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LR1/DC7 10/13/2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SP Licenses, Inc. for
Registration as an Interexchange Carrier
Telephone Corporation Pursuant to the
Provisions of Public Utilities Code
Section 1013

Application 16-06-005
(Filed June 7, 2016)

**SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND JOINT
RULING WITH ADMINISTRATIVE LAW JUDGE**

Summary

This Scoping Memo and Ruling sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this proceeding pursuant to Public Utilities Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure¹.

1. Background

On June 7, 2016, SP Licenses, Inc., filed an Application for Registration as an Interexchange Carrier Telephone Corporation pursuant to provisions of Public Utilities Code Section 1013 (the "Application"). The Consumer Protection and Enforcement Division ("CPED") filed a protest to the Application on July 11, 2016. CPED filed a protest alleging that SP Licenses failed to disclose a complaint against it or one of its officers at the FCC in violation of Rule 1.1. A prehearing conference (PHC) was set by a ruling dated August 12, 2016 and the

¹ California Code of Regulations, Title 20, Division 1, Chapter 1; hereinafter, Rule or Rules.

parties were subsequently directed to file joint PHC statement on or before September 1, 2016.

The parties filed a joint PHC statement on September 1, 2016. On September 8, 2016, the PHC was held to determine parties, discuss the scope, the schedule, and other procedural matters. SP Licenses failed to appear at the PHC to address questions about the application. As a result, the assigned Administrative Law Judge (ALJ) issued a ruling requesting additional information from the parties, in the form of a second PHC statement, due for filing on or before September 19, 2016, as well as requiring the applicant to file supplemental information. The documentation submitted by SP License was insufficient and the application does not satisfy all of the regulatory requirements set out in D.10-09-017, D.13-05-035, and D.14-11-004. The information SP License provided regarding the FCC citation must be supplemented to include actual documentation from the FCC as to the current status of the citation. In addition to supplemental information addressing the FCC citation the applicant must provide additional information to satisfy the requirements of the Commission for registration as an interexchange carrier telephone corporation. This information includes complete resumes/job history for every place each of its principals have worked, adequate financial assurances, and the ability to understand and comply with Commission rules.

2. Scope

Based on the application, CPED protest, initial joint PHC statement, and the second joint PHC statement, the following issues are within the scope of this proceeding:

1. To what extent SP Licenses failure to disclose a Federal Communications Commission (FCC) citation in its application, failure to provide other required information,

and failure to follow Commission rules impacts the Commission's decision to grant SP Licenses' request for authority to operate as an interexchange carrier telephone corporation pursuant to the provisions of Public Utilities Code Section 1013.

2. Whether SP Licenses' failure to disclose the FCC citation violates Rule 1.1 of the Commission's Rules of Practice and Procedure.
3. Whether the information provided by SP Licenses meets the requirements set forth in Commission decisions, including but not limited to, D.97-06-107, D.10-09-017, D.11-11-006, and D.14-11-004.
4. What fines or penalties, if any, should be imposed on SP Licenses for its failure to disclose the FCC citation.
5. Whether the applicant has met the financial assurances requirements set out in D.13-05-035 and D.14-11-004.
6. Whether the application raises any safety concerns or considerations, and if so, how they should be addressed.

3. Categorization

The Commission in Resolution ALJ 176-3380, issued on June 23, 2016, preliminarily determined that the category of the proceeding is ratesetting. This scoping memo confirms the categorization. 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.)

4. Need for Hearing

The Commission preliminarily determined that hearings are not necessary. An evidentiary hearing is not necessary at this time, but may be needed at a later date if the parties are unable to reach agreement on outstanding issues identified above. Until it is determined that hearings are necessary, the Scoping Ruling does not disturb the Commission's preliminary determination regarding hearings.

5. Ex Parte Communications

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

6. Intervenor Compensation

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 October 31, 2016.

7. Assigned Commissioner and Presiding Officer

Commissioner Liane M. Randolph is the assigned Commissioner and Darcie L. Houck is the assigned ALJ.² Pursuant to Public Utilities Code § 1701.3 and Rule 13.2, Darcie L. Houck is designated as the Presiding Officer.

8. 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. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings

² The application was initially filed for registration and assigned to Examiner Michael C. Amato. Upon CPED protesting the Application, the Commission reassigned the matter to ALJ Darcie Houck on July 27, 2016.

using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

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.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f). Discovery

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery and discovery shall not be served on the Administrative Law Judge. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the

electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao> or contact the commission’s Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Schedule

The adopted schedule is:

EVENT	DATE
Prehearing Conference	September 1, 2016
Second Joint Case Management Statement	September 19, 2016
Supplemental Filing of Applicant	September 19, 2016
Applicant to file and serve all additional supplemental information	November 11, 2016
Last day for Parties to file proposed settlement	November 11, 2016
Briefs on any outstanding issues if no settlement is reached between the parties	November 18, 2016
Proposed Decision	Within 90 days of parties October 31, 2016 filing
Comments on Proposed Decision	Within 20 days of service of the Proposed Decision
Replies to Comments on Proposed Decision	Within 5 days of service of Comments
Anticipated Commission Meeting/Decision	30 days after but no later than 60 days after issuance of the Proposed Decision

The proceeding will be submitted upon the filing of either a proposed settlement of the parties or briefs by each party as set forth in the schedule above,

unless the assigned Commissioner or the ALJ directs further evidence or argument.

The assigned Commissioner or assigned ALJ may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding.

It is the Commission's intent to complete this proceeding within 18 months of the date this Scoping Memo is filed. This deadline may be extended by order of the Commission. (Public Utilities Code § 1701.5(a)).

11. Settlement and Alternative Dispute Resolution

While the schedule does not include specific dates for settlement conferences it does not preclude parties from meeting at other times provided notice is given consistent with our Rules.

The Commission offers Alternative Dispute Resolution (ADR) services consisting of mediation, facilitation, or early neutral evaluation. Use of ADR services is voluntary, confidential, and at no cost to the parties. Trained ALJs serve as neutrals. The parties are encouraged to visit the Commission's ADR webpage at <http://www.cpuc.ca.gov/adr/>, for more information.

If requested, the assigned ALJ will refer this proceeding, or a portion of it, to the Commission's ADR Coordinator. Alternatively, the parties may contact the ADR Coordinator directly at adr_program@cpuc.ca.gov. The parties will be notified as soon as a neutral has been assigned; thereafter, the neutral will contact the parties to make pertinent scheduling and process arrangements.

Alternatively, and at their own expense, the parties may agree to use outside ADR services.

IT IS RULED:

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within ten days from the date of this Scoping Memo.

2. The scope of the issues for this proceeding is as stated in Section 2 of this ruling.

3. Hearing is not necessary.

4. The schedule for the proceeding is set forth in Section 10 of this ruling. The assigned Commissioner or the Administrative Law Judge may adjust this schedule as necessary for efficient management and fair resolution of this proceeding, which may include the addition of evidentiary hearings if deemed necessary.

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. Parties shall adhere to the instructions provided in Appendix A of this ruling for submitting supporting documents

Dated October 13, 2016, at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner

/s/ DARCI E L. HOUCK

Darcie L. Houck
Administrative Law Judge

APPENDIX A

1. Electronic Submission and Format of Supporting Documents

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or workpapers in this proceeding through the Commission's electronic filing system.³ Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal

³ These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony. Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

documents and rules for written and oral communications with Commissioners and advisors (i.e. “ex parte communications”) or other matters related to a proceeding.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the Administrative Law Judge.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security - PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention - The Commission is required by [Resolution](#) L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card”. In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#)”,
- Select “Supporting Document” as the document type, (do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov) 415 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov) 415 703-5999

(END OF APPENDIX A)