



**FILED**  
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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation on the Commission's own motion into the operations, practices, and conduct of T C Telephone LLC, doing business as Horizon Cellular, (T C Telephone) (U6875C) and (U4410C), to determine whether T C Telephone violated the laws, rules and regulations governing the manner in which California consumers are switched from one carrier to another and billed for telephone services.

Investigation 16-01-012  
(Filed January 28, 2016)

**EMAIL RULING REQUIRING STATEMENT SUPPORTING SETTLEMENT**

Dated June 29, 2016, at San Francisco, California.

/s/ ERIC WILDGRUBE  
Eric Wildgrube  
Administrative Law Judge

**From:** Wildgrube, Eric

**Sent:** Wednesday, June 29, 2016 10:15 AM

**To:** Foss, Travis; lsteinhart@telecomcounsel.com; Burton Peebles; Wong, Donna G.; Malashenko, Elizaveta I.; Sastra, Rudy; Amato, Michael C.; Travis Graff

**Cc:** ALJ\_Support ID; ALJ Docket Office; ALJ Process

**Subject:** I.16-01-012 T C Telephone LLC; ADMINISTRATIVE LAW JUDGE'S EMAIL RULING REQUIRING STATEMENT SUPPORTING SETTLEMENT

On January 28, 2016, the Commission issued an Order Instituting Investigation commencing this proceeding. A prehearing conference (PHC) was held on April 13, 2016 to determine parties, discuss the scope, the schedule, and other procedural matters.

On June 24, 2016, the parties served their Joint Motion for Approval of Settlement Agreement.

The Settlement Agreement provides at Section I. JOINT FACTUAL STATEMENT, 8. , in relevant part,

...T C Telephone states that it has cooperated with CPED staffs data requests and has taken action to correct violations and remedy wrongs with respect to affected customers and to ensure ongoing compliance.

The Settlement Agreement further provides at Section II. AGREEMENT, 7 [sic]. Penalty Payments., in relevant part,

In order to resolve the legal issues raised by the OII, T C Telephone will pay a \$200,000 penalty to the State of California General Fund....

In Decision 98-12-075 the Commission identified principles to assess whether a penalty amount is appropriate.

The Settlement Agreement further provides at Section III. GENERAL PROVISIONS, 8 [sic]. Scope and Effect of Agreement., in relevant part,

... The Parties agree that, if the Commission fails to adopt the Agreement in its entirety without material change and issue the requested operating authority, the Parties shall convene a settlement conference within fifteen (15) days thereof to discuss whether they can resolve any issues raised by the Commission's actions. If the Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Agreement shall be rescinded and the Parties shall be released from their obligation to support this Agreement....

The parties have not defined by the Settlement Agreement the “requested operating authority” referred to in the above text. Additionally, the parties were previously informed by email on May 10, 2016, in relevant part,

T C Telephone’s ETC status is outside the scope of this proceeding. The decision issued in this proceeding will address only matters which are within the scope.

Requiring the Commission approve operating authority outside the scope of this proceeding as a contingency of final settlement would be neither consistent with law nor in the public interest.

**THEREFORE, IT IS RULED:**

Within fifteen days of the date of this ruling, the parties shall prepare and file a joint statement in support of the Settlement Agreement or the parties shall withdraw the Motion and Proposed Settlement and prepare and file a joint schedule for resolution of the proceeding.

A joint statement in support of the Settlement Agreement shall provide the following additional information:

1. The parties shall provide a brief statement as to the action taken by T C Telephone to correct violations and remedy wrongs with respect to affected customers and to ensure ongoing compliance.
2. The parties shall provide information supporting the settlement amount including potential penalties and the basis for them consistent with the principles identified by Decision 98-12-075.
3. The parties shall identify the “requested operating authority” referred to in Section III. GENERAL PROVISIONS, 8 [sic]. Scope and Effect of Agreement. Furthermore, the parties shall explain how requiring the Commission grant the “requested operating authority” as a contingency for settlement is consistent with the law and in the public interest.

A joint filing in support of the Settlement Agreement shall further include discussion supporting a conclusion by the Commission that in light of the additional information provided the settlement is in the public interest, reasonable in light of the record, and consistent with the law and thus warrants approval by the Commission pursuant to Rule 12.1 of the Commission’s Rules of Practice and Procedure.

Dated June 29, 2016, at San Francisco, California.

THE DOCKET OFFICE SHALL FORMALLY FILE THIS RULING.

*Eric Wildgrube*  
*Administrative Law Judge*  
*California Public Utilities Commission*