



FILED

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Revisions
to the California High Cost Fund B Program.

Rulemaking 09-06-019
(Filed June 18, 2009)

**ADMINISTRATIVE LAW JUDGE'S RULING EXTENDING SCHEDULE
FOR COMMENTS ON REVERSE AUCTION ISSUES**

This ruling extends the schedule for comments on the reverse auction issues set forth in the Assigned Commissioner's Ruling (ACR) dated February 11, 2010. The ACR called for opening comments to be filed on March 5, 2010, and reply comments on March 15, 2010.

By electronic mail message (e-mail) addressed to the assigned Administrative Law Judge, dated February 24, 2010, the Division of Ratepayer Advocates (DRA) requested both an extension of time to file opening comments and a modification in the scope of issues to be addressed in those comments.¹ DRA requested an additional two weeks in which to file opening comments in response to the ACR. DRA also requested to redefine the scope of the opening comments to address the definition of "basic service" for wireless service providers generally. By e-mail dated February 25, 2010, Assistant Chief ALJ Charlotte F. TerKeurst granted DRA's request to the limited extent that the due

¹ DRA made its request in the form of an e-mail, copied to the service list for the proceeding, rather than by filing a formal motion. In the interests of a complete formal record, therefore, the text of the DRA e-mail request, and the Assistant Chief ALJ response are attached to this ruling as Attachments A and B, respectively.

date for opening comments was extended to March 19, 2010. The remainder of DRA's request was deferred.

This ruling memorializes the extension in the due date for opening comments from March 5 to March 19, 2010, as previously granted by e-mail. The due date for reply comments, previously set for March 15, 2010 is also hereby extended from March 15, 2010 to April 2, 2010. DRA's request to redefine the scope of opening comments solicited by the ACR, however, is denied, for reasons discussed below.

DRA argues that the ACR seeks comment on many issues that are intrinsically interwoven with the current proceeding addressing reforms to the Lifeline program (Rulemaking (R.) 06-05-028), particularly the definition of what constitutes "basic service." DRA argues that because so much is dependent on the definition of "basic service," it is not possible for parties to provide meaningful input on the other issues covered in the ACR until the Commission has addressed and resolved that definition.

In particular, DRA describes the ACR as "seeking comment on the definition of basic service for the limited purpose of a possible reverse auction pilot project." DRA requests an additional two weeks for comment on the ACR, and seeks to limit the comments to the definition of "basic service" for wireless service providers generally.

DRA's request to modify the scope of comments appears to be based on a belief that the comments are to address in detail the substantive merits of each of the auction protocols set forth in the attachment to the ACR. The focus of the ACR, however, is *not* to seek detailed evaluation of the substantive merits of the basic service definition or on the other specific auction protocols set forth in the ACR attachment. Although the ACR contained a proposed definition of basic

service for the limited purposes of the reverse auction pilot protocols, the ACR did *not* solicit comments on the substantive merits of that proposed definition of “basic service.” To the contrary, the ACR expressly directed that:

“parties should assume that the attached protocols would apply, *even if they disagree with a particular outcome*. The focus of comments should be whether to continue with a reverse auction, *not the particular details of how it should be designed*.” (ACR at 5, emphasis added).

Therefore, the primary focus and purpose of comments solicited by the ACR is on whether the implementation of a reverse auction should continue, or whether some other approach, such as cost modeling or indexing, should be pursued to update B-Fund support levels. Parties have already filed extensive comments in R.06-06-028 on reverse auction issues, including how basic service should be defined for purposes of bidding protocols. Parties also engaged in extensive discussions of these issues through working groups. The working groups filed status reports and requested Commission guidance to resolve disagreements regarding various reverse auction issues, including how basic service requirements pursuant to a reverse auction should apply. Accordingly, the comments solicited by the ACR are not intended to prolong the debate on parties’ conflicting views of how the basic service requirements should apply for purposes of a reverse auction. Parties are not being asked to comment on whether they agree or disagree with the protocols in the ACR attachment. Accordingly, DRA’s request to redefine the scope of opening comments pursuant to the ACR is denied.

Parties may, however, express in their comments any relevant concerns regarding the pace, sequencing, and coordination of the implementation of a reverse auction pilot as it may relate to the development of broader requirements

for Lifeline reform being addressed in R.06-05-028. In considering whether or in what manner to apply basic service requirements for purposes of a reverse auction pilot, parties' comments will be duly considered regarding the relationship between the limited applicability of a reverse auction pilot and the broader applicability of requirements for the offering of Lifeline service generally.

IT IS RULED that:

1. The due date for opening comments on the February 11, 2010 Assigned Commissioner's Ruling is extended from March 5 to March 19, 2010. This ruling memorializes the extension previously granted on February 25, 2010, by e-mail, reproduced in the attachment to this ruling.
2. The due date for reply comments is also extended from March 15, 2010, to April 2, 2010.
3. The February 24, 2010, request of the Division of Ratepayer Advocates to redefine the scope of comments to be covered in opening comments on the Assigned Commissioner's Ruling, reproduced in the attachment hereto, is denied.
4. Parties may express in their comments any relevant concerns regarding the pace, sequencing, and coordination of the implementation of a reverse auction pilot as it may relate to the development of broader requirements for Lifeline reform being addressed in Rulemaking 06-05-028.

Dated March 5, 2010, at San Francisco, California.

/s/ THOMAS R. PULSIFER
Thomas R. Pulsifer
Administrative Law Judge

Attachment A
Reproduction of Electronic Mail Request Sent by the Division of
Ratepayer Advocates on February 24, 2010

Dear ALJ Pulsifer:

DRA has reviewed the February 11th Assigned Commissioner's Ruling (ACR) regarding the California High Cost Fund B issues (R.09-06-019). The breadth and complexity of the issues upon which comment are sought require more time to properly address than the ACR provides. Comments are currently due on March 5th and March 15th. Many of the issues about which the ACR seeks comment are intrinsically interwoven with the current proceeding addressing reforms to the LifeLine program (R.06-05-028), particularly the definition of what constitutes "basic service." Because so much is dependent on the definition of "basic service", in DRA's view, it is not possible for parties to provide meaningful input on the other issues covered in the ACR until the Commission has addressed and resolved that definition.

DRA therefore respectfully requests both an extension of time to file comments, and a bifurcation of both the schedule and scope of the issues set forth in the ACR. Specifically, DRA requests an additional two weeks for comment on just the definition of "basic service" for wireless service providers generally, rather than the ACR's approach of seeking comment on the definition of basic service for the limited purpose of a possible reverse auction pilot project. The Commission should address the definition of basic service in a logical sequence, in either this docket or the LifeLine docket. It would be an inefficient use of time and resources to consider the definition here for the limited purpose of a reverse auction when parties have generally agreed that the definition of basic service would need to be addressed globally for purposes of expanding the LifeLine program to include a wireless option.

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DRA also requests that the myriad issues in the ACR other than the definition of basic service be put on a slower procedural track. This would allow the Commission to more efficiently consider those issues, as the definition of basic service must be completed BEFORE the parties can meaningfully comment upon reverse auctions and COLR obligation issues.

Respectfully submitted,

Laura Gasser, Staff Counsel (lgx@cpuc.ca.gov)

Selena Huang, Analyst (xsh@cpuc.ca.gov)

Michele King, Analyst (mki@cpuc.ca.gov)

Division of Ratepayer Advocates

cc: Service list, R.09-06-019

Amy Yip-Kikugawa, Advisor to Commissioner Bohn

(END OF ATTACHMENT A)

Attachment B
**Reproduction of the Electronic Mail Message from Assistant Chief
Administrative Law Judge TerKeurst Granting Extension in the Due Date
for Opening Comments**

To all parties in R.09-06-019:

On February 24, 2010, the Division of Ratepayer Advocates (DRA) requested by email an extension of time to file comments and a bifurcation of both the schedule and scope of the issues set forth in the February 11, 2010 Assigned Commissioner's Ruling. On February 25, 2010, AT&T responded that it does not oppose the request for a change of the date for comments and reply comments, but opposes the other requested changes.

In ALJ Pulsifer's absence, I grant DRA's request to the limited extent that the due date for comments is changed from March 5, 2010 to March 19, 2010. I expect that ALJ Pulsifer will address the remainder of DRA's request upon his return.

Charlotte F. TerKeurst
Assistant Chief Administrative Law Judge
California Public Utilities Commission
(415) 703-3124
cft@cpuc.ca.gov

(END OF ATTACHMENT B)

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated March 5, 2010, at San Francisco, California.

/s/ CRISTINE FERNANDEZ
Cristine Fernandez

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.