



LR1/EW2/ek4

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of The Siskiyou Telephone Company (U1017C) to Review Intrastate Rates and Charges, Establish a New Intrastate Revenue Requirement and Rate Design, and Modify Selected Rates.

Application 15-12-001
(Filed December 1, 2015)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE

Summary

Pursuant to Public Utility Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure, this Ruling and Scoping Memo sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this proceeding.

1. Background

On December 1, 2015, The Siskiyou Telephone Company (Siskiyou or the applicant) filed a request for a general rate increase. A prehearing conference (PHC) was set by a ruling dated January 20, 2016 and the parties were subsequently directed to file PHC statements.

The applicant and the Office of Ratepayer Advocates (ORA) filed PHC statements on February 3, 2016. On February 5, 2016, the PHC was held to determine parties, positions, scope, schedule and other procedural matters.

2. Scope

The applicant and ORA generally agree that the issues broadly involve revenue requirements, rates, quality of service, safety, and reliability. ORA also proposes the following issues: the increase in Siskiyou's A-Fund subsidy and the

use of forecasted corporate expenses that exceed limits adopted in Decision (D.) 14-12-084.

The applicant objects to consideration of the additional issues, asserting the draw on the CHCF-A fund is only an issue relative to the rate design and revenue requirement. The applicant further objects that the corporate expense limit is a rebuttable presumption as to which it has presented evidence supporting the rebuttal.

The parties further note that the cost of capital is currently being considered in a separate proceeding, Application 15-09-005.

Following consideration of the application, protest, PHC statements, and statements at the PHC, the adopted issues are:

1. **Revenue Requirement:** determination of applicant's revenue requirement for test year 2017, including but not limited to revenues, expenses, rate base, capital structure and cost of capital which allows the applicant to operate in a manner that allows them to deliver safe, reliable, high-quality service, fulfill obligations as a Carrier of Last Resort, and afford the company a fair opportunity to earn a reasonable rate of return.
 - a. Consideration of expenses includes whether corporate expenses exceed the rebuttable presumption as to the limit of those expenses established by D.14-12-084.
2. **Rate design:** determination of rates and charges, including but not limited to appropriate levels to be paid by applicant's customers.
3. **Supplemental Funding:** appropriate level – as determined by the revenue requirement and rate design – of supplemental intrastate funding (e.g., California High Cost Fund – A (CHCF-A) funding).
4. **Service Quality and Safety:** Service Quality and compliance with General Orders regarding safety and reliability.
5. **Plant Additions.**

3. Assigned Commissioner, Presiding Officer

Liane M. Randolph is the assigned Commissioner. Pursuant to Public Utilities Code § 1701.3 and Rule 13.2 of the Commission's Rules of Practice and Procedure (Rule or Rules), Administrative Law Judge (ALJ) Eric Wildgrube is designated as the Presiding Officer.

4. Need for Hearing Categorization, Need for Hearing, Ex Parte Communications, and Intervenor Compensation

The Commission in Resolution ALJ 176-3369, issued on December 17, 2015, preliminarily determined that the category of the proceeding is ratesetting and that hearings are needed. The parties agree and this scoping memo confirms that categorization and the need for hearings. Anyone who disagrees with this categorization must file an appeal of the categorization no later than ten days after the date of this scoping ruling. (See Rule 7.6.)

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors and the ALJ are only permitted as described at Public Utilities Code § 1701.3(c) and Article 8 of the Rules.

Pursuant to Public Utilities Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by March 7, 2016.

5. Filing, Service and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Electronic service is now the standard under Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded that, when serving copies of documents, the document format must be consistent with the requirements set forth in Rule 1.10(a).

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

6. Schedule

Applicant and ORA propose similar schedules which are reasonably consistent with the general rate case plan adopted by D.15-06-048.

The parties agree a Public Participation Hearing should be held.

The adopted schedule is:

EVENT	DATE
Application Filed and Testimony served	December 1, 2015
Application Published	December 3, 2015
Protest/Intervenor Deadline	January 4, 2016
Reply to protest	January 15, 2016
Prehearing Conference	February 5, 2016
Public Participation Hearing (Location to be determined)	April 19, 2016
Intervenor Testimony Due	May 9, 2016

EVENT	DATE
Rebuttal Testimony Due	June 8, 2016
Evidentiary Hearings	July 18 - 20, 2016
Opening Briefs	August 15, 2016
Reply (Closing) Briefs/Record closed	August 29, 2016
Proposed Decision	November 1, 2016
Comments on Proposed Decision	November 21, 2016
Commission Meeting/Decision	December 1, 2016
Implement new general rate case structure	January 1, 2017

The proceeding will be submitted upon the filing of reply briefs, unless the assigned Commissioner or the ALJ directs further evidence or argument.

The assigned Commissioner or Presiding Officer may adjust this schedule as necessary for efficient management of this proceeding.

If there are any workshops in this proceeding, notices of such workshops will be posted on the Commission’s Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

It is the Commission’s intent to complete this proceeding within 18 months of the date this Scoping Memo is filed. (Public Utilities Code § 1701.5(a).)

7. Final Oral Argument

A party in a ratesetting proceeding in which a hearing is held has the right to make a Final Oral Argument before the Commission, if the argument is requested within the Closing Brief. (Rule 13.13.) Parties shall use the following procedure to request Final Oral Argument.

Any party seeking to present a Final Oral Argument shall file and serve a motion at any time that is reasonable, but no later than the filing of the request within the Closing Brief. The motion shall state the request, the subject(s) to be addressed, the amount of time requested, recommended procedure and order of presentations, and anything else relevant to the motion. The motion shall contain all the information necessary for the Commission to make an informed ruling on the motion, providing for an efficient, fair, equitable, and reasonable argument. If more than one party plans to move for Final Oral Argument, the parties shall use their best efforts to present a joint motion, including a joint recommendation on subjects, procedure, order of presentations, and anything else relevant to the motion. A response to the motion may be filed within two days of the date of the motion.

IT IS RULED that the items addressed in the body of this ruling are adopted. In particular:

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within ten days.
2. The scope of issues is as stated in the body of this ruling.
3. A Hearing is necessary.
4. The schedule stated in the ruling is adopted. The assigned Commissioner or Presiding Officer may adjust this schedule as necessary for efficient management of this proceeding.
5. With limited exceptions that are subject to reporting requirements, *ex parte* communications are prohibited. (See Public Utilities Code § 1701.3(c); Article 8 of the Commission's Rules of Practice and Procedure.)
6. A party shall follow the procedures stated in this ruling to request Final Oral Argument, but the right to Final Oral Argument ceases to exist if there is a subsequent final determination that a hearing is not needed.

7. Administrative Law Judge Eric Wildgrube is designated as the Presiding Officer.

Dated February 11, 2016, at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner

/s/ ERIC WILDGRUBE

Eric Wildgrube
Administrative Law Judge