	Business
	EXCHANGE	CITY	CLLI		Support		Support		Support		Support
					2006		2007		2008		2009
46	NORTHEAST ZONE	COMMERCE CITY	DNVRCONE			\$	-	\$	-	\$	-
47	DENVER ZONE	DENVER	DNVRCOSO			\$	-	\$	-	\$	-
48	DENVER ZONE	DENVER	DNVRCOSE			\$	-	\$	-	\$	-
49	SOUTHWEST ZON		DNVRCOSW			\$	-	\$	-	\$	-
50	DENVER ZONE	DENVER	DNVRCOWS			\$	-	\$	-	\$	-
51	DENVER ZONE	DENVER	DNVRCOEA			\$	-	\$	-	\$	_
52		DENVER	DNVRCOMA			\$	_	\$	_	\$	_
53		DENVER	DNVRCOOU			\$	_	\$	_	\$	_
54		DILLON	DLLNCOMA			\$	_	\$	_	\$	_
_	LITTLETON ZONE	_	DNVRCODC			\$	_	\$	_	\$	_
56		DURANGO	DURNCOMA			\$	-	\$	-	\$	_
57		EATON	EATNCOMA			\$	_	\$	_	\$	_
58	ELBERT	ELBERT	ELBRCOMA	\$	34.65	\$	30.70	\$	30.70	\$	33.42
59	ELIZABETH	ELIZABETH	ELZBCO01	\$	-	\$	-	\$	-	\$	-
60	ENGLEWOOD ZON		ENWDCOMA	*		\$	_	\$	_	\$	_
61	ERIE	ERIE	ERIECOMA	\$	_	\$	-	\$	_	\$	_
62	ESTES PARK	ESTES PARK	ESPKCOMA	*		\$	_	\$	_	\$	_
63	EVERGREEN	EVERGREEN	EVRGCOMA			\$	_	\$	_	\$	_
64	_	FAIRPLAY	FRPLCOMA	\$	20.60	\$	_	\$	_	\$	19.38
65	FLORENCE	FLORENCE	FLRNCOMA	\$	-	\$	_	\$	_	\$	4.41
66	COLORADO SPRIN		FONTCOMA	—		\$	_	\$	_	\$	-
67	FRASER	FRASER	FRSRCOMA			\$	_	\$	_	\$	_
68	FREDRICK	FREDRICK	FRDRCOMA			\$	19.18	\$	19.18	\$	_
69	DILLON	FRISCO	FRSCCOMA			\$	-	\$	-	\$	_
70		FRUITA	FRUTCOMA			\$	_	\$	_	\$	_
71	FT COLLINS	FT COLLINS	FRCLCOMA			\$	_	\$	_	\$	-
72	FT LUPTON	FT LUPTON	FTLPCOMA			\$	_	\$	_	\$	_
73	FT MORGAN	FT MORGAN	FTMRCOMA			\$	_	\$	_	\$	_
74		COLORADO SPRINGS	CLSPCO32			\$	_	\$	_	\$	_
75	GEORGETOWN	GEORGETOWN	GRTWCOMA			\$	0.09	\$	0.09	\$	2.93
76	GILCREST	GILCREST	GLCRCOMA	\$	23.15	\$	21.56	\$	21.56	\$	15.68
77		GLENWOOD SPRINGS	GLSPCOMA	*	200	\$	-	\$	-	\$	-
78	GOLDEN ZONE	GOLDEN	GLDNCOMA			\$	_	\$	_	\$	_
79	GRANBY	GRANBY	GRNBCOMA	\$	_	\$	_	\$	_	\$	2.59
80		GRAND JUNCTION	GDJTCOMA	*		\$	_	\$	_	\$	-
81		GRAND LAKE	GDLKCOMA			\$	-	\$	-	\$	_
_	GREELEY	GREELEY	GRELCOMA			\$	-	\$	-	\$	_
		GREEN MOUNTAIN FALL				\$	-	\$	-	\$	0.97
	BOULDER	BOULDER	BLDRCOGB			\$	-	\$	-	\$	-
	GUNNISON	GUNNISON	GNSNSOMA	\$	1.08	\$	4.13	\$	4.13	\$	5.49
	FT COLLINS	FT COLLINS	FTCLCOHM	Ţ.		\$	-	\$	-	\$	-
	HAYDEN	HAYDEN	HYDNCOMA	\$	37.44	\$	38.49	\$	38.49	\$	43.94
	LITTLETON ZONE		LTTNCOHL	1		\$	-	\$	-	\$	-
	HILLROSE	HILLROSE	HLRSCOMA	\$	115.61	\$	105.83	\$	105.83		117.42
90		HOT SULPHUR SPRINGS		\$	33.65	\$	36.26	\$	36.26		43.64

			В	usiness	В	usiness	Bu	usiness	E	Business
EXCHANGE	CITY	CLLI		Support		Support		Support		Support
				2006		2007		2008		2009
91 HUDSON	HUDSON	HDSNCOMA	\$	7.48	\$	13.81	\$	13.81	\$	13.33
92 IDAHO SPRINGS	IDAHO SPRINGS	IDSPCOMA	\$	-	\$	2.28	\$	2.28	\$	2.12
93 JOHNSTON MILLIK	JOHNSTON MILLIKEN	JHMLCOMA			\$	-	\$	-	\$	-
94 JULESBURG	JULESBURG	JLBGCOMA	\$	26.24	\$	29.51	\$	29.51	\$	30.87
95 KEENESBURG	KEENESBURG	KNBGCOMA	\$	24.23	\$	23.44	\$	23.44	\$	24.01
96 KIOWA	KIOWA	KIOWCOMA	\$	38.43	\$	23.94	\$	23.94	\$	25.68
97 KREMMLING	KREMMLING	KRNGCOMA	\$	15.49	\$	15.53	\$	15.53	\$	18.06
98 LA SALLE	LA SALLE	LSLLCOMA	\$	13.61	\$	14.01	\$	14.01	\$	15.91
99 LAKEWOOD ZONE	LAKEWOOD	LKWDCOMA			\$	-	\$	-	\$	-
100 CASTLE ROCK	LARKSPUR	LRKSCONM	\$	-	\$	-	\$	-	\$	0.15
101 LEADVILLE	LEADVILLE	LDVLCOMA	\$	-	\$	-	\$	-	\$	-
102 LIMON	LIMON	LIMNCOMA	\$	26.58	\$	30.59	\$	30.59	\$	37.33
103 LITTLETON ZONE	LITTLETON	LTTNCOMA			\$	-	\$	-	\$	-
104 LONGMONT	LONGMONT	LNMTCOMA			\$	-	\$	-	\$	-
105 LOOKOUT MOUNT	JEFFERSON COUNTY	LKMTCOMA			\$	-	\$	-	\$	-
106 LOVELAND	LOVELAND	LVLDCOMA			\$	-	\$	-	\$	-
107 LYONS	LYONS	LYNSCOMA			\$	-	\$	-	\$	0.57
108 MANCOS	MANCOS	MNCSCOMA	\$	35.80	\$	37.57	\$	37.57	\$	37.57
109 COLORADO SPRIN	MANITOU SPRINGS	MNSPCOMA			\$	-	\$	-	\$	-
110 MEAD	MEAD	MEADCOMA			\$	1.16	\$	1.16	\$	-
111 MEEKER	MEEKER	MEKRCOMA	\$	53.74	\$	52.30	\$	52.30	\$	52.68
112 CORTEZ	MESA VERDE	MVNPCOMA	\$	50.15	\$	79.38	\$	79.38	\$	67.32
113 VAIL	MINTURN	MNTRCOMA	\$	20.71	\$	27.75	\$	27.75	\$	27.59
114 AURORA ZONE	AURORA	AURRCOMB	\$	4.39	\$	0.07	\$	0.07	\$	2.23
115 AURORA ZONE	DENVER	DNVRCOMB			\$	-	\$	-	\$	-
116 MONTE VISTA	MONTE VISTA	MTVSCOMA			\$	-	\$	-	\$	-
117 MONTROSE	MONTROSE	MTRSCOMA			\$	-	\$	-	\$	-
118 COLORADO SPRIN	MONUMENT	MNMTCOMA			\$	-	\$	-	\$	-
119 MORRISON	MORRISON	MRSNCOMA			\$	-	\$	-	\$	-
120 NEDERLAND	NEDERLAND	NDLDCOMA	\$	0.70	\$	2.38	\$	2.38	\$	2.40
121 NEW CASTLE	NEW CASTLE	NWCSCOMA	\$	7.73	\$	7.37	\$	7.37	\$	6.75
122 LONGMONT	NIWOT	NIWTCOMA			\$	-	\$	-	\$	-
123 BROOMFIELD	NORTHGLENN	NGLNCOMA			\$	-	\$	-	\$	-
124 OAK CREEK	OAK CREEK	OKCKCOMA	\$	37.19	\$	31.49	\$	31.49	\$	33.89
125 OLATHE	OLATHE	OLTHCOMA	\$	3.53	\$	2.96	\$	2.96	\$	4.23
126 OURAY	OURAY	OURYCOMA	\$	8.52	\$	9.90	\$	9.90	\$	9.93
127 JULESBURG	OVID	OVIDCOMA	\$	115.48	\$	111.67	\$	111.67	\$	118.03
128 PALISADE	PALISADE	PLSDCOMA			\$	-	\$	-	\$	3.43
129 PARACHUTE	PARACHUTE	PACHC01			\$	-	\$	-	\$	-
130 PARKER	PARKER	PRKRCOMA			\$	-	\$	-	\$	-
131 GREELEY	GREELEY	GRELCOJC		·	\$	-	\$	-	\$	- 7
132 FLORENCE	PENROSE	PNRSCOMA	\$	-	\$	3.02	\$	3.02		7.49
133 PEYTON	PEYTON	PYTNCOMA	\$	14.28	\$	13.83	\$	13.83	\$	16.92
	COLORADO SPRINGS	CLSPCOPV			\$	-	\$	-	\$	-
135 PLATTEVILLE	PLATTEVILLE	PTVLCOMA			\$	-	\$	-	\$	-

		В	usiness	В	usiness	Вι	usiness	E	Business	
EXCHANGE	<u>CITY</u>	<u>CLLI</u>		Support	S	Support	S	Support		Support
				2006		2007		2008		2009
136 PUEBLO	PUEBLO	PUBLCOMA			\$	-	\$	-	\$	-
137 PUEBLO	PUEBLO	PUBLCO06			\$	-	\$	-	\$	-
138 RIDGEWAY	RIDGEWAY	RDGWCOMA	\$	8.81	\$	7.41	\$	7.41	\$	7.58
139 RIFLE	RIFLE	RIFLCOMA			\$	-	\$	-	\$	-
140 SALIDA	SALIDA	SALDCOMA			\$	-	\$	-	\$	-
141 COLORADO SPRIN	SECURITY	SCRTCOMA			\$	-	\$	-	\$	-
142 SILT	SILT	SILTCOMA	\$	6.69	\$	6.51	\$	6.51	\$	7.04
143 SILVERTON	SILVERTON	SLTNCOMA	\$	14.09	\$	14.33	\$	14.33	\$	14.71
144 SULLIVAN ZONE	AURORA	DNVRCOSE			\$	-	\$	-	\$	-
145 ASPEN	SNOWMASS	SNMSCOMA			\$	-	\$	-	\$	-
146 DEL NORTE	SOUTH FORK	SFRKCOMA	\$	9.60	\$	9.59	\$	9.59	\$	10.02
147 STEAMBOAT SPRI	STEAMBOAT SPRINGS	STSPCOMA			\$	-	\$	-	\$	-
148 STERLING	STERLING	STNGCOMA			\$	-	\$	-	\$	-
149 COLORADO SPRIN	COLORADO SPRINGS	CLSPCOSM			\$	-	\$	-	\$	-
150 SULLIVAN ZONE	AURORA	DNVRCOSL			\$	-	\$	-	\$	-
151 PUEBLO	PUEBLO	PUBLOCOSU			\$	-	\$	-	\$	-
152 BOULDER	BOULDER	TEMACOMA			\$	-	\$	-	\$	-
153 TELLURIDE	TELLURIDE	TLRDCOMA	\$	-	\$	-	\$	-	\$	-
154 TRINIDAD	TRINIDAD	TRNDCOMA	\$	1.89	\$	-	\$	-	\$	-
155 VAIL	VAIL	VAILCOMA			\$	-	\$	-	\$	-
156 PUEBLO	VINELAND	VNLDCOMA			\$	-	\$	-	\$	2.69
157 WALSENBURG	WALSENBURG	WLBGCOMA	\$	2.73	\$	7.28	\$	7.28	\$	11.05
158 WARD	WARD	WARDCOMA	\$	10.80	\$	-	\$	-	\$	-
159 WELDONA	WELDONA	WLDACONA	\$	51.27	\$	43.32	\$	43.32	\$	45.40
160 FT COLLINS	WELLINGTON	WGTNCOMA	\$	1.97	\$	2.39	\$	2.39	\$	4.13
161 ARVADA ZONE	WESTMINSTER	WMNSCOMA			\$	-	\$	-	\$	-
162 WINDSOR	WINDSOR	WNDSCOMA			\$	-	\$	-	\$	-
163 COLORADO SPRIN		WDPKCOMA			\$	-	\$	-	\$	-
164 YAMPA	YAMPA	YAMPCOMA	\$	62.08	\$	65.43	\$	65.43	\$	72.56
	Statewide Average		\$	16.97	\$	17.76	\$	17.76	\$	15.99

Statewide Average	\$ 16.97	\$ 17.76	\$ 17.76	\$ 15.99
Business Revenue Benchmarks	\$ 38.45	\$ 36.34	\$ 36.34	\$ 34.79