

CHAPTER 19

PUBLIC UTILITIES

HOUSE BILL 00-1011

BY REPRESENTATIVES Coleman, Gagliardi, Mace, McKay, Miller, Tapia, Tochtrop, Vigil, Young, and Zimmerman;
also SENATORS Musgrave, Chlouber, Dyer, Hernandez, and Lamborn.

AN ACT

CONCERNING THE ADOPTION OF A DEFINITION OF "RURAL TELECOMMUNICATIONS PROVIDER".

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 40-15-102, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

40-15-102. Definitions. As used in this article, unless the context otherwise requires:

(24.5) "RURAL TELECOMMUNICATIONS PROVIDER" MEANS A LOCAL EXCHANGE PROVIDER THAT MEETS ONE OR MORE OF THE FOLLOWING CONDITIONS:

(a) PROVIDES COMMON CARRIER SERVICE TO ANY LOCAL EXCHANGE CARRIER STUDY AREA, AS DEFINED BY THE COMMISSION, THAT DOES NOT INCLUDE EITHER:

(I) ANY INCORPORATED PLACE OF TEN THOUSAND INHABITANTS OR MORE, OR ANY PART THEREOF, BASED ON THE MOST RECENTLY AVAILABLE POPULATION STATISTICS OF THE UNITED STATES BUREAU OF THE CENSUS; OR

(II) ANY TERRITORY, INCORPORATED OR UNINCORPORATED, INCLUDED IN AN URBANIZED AREA, AS DEFINED BY THE UNITED STATES BUREAU OF THE CENSUS AS OF AUGUST 10, 1993;

(b) PROVIDES TELEPHONE EXCHANGE SERVICE, INCLUDING EXCHANGE ACCESS, TO FEWER THAN FIFTY THOUSAND ACCESS LINES;

(c) PROVIDES TELEPHONE EXCHANGE SERVICE TO ANY LOCAL EXCHANGE CARRIER STUDY AREA, AS DEFINED BY THE COMMISSION, WITH FEWER THAN ONE HUNDRED

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

THOUSAND ACCESS LINES; OR

(d) HAS LESS THAN FIFTEEN PERCENT OF ITS ACCESS LINES IN COMMUNITIES OF MORE THAN FIFTY THOUSAND INHABITANTS.

SECTION 2. 40-15-105 (2), Colorado Revised Statutes, is amended to read:

40-15-105. Nondiscriminatory access charges. (2) At its option, any ~~local exchange provider with fifty thousand or fewer access lines~~ RURAL TELECOMMUNICATIONS PROVIDER may, in lieu of the provisions of subsection (1) of this section, remain under the jurisdiction of the commission pursuant to part 2 of this article. A ~~local exchange provider~~ RURAL TELECOMMUNICATIONS PROVIDER operating under this subsection (2) may at any time apply to the commission for regulatory relief under section 40-15-203 or 40-15-207. ~~Any such local exchange provider~~ SUCH RURAL TELECOMMUNICATIONS PROVIDER, upon the granting of regulatory relief, shall provide access services under the conditions established in subsection (1) of this section; except that the commission shall set the maximum price for access services for such provider.

SECTION 3. 40-15-109 (1), Colorado Revised Statutes, is amended to read:

40-15-109. Assurance of interconnections - averaging of rates. (1) If a local exchange provider does not have interconnection with an interexchange provider, the commission may order any provider of interexchange service in the state to interconnect with the local exchange provider. Nothing in this subsection (1) shall require a ~~local exchange provider with less than fifty thousand lines~~ RURAL TELECOMMUNICATIONS PROVIDER to provide interexchange telecommunications service.

SECTION 4. 40-15-201 (1), Colorado Revised Statutes, is amended to read:

40-15-201. Regulation by commission. (1) For purposes of this part 2, except as otherwise provided in this title, each provider of basic local exchange service is declared to be affected with a public interest and a public utility subject to the provisions of articles 1 to 7 of this title, so far as applicable, including the regulation of all rates and charges pertaining to local exchange companies; except that, if a provider applies for and receives commission approval of an alternative form of regulation, or if a provider is a ~~small local exchange~~ RURAL TELECOMMUNICATIONS PROVIDER subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2) (d), the commission shall not consider the provider's overall rate of return or overall revenue requirements when determining the just and reasonable rate for a particular product or service. For a ~~small local exchange~~ RURAL TELECOMMUNICATIONS PROVIDER subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2) (d), basic local exchange service shall be regulated as provided in subsection (2) of this section. The commission may promulgate such rules as are necessary for the purpose of implementing the provisions of this part 2.

SECTION 5. 40-15-203.5, Colorado Revised Statutes, is amended to read:

40-15-203.5. Simplified regulatory treatment for rural telecommunications

providers. The commission, with due consideration of the public interest, quality of service, financial condition, and just and reasonable rates, shall grant regulatory treatment ~~which~~ THAT is less comprehensive than otherwise provided for under this article to ~~small local exchange providers that serve fewer than fifty thousand access lines in the state~~ RURAL TELECOMMUNICATIONS PROVIDERS AS DEFINED IN SECTION 40-15-102 (24.5). The commission shall issue policy statements and rules and regulations ~~which~~ THAT maintain reasonable regulatory oversight and that consider the cost of regulation in relation to the benefit derived from such regulation. These rules and regulations shall encourage the cost effective deployment and use of modern telecommunications technology. All proposed rules applicable to ~~small local exchange providers which~~ RURAL TELECOMMUNICATIONS PROVIDERS THAT come before the commission shall consider the economic impact on ~~small local exchange providers~~ RURAL TELECOMMUNICATIONS PROVIDERS and their subscribers. The commission and ~~small local exchange providers~~ RURAL TELECOMMUNICATIONS PROVIDERS are encouraged to work together in a cooperative and proactive fashion to implement this section. ~~Initial implementation of this section shall consist of a review of the rules in existence on July 1, 1993, presentation of proposed changes to the commission no later than January 1, 1994, and adoption of simplified rules no later than June 30, 1994.~~

SECTION 6. 40-15-302 (1) (a), the introductory portion to 40-15-302 (1) (b) (I), and 40-15-302 (1) (b) (II), Colorado Revised Statutes, are amended to read:

40-15-302. Manner of regulation - rules. (1) (a) The commission shall promulgate rules as may be appropriate to regulate services and products provided pursuant to this part 3. In promulgating such rules, the commission shall consider such alternatives to traditional rate of return regulations as flexible pricing, detariffing, and other such manner and methods of regulation as are deemed consistent with the general assembly's expression of intent pursuant to section 40-15-101. If a provider applies for and receives commission approval of an alternative form of regulation, or if a provider is a ~~small local exchange~~ RURAL TELECOMMUNICATIONS provider subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2) (d), the commission shall not consider the provider's overall rate of return or overall revenue requirements when determining the just and reasonable rate for a particular product or service. A local exchange provider that does not elect an alternative form of regulation and that is subject to rate of return regulation shall furnish such rate of return information as requested by the commission.

(b) (I) For a ~~small local exchange~~ RURAL TELECOMMUNICATIONS provider subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2) (d), price ceilings shall be established for all products and services regulated under this part 3 as follows:

(II) This paragraph (b) shall not be construed to preclude a ~~small local exchange~~ RURAL TELECOMMUNICATIONS provider from electing traditional rate-of-return regulation or requesting price regulation or another alternative form of regulation under part 5 of this article; and the fact of such election or request shall not be considered in connection with a proceeding to adjust prices for products or services offered under any alternative form of regulation.

SECTION 7. 40-15-503 (2) (d), Colorado Revised Statutes, is amended to read:

40-15-503. Opening of competitive local exchange market - process of negotiation and rule-making - issues to be considered by commission.

(2) (d) The commission shall adopt rules providing for simplified regulatory treatment for ~~basic local exchange providers that serve only rural exchanges of ten thousand or fewer access lines~~ RURAL TELECOMMUNICATIONS PROVIDERS AS DEFINED IN SECTION 40-15-102 (24.5). Such simplified treatment may include, but shall not be limited to, optional methods of regulatory treatment that reduce regulatory requirements, reduce the financial burden of regulation, and allow pricing flexibility. Such simplified treatment may also allow extensions of time for the implementation of requirements under this part 5 in rural exchanges for which there are no competing basic local exchange providers certified.

SECTION 8. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 10, 2000