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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
FOR FURTHER COMMENTS ON COST PROXY REVISIONS**

This ruling memorializes the schedule and process for the next round of comments in this proceeding, as discussed at the technical workshop held on July 10, 2013, to implement a process to revise cost proxy data to determine California High-Cost Fund-B (B-Fund) support amounts. The July 10, 2013 workshop was a follow-up to the March 27, 2013 workshop to develop a methodology for updating Census Block Group (CBG) mapping data based on the 2010 federal census for purposes of updating cost proxies utilized to calculate B-Fund support.

As a work product following the previous workshop, various parties sponsored joint comments filed May 22, 2013, which described a proposal on methodologies and algorithms necessary to re-map 1990 households from their 1990 CBGs to CBGs based on the 2010 census. Based on this agreed-upon methodology, further comments shall be provided by each applicable carrier currently receiving B-Fund support, indicating the expected impacts of applying this methodology to update B-Fund support levels in terms of the change in number of lines eligible for support and the change in total support payments.

The workshop also included a discussion of Frontier Communication of California's (Frontier's) proposal to establish a process for those CBGs that do not currently have cost proxies but that are now being added to the B-Fund program through Commission action. The Commission has approved the treatment of new areas of Frontier's territory as "URF" territory and therefore eligible for B-Fund support if the costs for the CBGs in those areas meet the threshold. These specifically identifiable and currently authorized URF areas thus need cost proxies in order to determine B-Fund support requirements. Frontier presented a proposal at the July 10, 2013, workshop regarding how cost proxies could be established for new lines eligible for B-Fund support that currently have no cost proxy values in place. Frontier should provide its proposal on this issue in its July 10, 2013 comments.

Parties should also formally confirm in their comments their respective positions, as expressed during the workshop, that the Commission should move forward expeditiously to implement B-Fund cost proxy updates based on disposition of the matters discussed at the workshop, and that no further cost studies or cost updating is warranted in this proceeding for purposes of B-Fund proxies. Adopting this consensus would mean that no further efforts will be expended to implement a reverse auction to determine B-Fund support levels, as previously planned.

This next round of pleadings on the issues outlined above shall be due on August 9, 2013. Reply comments shall be due on August 23, 2013.

IT IS RULED that the next round of pleadings in this proceeding addressing California High-Cost Fund-B support issues, as identified above, shall be due on August 9, 2013. Reply comments shall be due on August 23, 2013.

Dated July 18, 2013, at San Francisco, California.

/s/ THOMAS R. PULSIFER

Thomas R. Pulsifer
Administrative Law Judge