

Decision DRAFT DECISION OF ALJ JONES (Mailed 11/02/2005)

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

Order Instituting Rulemaking Into  
Implementation of Federal Communications  
Commission Report and Order 04-87, As It  
Affects The Universal Lifeline Telephone Service  
Program.

Rulemaking 04-12-001  
(Filed December 2, 2004)

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## DECISION ADOPTING REVISIONS TO GENERAL ORDER 153 AND RELATED ISSUES

### I. Summary

In this decision we adopt the revisions to General Order (GO) 153 as they appear in the Telecommunications Division's August 2005 Workshop Report on Revision and Update of GO 153, as further amended by this order. The revised GO is attached as Appendix A. We also address various implementation issues related to the changes in GO 153.

### II. Background

In Decision (D.) 05-04-026, we took the initial steps necessary to make certain that the state will continue to receive the \$330 million in federal Lifeline/Link-Up funds to protect the financial viability of the ULTS program. Specifically, we adopted a program of income certification and annual verification, as required by the Federal Communications Commission's (FCC's) Lifeline Order.<sup>1</sup>

At the same time, we adopted program-based eligibility, to facilitate participation in the program by all eligible customers. Program-based eligibility is based on the customer's participation in specific means - tested programs. It is our goal to maximize to the greatest extent possible the number of eligible households that subscribe to ULTS. To that end adopted two options for low income customers – income documentation or program-based eligibility – to qualify for the ULTS program. We made other program changes to facilitate ULTS enrollment.

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<sup>1</sup> *Lifeline and Link-Up Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109, FCC 04-87 (rel. April 29, 2004).

We determined that the certification and verification processes adopted in the decision should be performed by a Third-Party Administrator (TPA).

D.05-04-026 ordered our Telecommunications Division (TD) to convene two workshops. The first workshop was to discuss various issues relating to the TPA, which would enable TD to finalize its Request for Proposal (RFP) to obtain a contractor to perform that function. That workshop was held on April 20-21 and May 4. On July 1, 2005, TD issued an RFP to obtain responses from firms to perform the role of certifying agent (CertA).<sup>2</sup> The CertA contract has not yet been finalized.

TD convened a second workshop on June 22-23, 2005 to discuss the following issues:

- Revisions to General Order (GO) 153,
- Additional programs to facilitate participation of persons without immigration documents and those who live in a cash economy, and
- Other miscellaneous implementation issues.

A draft of the workshop report was sent to workshop participants on July 22, 2005. Parties were directed to submit major comments recommending further revisions of revised GO 153 and minor editorial revisions to the GO for TD's consideration. Parties' minor comments were incorporated into revised GO 153, and major comments were attached as Attachment B to the Workshop

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<sup>2</sup> The Certifying Agent, or CertA, is the same entity as the Third Party Administrator (TPA). The term "Certifying Agent" was used in the Request for Proposal, so we are using that term in this decision as well.

Report.<sup>3</sup> In addition, Joint Consumers filed their comments in the Docket Office on August 5, 2005.

The final Workshop Report, which included parties' comments, was issued on August 25, 2005. On August 24, the assigned Administrative Law Judge (ALJ) issued a ruling soliciting comments on the Workshop Report. Parties were encouraged to file comments on issues not covered in their comments that appeared as part of the Workshop Report. Comments were filed on August 31, 2005 by the Joint Consumers, and on September 1, 2005 by Fones4All Corporation (Fones4All), The Small LECs, SureWest, Cox, SBC, and San Diego Gas & Electric Company and Southern California Gas Company (Joint Utilities).

### **III. Extension of Time to Implement FCC's Order**

In D.05-04-026 we indicated that on March 22, 2005, staff filed a Petition for Extension of Time until March 1, 2006 to meet the FCC's deadline for implementation of the certification and verifications requirements in Report 04-87. In that request we indicated that the extension was necessary because we needed additional time to get a Third Party Administrator in place using the state's contracting process.

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<sup>3</sup> Comments were submitted by the following parties: The Utility Reform Network, The National Consumer Law Center, The Disability Rights Advocates, The Greenlining Institute, The Latino Issues Forum, and The Asian Law Caucus (Joint Consumers); AT&T Communications of California, Inc. (AT&T); Cox California Telcom, LLC, dba Cox Communications (Cox); Pacific Bell Telephone Company, dba SBC California (SBC); 14 small Local Exchange Carriers as follows: Calaveras Telephone Company, Cal-Ore Telephone Co., Ducor Telephone Company, Foresthill Telephone Co., Global Valley Networks, Inc., Happy Valley Telephone Company, Hornitos Telephone Co., Kerman Telephone Co., Pinnacles Telephone Co., The Ponderosa Telephone Company, Sierra Telephone Company, Inc., The Siskiyou Telephone Co., Volcano Telephone Company, and Winterhaven Telephone Co. (Small LECs); SureWest Telephone and SureWest Televideo (SureWest); and Verizon California Inc. (Verizon).

On June 6, 2005, the FCC released Order DA05-1502 in WC Docket No. 03-109 granting the Commission's request to extend the date to establish certification and verification procedures pursuant to the Commission's Lifeline Order until March 1, 2006.

In the following section we discuss the comments that relate to GO 153 and adopt appropriate revisions to our General Order.

### **A. Enrollment**

#### **Parties' Positions:**

In their comments, SureWest and the Small LECs urge the Commission to reconsider its policy of requiring carriers to provide ULTS discounts before customers' eligibility is confirmed by the CertA. Because of concerns expressed by some carriers regarding the increased administrative burdens and additional bad debt exposure that it creates, TD led an extensive discussion during the June 22-23 workshop regarding the appropriate timing of ULTS discounts.

Workshop participants were presented with three alternatives, as follows:

1. ULTS discounts would not be issued until a customer's eligibility is confirmed;
2. ULTS discounts would be issued once a customer has submitted the proper documentation to the CertA; or
3. ULTS discounts would be issued based on the first contact with the customer, without waiting for the submission of documentation or a final determination regarding customer eligibility.

As the Small LECs and SureWest pointed out previously, they believe the first option is the most consistent with the FCC's Lifeline/Link-Up Order. Under 47 C.F.R. § 54.410, issuing discounts before income-based

eligibility or program eligibility is confirmed poses serious administrative difficulties and cost-recovery problems for carriers and the Commission alike. According to the Small LECs and SureWest, where ULTS discounts are preliminarily issued to a customer, but the customer is ultimately deemed ineligible, the carrier would be required to back-bill the customer for unauthorized discounts. This would then generate additional “bad debt” and collection costs for carriers, and increase the burden on the ULTS fund. Further, the lag time between the initial issuance of discounts and the ultimate certification that those discounts are proper could complicate carriers’ accounting practices, as well as carriers’ internal procedures for seeking reimbursement from the federal Lifeline/Link-Up programs.

The Small LECs and SureWest are also opposed to the second option which presents the same problems as the first option. In addition, in Option 2, an additional step would be necessary; the CertA would have to inform the carrier when the required documentation has been submitted, since this would trigger the ULTS discounts.

The Joint Consumers point out that in the course of the workshop, it appears that there was confusion about the issue of when a subscriber can start to receive the ULTS discount. The Workshop Report, proposed GO and the RFP settle on allowing the customer to receive the discount on “first contact.” This means that the carrier’s customer service representative will sign up the new customer as a ULTS customer, obtain the customer’s information, and forward that information on to the CertA. The CertA will then go through the process to certify the customer and confirm eligibility to the carrier. If there is a problem with certification, the CertA will inform the carrier and the customer, and the carrier will remove the customer from the program and regrade the customer.

The Joint Consumers strongly support the determination that customers can receive the discount on first contact. They assert that this is the most efficient process. Also, by requiring carriers to provide the ULTS discounts at service initiation, low-income customers do not have to pay significant amounts of money up front for deposits or service connection fees.

In its comments, Cox states that proposed § 4.2 does not address the scenario in which a customer verbally certifies that he/she meets the ULTS household/income limit but states that he/she does not have documentation to support the certification. Cox submits that the current draft of GO 153 should be revised to address that scenario.

### **Discussion**

In D.05-04-026, we concluded that the establishment of telephone service should not be delayed pending enrollment in the ULTS program.<sup>4</sup> Further, we concluded that consumers qualifying under an income-based criterion must present documentation of their household income prior to enrollment in Lifeline.<sup>5</sup>

However, according to the Joint Consumers, most workshop participants agreed that the customers should receive the discount on their first contact. Many parties believe it would simplify the process to accomplish enrollment within the context of a single phone call with the customer. However, as the Small LECs and SureWest point out, the carriers want to make sure that they are made whole if they incur bad debt when customers who have

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<sup>4</sup> D.05-04-026, Finding of Fact 11.

<sup>5</sup> D.05-04-026, Conclusion of Law 7.

been enrolled in the ULTS program turn out not to be eligible and do not pay monies owed to the carrier.

We believe that we should not order the carriers to sign customers up for ULTS at initial contact, unless we take steps to see that they are made whole in the case of default by the customer. We have done that by revising the bad debt section (§ 5.4.4 of the GO), as recommended by the Small LECs and SureWest. The ULTS fund will be financially responsible for bad debt incurred through the initial certification process, including bad debt incurred from the federal Lifeline and Link-Up programs. In that manner, the federal program will be reimbursed for any Link-Up or Lifeline funds expended for customers who are deemed ineligible for the program through the initial certification process.

We conclude that both the FCC's decision and FCC rules allow us the flexibility to craft a California approach that will allow customers to be enrolled at the point of the first consumer contact.<sup>6</sup> At the workshops, the participants made clear their preference to process a customer's enrollment in the ULTS program one time. From the discussion in the workshop, it was obvious that they also agreed that the best time to enroll customers was at the point of the first consumer contact. Therefore, the California process for enrolling consumers in the ULTS program will be deemed to begin when the customer makes his/her first contact with the carrier. At the recommendation of several parties, we have changed the policy adopted in D.05-04-026, which set the enrollment date as the time when the customer presents his/her documentation of eligibility for the ULTS program.

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<sup>6</sup> *Lifeline and Link-Up Order*, ¶29.

We believe that Cox's concerns are already covered in § 4.2.1.2.2 a portion of which reads: "The utility shall also inform the customer that he/she must also provide income document(s) substantiating the household income." This makes it clear that documentation of income is a requirement to enrollment in the ULTS program, if the customer is applying under income-based criteria.

## **B. Certification/Verification Forms**

### **Party's Position**

In its comments, SBC recommends changes to the instructions for completing the certification and verification forms. SBC also suggests that the header on the forms state that applicants should contact the CertA's hotline with any questions they may have regarding the form.

### **Discussion:**

SBC raises some valid points. However, we believe that the CertA should have input into the design of the forms to be used in the program. Since the CertA is not yet operational, TD has not had an opportunity to work with the CertA to further improve the draft forms. We encourage the CertA, TD and our Public Advisor's Office to review carefully the proposals for changes to the forms, and to adopt those changes they believe are appropriate.

Since the final version of the forms needs to be included in GO 153, TD needs to circulate any changes to the service list of this proceeding for comment. We will approve those additional changes to the GO by Commission Resolution.

## **C. Portability**

### **Party's Position:**

The Joint Consumers state that the Workshop Report presumes that a customer's eligibility for ULTS will be portable, allowing a customer to change service locations and/or change providers without having to go through a new

certification process. Substantial effort was expended at the workshops to establish a process by which existing customers could be identified when they change locations and/or providers. After much discussion, the workshop participants agreed on a system of follow-up questions for account holders who could not be uniquely identified. When a customer responds that he or she is an existing ULTS customer creating a new account, and the unique customer cannot be identified in the database from the new information, the CertA will be required to contact the customer and obtain his/her prior telephone number, which will be used to identify a unique account being updated.

According to the Joint Consumers, the final process agreed upon by the workshop participants and Commission staff does not appear to be reflected in the Workshop Report, the proposed GO or the RFP. The Joint Consumers propose language in the GO to implement the portability plan agreed to in the workshop. The Joint Consumers point out that the process may also require an addendum to the RFP to instruct the CertA bidders on how they will be responsible for ensuring portability of ULTS eligibility.

In its reply comments, SBC opposes the Joint Consumers proposed language which supplements existing §§ 4.2.1.1 and 6.1.1, saying that the General Order should not micro-manage the CertA's policies and dictate its internal procedures for administering the GO's rules. According to SBC, as presently written §§ 4.2.1.1 and 6.1.1 appropriately define the scope of the CertA's responsibilities. SBC encourages the CertA and the Commission to work together on an ongoing basis and update appropriate procedures to ensure that the program is being administered in accordance with the General Order. The GO itself should not decree the specific processes the CertA should implement in order to comply with these sections of the General Order.

### **Discussion**

This issue is addressed in the RFP and does not need to be included in GO 153. In the RFP, the CertA is to work with the Commission: “to design standard notification letters to customers regarding their requests of: (i) change of service provider; and (ii) cancellation of ULTS services. These notification letters will also identify corrective action(s) that the customer may take, *e.g.* a call-back telephone number for the customer to provide the correct and/or additional information.”<sup>7</sup> We concur with SBC that we do not want to micro-manage the CertA’s internal procedures for administering the GO’s rules.

#### **D. Issue Regarding Program Eligibility vs. Income Eligibility**

##### **Party’s Comments:**

The Joint Consumers state that the Workshop Report does not address whether existing ULTS customers can change the basis of their eligibility at the time of verification. The forms and the draft GO suggest that all ULTS customers will receive both income-based and the program-based verification forms at their renewal date, and the instructions on the forms state that if anyone in the household is participating in an approved means-tested program, then the program-based verification form should be used.

##### **Discussion:**

The Joint Consumers are correct. At the time of verification, a customer may change the method by which he/she establishes eligibility for the ULTS program. In order to ensure that there is no confusion, we will require TD to work with the CertA to add a statement to the verification forms that makes it

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<sup>7</sup> Request for Proposal, Certifying Agent Services for Universal Lifeline Telephone Service Program, Section A.4.c.vi.

clear that participants may change their method of claiming eligibility at the time of verification. This makes sense because family situations can change over time, for example, a customer may enroll in a means-tested program and no longer need to provide income documentation.

#### **E. Step-Down Approach**

##### **Parties' Comments:**

In its comments, SBC points out that the Commission has amended the enrollment procedure in § 4.2 to a step-down approach in order to minimize the time spent enrolling ULTS customers under the new processes. However, SBC states that the language of § 4.2.1.2.1 does not coincide with the goal of a step-down approach. SBC presents proposed language for § 4.2.1.2.1.

In its comments, Cox also proposes minor revisions to clarify the proposed rule. In its reply comments, SBC states that it believes that Cox's proposed revision of §§ 4.2.1.2.1 and 4.2.1.2.1.1 may accomplish the same goal more efficiently than the language SBC initially proposed. Rather than reading the acceptable means-tested programs on a step-down approach, the carrier can directly ask the customer whether a household member is enrolled in a public program. If the customer responds affirmatively, the carrier can verbally certify participation in an approved public program. This process would allow the customer representative to pre-qualify the customer without spending any more call time than needed. Therefore, SBC supports Cox's proposed revisions.

##### **Discussion:**

We concur with Cox and SBC's determination that the revised language proposed by Cox is the best way to implement the step-down approach. However, we reject Cox's proposed addition of the words "his/her" to sub-section § 4.2.1.2.1.1 as unnecessary.

We adopt the following revisions to § 4.2.1.2.1:

4.2.1.2.1 If yes, read the means-tested programs listed in Section 5.1.5 of this General Order and ask the customer whether the household member is enrolled in any of these programs. Utility may use the step-down approach when reading the means-tested programs and stop when the customer confirms that a household member is enrolled in an approved program.

## **F. Household Size**

### **Parties' Positions**

Cox states that proposed § 4.2.1.2.2 requires the utility to unnecessarily ask the customer his/her household size. When determining if a customer is eligible based on household size/income limits, the utility is required to read the household size and corresponding ULTS Income Limits in GO 153, § 5.1.4. Therefore, Cox asserts it is unnecessary to also ask the customer a separate question regarding how many people reside in the household. Cox states that the proposed rule appears to require the utility to store an additional field concerning household size which may not be feasible in the required timeframe.

In its reply comments, SBC opposes Cox's proposal saying that Cox's proposed language offers no other tool with which the carrier can pre-qualify a customer. Inquiring into the customer's household size is the only means by which to pre-approve and enroll customers under the income-based criteria.

SBC also disagrees with Cox's interpretation of § 4.2.1.2.2 as requiring the carrier to store an additional field concerning household size. Nowhere in this provision, or the GO, does the Commission require that information on household size be provided to the CertA. In fact, the parties

participating in the technical workshops conducted by TD designed a data feed for purposes of communicating with the CertA. The data fields transferred to the CertA by the carrier do not include household size.

### **Discussion**

We concur with SBC that the utility must ask the customer's household size in order to enroll customers under the income-based criteria. We reject Cox's proposed revision to § 4.2.1.2.2.

### **G. Certification Forms in Braille or Large Print**

#### **Parties' Comments:**

The Joint Consumers state that electronic versions of forms are the best way to accommodate computer-proficient blind and low-vision customers, since many blind people do not read Braille and do not have sufficient vision to access large print documents. Therefore, the Joint Consumers recommend that the options for alternative format communications be expanded to include electronic documents in the form of text files (as opposed to scanned documents which are inaccessible to screen-reading software). Ideally, this would include both an option to receive electronic files by e-mail and on computer disk; at a minimum, an e-mail option should be available.

Section 4.2.2 requires utilities to inform the customer that he or she may opt to receive the certification form in Braille or large print. SBC states that based on the company's experience, a nominal number of customers will benefit from this the additional inquiry. SBC points out that this requirement will add significant time to the enrollment procedure and unnecessary costs to the ULTS fund. SBC states that customer whose bills are prepared in these alternate formats represent less than .05% of SBC's residential customers. In light of the relatively few customers with a need for Braille or large print, SBC customer

representatives do not affirmatively ask whether the customer prefers communications in alternate formats during the sales call. Rather, it is the policy of the company to offer both options once the customer inquires about alternate bill formats.

SBC suggests that § 4.2.2 be amended to require utilities to inform the CertA of the ULTS customer's need for an alternative format if the customer indicates the necessity for large font or Braille.

In its comments, Cox states that the utilities are required to maintain an additional field in their respective databases to store data corresponding to the request to receive the certification form in Braille or in large print. However, the proposed rules do not address how the utility will transfer this data to the CertA.

In their reply comments, the Small LECs, SureWest, and Cox agree with SBC that carriers should provide information regarding alternative-format ULTS documents only upon request. SBC observes that requiring carriers to make this affirmative inquiry unnecessarily increases customer representative call time and the costs of the ULTS fund. To increase efficiency during service initiation calls, the Small LECs/SureWest support SBC's proposed revision to § 4.2.2.

In their reply comments, the Joint Consumers take issue with SBC's proposal to eliminate the requirement that carriers offer customers the opportunity to receive certification forms in accessible format. The Joint Consumers point out that this provision implements both a legal obligation and a necessary mechanism to ensure that people with visual impairments have an opportunity to benefit from the ULTS program.

The Joint Consumers point out that California law requires that services be offered to people with disabilities in a manner that is accessible. In order to meet these legal obligations, the initial forms used to enroll in the ULTS program must be provided in accessible format to all customers who require them, not just those customers who affirmatively ask for accommodation. Unless carriers offer alternative formats to customers, those customers who require them will not know that they are available, and most of them will not make an affirmative request. Failure to affirmatively offer alternate formats to enrollment documents virtually guarantees that people with vision disabilities will disproportionately fail to complete the enrollment forms and obtain the ULTS subsidy, not because of any question about their qualification, but rather because of the added difficulty in completing the enrollment forms.

The Joint Consumers agree with Cox that the rules do not address how carriers will transmit information about alternative formats to the CertA.

### **Discussion**

At the present time, we are unable to accommodate the Joint Consumers' suggestion to allow for electronic formats because each of the certification/verification forms mailed out to consumers will be bar-coded for identification purposes. There is no way to bar-code electronic communications. We encourage the TD to work with the CertA to find a way to accomplish this, since electronic access would assist the disabled population, and others, in completing the ULTS enrollment forms.

We concur with the Joint Consumers, that although the number of consumers who request Braille or large print may be small, we need to make that determination at the time of the initial call, so that the certification form mailed

to that customer may be easily read. It makes no sense to add that information to the customer's record at a later date.

We disagree with Cox and the Joint Consumers that the rule does not address how carriers will transmit information about alternative formats to the CertA. The capturing of information regarding the alternative formats can be accomplished by expanding the list of languages served to include alternative formats requested by the customers. We are confident that TD, the CertA and the carriers will work out the details. Carriers will not be required to maintain an additional field in their respective databases to store the data.

#### **H. Second Line for TTY Users**

##### **Party's Comments:**

Cox points out that proposed § 4.2.3 requires the utility to contact enrolled customers to advise them of the availability of 2 ULTS lines if a member of the household uses a TTY when making a call. In other words, the rules appear to require notification *after* the telephone service has been installed, as compared to during the enrollment process. The enrollment process should remain a single procedure and notification of the availability of the second ULTS line should be included as part of the enrollment process. Cox proposes the following revision to § 4.2.3:

Utilities shall also inform the customer of the availability of 2 ULTS lines if a member of the household uses a TTY when making a call.

##### **Discussion**

We adopt Cox's revision to § 4.2.3. It makes sense to take care of the TTY issue during the initial call with the customer.

## I. ULTS Notices in the Language of Sale

### Parties' Comments:

SBC states that SBC's customer representatives are capable of communicating with ULTS customers in six languages, other than English. And on each occasion when one of the six languages is utilized, ULTS notices are prepared in that language.

However, to further accommodate ULTS customers who speak languages other than the seven, SBC utilizes a third-party translation service. The translator joins the telephone call between the customer representative and the ULTS customer to translate from English to the customer's spoken language. SBC states that requiring a carrier to translate ULTS notices into every language accommodated through a translation service is burdensome and expensive. SBC suggests that § 4.6.1 be amended so that notice requirements would be limited to languages more commonly available. Otherwise carriers will be unable to accommodate a large number of ULTS customers who do not communicate comfortably in English on the telephone.

SBC also suggests that since carriers will no longer be the only entities providing ULTS notices to ULTS customers, § 4.6 should be augmented to require that the CertA provide ULTS notices in the language of the sale. According to SBC, this proposal is consistent with the Commission's RFP which requires the CertA to be capable of translating all certification and verification forms to Spanish, Chinese, Korean, Japanese, Vietnamese, and Tagalog.

In its reply comments, Cox states that § 4.6.2 applies to the CertA as it will be responsible for sending out certain ULTS notices. Cox supports SBC's proposals as it clarifies the obligations of the utilities and the CertA.

In their reply comments, the Small LECs and SureWest ask for clarification of the “in language” notification. They support SBC’s proposal that a carrier’s responsibilities for “in language” notification be limited to six major non-English languages spoken in California. However, they propose further revisions to § 4.6.1 to make it clear that a particular carrier is not responsible for providing notices to their customer who may have been sold ULTS service “in language” by another carrier.

In its reply comments, SBC states that it disagrees with the Joint Consumers’ proposed revisions to 4.2.2 which would require utilities to inform customers that they may receive the certification form in a language other than English. Pursuant to § 4.6.1, a customer is entitled to ULTS notices in the language of sale only and does not entitle the customer to mandated ULTS notices in any language he/she chooses.

SBC points out that the Joint Consumer’s proposal is also inconsistent with the Commission’s RFP, which requires the CertA to be capable of translating all certification and verification forms to six specific languages. SBC states that it also disagrees with the Joint Consumers’ proposed § 6.2 which would require utilities to transmit information regarding a ULTS customer’s preferred language to the CertA. This proposed section is unnecessary because the data stream being forwarded to the Cert A already includes a data field that specifies the language of sale.

The Joint Consumers support modifying the certification and verification forms to provide notice to the applicant that forms may be available in other languages. They believe there should be more than one opportunity for the consumer to indicate a preference for forms in another language.

**Discussion:**

We want to encourage the utilities to utilize the translation service for less common languages. The way the current rule reads, they would be required to provide notices in any of the 100 languages the translation service utilizes. We want to encourage utilities to provide customers with someone who is proficient in their language when they call their service representative. Utilities would be less willing to use that translation service if it meant they would need to provide notices in any language.

However, the list of the six most common languages could change over time, and we do not want to have to reflect those changes in the GO. Therefore we reject SBC's proposed language for § 4.6.1, as modified by the Small LECs and SureWest. However, we have included a statement that the requirements of 4.6.1 do not apply when the utility uses a translation service.

We agree that a utility should not be responsible for another carrier's sale in another language and have made minor modifications to the language in § 4.6.1 to make that perfectly clear.

We adopt the following language for §4.6.1:

- 4.6.1. With the exception of those sales involving the use of an outside translation service, any utility that sells ULTS in a language other than English shall provide those customers to whom it sold ULTS in a language other than English with the following:
  - 4.6.1.1. Commission-managed ULTS notices in the language in which the utility originally sold ULTS to the customer.
  - 4.6.1.2. Toll-free access to customer service reps who are fluent in the language in which the utility originally sold ULTS to the customer.

With regard to its proposal for § 4.6.2, SBC says that its language is consistent with the RFP's requirement that the CertA translate all certification and verification forms into Spanish, Chinese, Korean, Japanese, Vietnamese, and Tagalog. There is no need for rules relating to the CertA to be included in GO 153. The requirement that the CertA provide forms in specific languages was included in the RFP. The requirements governing the CertA do not need to appear in GO 153, but in the contract that will be signed between the Commission and the CertA based on the requirements of the RFP. Cox is incorrect that § 4.6.1 would apply to the CertA. It applies only to utilities that offer ULTS service.

We will not adopt SBC's proposal to add § 4.6.2 which would apply to the CertA.

## **J. Tariff Filing on ULTS Income Limits**

### **Party's Position**

Section 5.2.1.1.2 identifies one of two procedures available to carriers when implementing the annual adjustment to ULTS income limits. This provision allows carriers to concur with SBC's tariffs on the ULTS income limits. SBC states that it does not object to this section as long as the Commission allows the company to protect itself against any liability exposure that may arise from a carrier's compliance with this section.

### **Discussion**

We concur with SBC that the company should be able to protect itself against any liability exposure that may result from this section. Therefore, we adopt SBC's proposed revision to § 5.2.1.1.2 as follows:

- (i) File revised tariffs once concurring with Pacific Bell (d.b.a. SBC California) tariffs on the ULTS income limits; and (ii) revise their annual ULTS notice to

reflect the adjusted ULTS income limits. Any utility concurring with Pacific Bell shall do so in accordance with the liability limitations set forth in Pacific Bell's tariff.

#### **K. Certification Form Signature**

##### **Parties' Position:**

The Joint Consumers suggest that the rules should allow an agent to sign for those who are physically unable to sign the documents. In addition, the Joint Consumers state that ULTS applicants or participants may wish to designate a third party, either a Community Based Organization (CBO) or executor or other individual as contact person. The Joint Consumers propose language revisions to §§ 5.4.2 and 5.5.2 to reflect those changes.

Cox proposes revisions to Rule 5.4.2 that would allow either a legal guardian or a person acting pursuant to a power of attorney to sign the certification form on behalf of the person being enrolled. Cox notes that this language allows the program to accommodate individuals with special needs without compromising the integrity of the program or the enrollment process. In their reply comments, both the Small LECs and SureWest support Cox's proposed revision to § 5.4.2. The Small LECs and SureWest also point out that the same clarification should apply to the ULTS verification documents as well.

##### **Discussion:**

We concur with Cox's proposal to amend rules 5.4.2 (and Rule 5.5.2) to allow for a person operating pursuant to a power of attorney or legal guardian to sign the certification/verification forms. The Joint Consumers' proposal to allow a third party agent, which could be a CBO, or other individual to act as a contact person is more open-ended. We prefer to limit those authorized to sign to someone with a legal relationship with the customer.

We will make the following changes to §§ 5.4.2. and 5.5.2

5.4.2: The Certification form that a customer chooses to file shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

5.5.2: The Verification form that a customer chooses to file shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.

We are aware that the RFP issued requires the CertA to verify that the name of the person who signs the form is the same as the person who is shown as the applicant. We will require TD to work with the CertA to develop a form that makes it possible to double check the names, while at the same time allowing for the signature of a legal guardian or person operating pursuant to a power of attorney. It is not our intent to micro-manage the forms design process for the ULTS program.

#### **L. Failure to Sign Certification Form**

##### **Parties' Comments:**

Cox provides revisions to §§ 5.4.4 and 5.5.4 which clarify that failure to return the paperwork will result in the customer being removed from the program. In its reply comments, SBC disagrees with Cox's proposed revisions, saying that eligibility is no longer based on returning a signed certification form. Before ULTS benefits can be secured, the customer must return a signed certification form and the CertA must find him eligible after reviewing all submitted information. According to SBC, Cox's recommended revisions should be rejected on the basis that there are many reasons, in addition to failing to submit a certification form, for rejecting a customer's eligibility.

The Joint Consumers state that § 5.4.4 should clarify that the consumer is not disconnected, but regraded, if he or she fails to certify income or program eligibility and therefore is disqualified from the program.

**Discussion:**

We concur with SBC's statement that there are various reasons why a customer would fail to qualify for ULTS, and therefore we reject Cox's proposed language for §§ 5.4.4 and 5.5.4. However, we concur with the Joint Consumers that we should clarify that customers removed from the program are not disconnected, but simply regraded to regular service. We adopt the Joint Consumers' proposed language for § 5.4.4 as follows:

5.4.4. Any customer who fails to qualify for ULTS by the certification date shall be removed from the ULTS program and converted to regular service. Upon notification from the CertA, the utility shall bill the customer for all ULTS discounts received by the customer. The customer will also be subject to the utility's rules applicable to the establishment of credit.

**M. Annual Verification Process**

**Parties' Positions:**

Verizon states that § 5.5.4 should include the fact that removal from the ULTS program should be retroactive to the date of the last verification. Verizon also recommends that the customer be back-billed for regular residential service effective to the date of the last verification.

SBC disagrees with Verizon's proposed revision stating that it would unfairly regrade the customer for the prior 12-month period during which time he was a properly certified ULTS member. The verification process determines whether the customer is eligible to receive ULTS benefits during the

next year. The benefits the customer received in the prior 12-month period should not be affected.

Verizon states that existing ULTS customers who fail to verify by the due date should be required to enroll in the ULTS program as a new ULTS customer, subject to a conversion charge and documentation requirements. Currently, a significant number of ULTS customers fail to verify eligibility. When they receive the adjusted bill, they contact their carriers and are placed on ULTS at no charge with a new verification form sent and the ULTS discount is applied retroactively to the date of removal. Verizon proposes a new § 5.5.5 to implement this conversion charge.

In its reply comments, SBC agrees with Verizon's recommendation, but modifies Verizon's proposed language to state that the customer will be subject to the certification requirements described in section 5.4. SBC states that it added that language to show that it is the CertA, not the carrier, that administers the documentation process.

In their reply comments, the Small LECs and SureWest state that customers who fail to satisfy the verification requirements should not be subject to back-billing. They state it would be preferable to deem the customer ineligible on a going-forward basis. When a customer fails to meet the verification requirements, this does not necessarily mean the customer has been ineligible since the last verification date. It could be that the customer only recently became ineligible.

### **Discussion**

We concur with SBC, SureWest and the Small LECs that the verification process determines the customer's eligibility for the coming year. The benefits received prior to the time of verification should not be affected.

We adopt Verizon's proposed § 5.5.5 which clarifies that customers who fail to verify their continued eligibility in a timely fashion will be treated as new customers, and are subject to a conversion charge. We adopt new § 5.5.5 as follows:

Customers who wish to re-establish ULTS service after removal from the program will be treated as a new ULTS customer, subject to enrollment pursuant to § 4.2 and a conversion charge. The ULTS discount will not be applied retroactively to the date of removal.

## **N. Responsibility for Back-Billing**

### **Parties' Comments:**

The Small LECs and SureWest raise issues related to the carriers' responsibilities for back-billing. The carriers point out that if the Commission requires carriers to issue ULTS discounts based upon oral certification during the first contact with the customer, carriers will often be required to back-bill customers for unauthorized ULTS discounts.

The Small LECs and SureWest assert that given the importance of the back-billing function under the Commission's proposed reconfiguration of the ULTS program, GO 153 must provide additional guidance to carriers regarding the amounts that should be recovered where a customer is deemed ineligible. The carriers propose to reinstate the pre-workshop version of GO 153, § 5.7 which clarified the back-filling procedures and collection procedures to some extent.

### **Discussion:**

Under our discussion of ULTS enrollment, we indicated that since we are requiring carriers to enroll customers in the ULTS program at the time of the initial contact, we must assume responsibility for bad debt that occurs as a consequence of customers later found to be ineligible. We are adopting the

concept proposed by the Small LECs and SureWest, but have placed the language in § 5.4.4 rather than § 5.7 as the Small LECs and SureWest propose. Also, we are not allowing for the payment of interest, since we are dealing with a short period of time—generally about a month--from service initiation to the CertA's determination that the customer is not eligible for ULTS. To these ends, we adopt the following:

- 5.4.4 Any customer who fails to qualify for ULTS by the certification date shall be removed from the ULTS program and converted to regular service. Upon notification from the CertA, the utility shall bill the customer for all ULTS discounts received by the customer. The customer will also be subject to the utility's rules applicable to the establishment of credit.
  - 5.4.4.1 Where a utility has not filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer as of the date of the notification from the CertA, the utility must not submit such reimbursement request to the state and/or federal fund.
  - 5.4.4.2 Where a utility has filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer, the utility must return such amount in the next reimbursement request filed with the state and/or federal fund.
  - 5.4.4.3 A utility may treat any unpaid ULTS rates and charges, and unpaid back-billed ULTS discounts by the ineligible customer as bad-debt and seek reimbursement from the ULTS program pursuant to Section 9.3.9 of this General Order.

Furthermore, we revise § 9.3.9 as follows:

9.3.9 Bad-debt costs equal to the lowest of (i) the actual amount of the ULTS rates and charges that a ULTS customer fails to pay, plus the associated lost revenues that the utility may recover from the ULTS Fund, (ii) the actual amount of the ULTS rates and charges, and back-billed ULTS discounts that an ineligible customer fails to pay, or (iii) the deposit for local residential service, if any, that the utility normally requires from non-ULTS customers.

9.3.9.1 Utilities must take reasonable steps to collect bad debt costs from ULTS customers before they seek to recover these costs from the ULTS Fund. A utility that disconnects a customer for non-payment of ULTS rates and charges and/or back-billed ULTS discounts, pursuant to the applicable rules governing disconnection, shall be deemed to have undertaken reasonable collection efforts for the purposes of this section.

## **O. Commission Audit of Customer's Eligibility**

### **Parties' Comments**

Section 5.8 sets up a process where the Commission or its agent may audit and verify a customer's eligibility to participate in the ULTS program. Anyone found to be ineligible shall be removed from the ULTS program. The proposed rule states that the Commission or its agent may bill the ineligible customer for the ULTS discounts the customer should not have received. Related § 4.5.1.1.1 requires that the instructions on the verification forms must inform ULTS customers of the possibility of an audit and what happens if the audit establishes that the customer was ineligible for ULTS.

In their comments in the Workshop Report, the Small LECs and SureWest suggest clarification of §5.8. They suggest that the results of the audits

should be limited to a customer's most recent certification dates, rather than attempting to recover for multiple years of ULTS discounts.

The Small LECs and SureWest say that the carriers should be responsible for any audit-related back-billing, citing customer confusion since customers are not accustomed to receiving telephone bills from the Commission directly. Along the same lines, Verizon states that if utilities are going to handle the back-billing, the word "utility" should be added to § 5.8.2. Verizon also states that if the CertA is going to handle back-billing, that responsibility should be included in the current RFP.

Cox seeks greater detail on how the process will be administered if parties other than the utility are billing a utility's customers. Cox also asks for clarification on how interest will be calculated and suggests that interest be calculated from the date the customer was enrolled in the ULTS program.

The Joint Consumers ask that § 5.8 be made clear that if the customer fails to demonstrate eligibility for ULTS pursuant to a § 5.8 audit, the customer will be regraded to the regular rate, and the customer's service will not be disconnected.

In its reply comments, SBC supports Verizon's proposed revision which would authorize the utility to bill the ineligible customer directly. SBC also reminds the Commission that ineligible customers would also have received federal support from the Federal Universal Service Fund if its carrier is an ETC. SBC states that ETC carriers must have the authority to seek reimbursement from the customer on behalf of the federal fund as well.

SBC disagrees with Verizon's proposed revision to 5.8.2 which would require the utility to convert the customer to regular service effective as of "the date provided by the CertA as the day following the period of backfilling."

According to SBC, § 5.8.1 properly addresses this issue, and further revision of the General Order to dictate a timeframe for discontinuing enrollment is unnecessary. SBC states that the Commission and its auditor should be given the authority to instruct that utility on the effective date of removal.

The Small LECs/SureWest state that if the Commission does engage in back-billing, it must notify carriers in a timely manner of any amounts billed, and any amounts collected, so that carriers can account for these amounts as part of the federal claims process.

### **Discussion**

In the following language, we are providing greater detail in the process to follow in the event of an audit. We are leaving any back-billing to the Commission or its authorized representative rather than the utilities. The main reason is that the customer's current service provider may not be the same as the utility (or utilities) that served the customer during the period of the audit. Also, we have set up a process for the ETC to be reimbursed for federal Lifeline and/or Link-Up amounts they remit to the federal programs. As part of that process, we require the Commission's auditor to notify the ETCs of the amounts to be returned to the federal Link-Up and/or Lifeline programs.

The RFP contains no provision on the audits because the Commission's staff will determine whether Commission staff should perform the audit, or some outside entity, which may or may not be the CertA.

We reject Cox's proposed changes to § 4.5.1.1.1. We do not want to back-bill customers and charge interest back to when the customer was enrolled in the ULTS program. This draconian approach assumes that the customer was *never* eligible for the ULTS program, and that may not be the case. Since the

audit will cover a specific time period, we cannot assume that the customer was not eligible in prior time periods that were not the subject of the audit.

We reject Verizon's proposed revision of § 5.8.2. We concur with SBC that this section is unnecessary. The Commission or its auditor should be given the authority to instruct the utility on the effective date of removal.

In response to the Joint Consumers' concerns, we have clarified in § 5.8.1.1 that the ineligible customer will be changed to regular tariffed rates. Also, no service conversion charges shall be billed to the customer for the change in service. The following language is adopted for Section 5.8:

5.8. The Commission or the Commission's agent may audit and verify a customer's eligibility to participate in the ULTS program.

5.8.1 Any ULTS customer who is found to be ineligible to participate shall be removed from the ULTS program.

5.8.1.1 Upon notification from the Commission or the Commission's agent, the utility shall change the ineligible customer's ULTS to regular tariffed rates and charges for the services furnished. Such notification shall specify the effective date of the change. No service conversion charges shall be billed to the customer for this change in service.

5.8.1.1.1 The utility may require service deposits, if applicable.

5.8.2 The Commission or the Commission's agent may bill the ineligible customer for any ULTS discounts that the customer should not have received for the period covered by the audit, plus interest equal to the 3-month commercial paper rate.

5.8.2.1 The Commission or the Commission's agent will inform the utility that is also an ETC of the amount recovered from the ineligible customer

and the applicable portion of this amount that should be returned to the federal Lifeline and/or Link-Up programs.

- 5.8.2.2. The utility will include in the ULTS claim the amount remitted to the federal Lifeline and/or Link-Up programs as directed by the Commission or the Commission's agent.

## **P. Role of Certifying Agent**

### **Parties' Positions:**

The Joint Consumers state that ULTS customers will undoubtedly have numerous questions regarding the qualification process that only the CertA can answer. The RFP anticipates this and requires the CertA to implement two toll-free customer service hotlines (one voice, one TTY). However, the proposed GO does not contain any reference to this requirement for the CertA. Also, although discussed at the workshops, there is no reference to the in-language capabilities of the hotline either in the Workshop Report or the revised GO. According to the Joint Consumers, most participants agreed that in-language requirements for forms and notices should be extended to the CertA. The Joint Consumers see that extending the in-language requirement to live customer assistance would be consistent with the agreement reached around forms and notices.

The Joint Consumers also assert that there are no provisions in either the RFP or the proposed GO regarding the standards and the scope of customer service the CertA must provide. The Joint Consumers support revisions to the RFP or the GO setting forth customer service standards and scope of service required. In addition, it should be explicitly required that the CertA staff its TTY hotline only with customer service agents that have been trained in communication with people who are deaf or hard of hearing.

In its reply comments, SBC indicates that formulating the particular procedures the CertA will follow in order to administer GO 153's certification and verification processes must be left to the CertA and the Commission. The GO should not micro-manage the CertA's policies and dictate its internal procedures for administering the GO's rules.

SBC sees the Joint Consumers as attempting to micro-manage the process through their proposed changes to section 4.2.1.1.1 and 6.1.1.2. SBC sees that as presently written, sections 4.2.1.1 and 6.1.1 appropriately define the scope of the CertA's responsibilities. SBC encourages the CertA and the Commission to work together on an ongoing basis to design and update appropriate procedures to ensure the program is being administered in accordance with the General Order.

**Discussion:**

We concur with SBC that the General Order should not decree the specific processes the CertA should implement. The CertA and Commission staff must have the flexibility to design the program, within the parameters provided by the General Order. In addition, the CertA is bound by the terms of the RFP in its performance. We cannot at this stage add requirements that do not appear in the RFP. Section 6.1 will remain as it was presented in the Workshop Report.

**Q. Information Provided by the CertA to Utilities**

**Party's Position:**

Verizon states that the FCC only allows enrollment following eligibility approval. Verizon proposes revisions to the GO so that the CertA will provide carriers the number of new eligible customers that qualified via income, and the date of approval for each new customer.

**Discussion:**

We reject Verizon's proposal as unnecessary. Under our discussion of ULTS enrollment, carriers are required to enroll customers in ULTS at the time of the initial contact. Therefore, the carrier knows when it initiates ULTS service for a particular customer. If that customer is later found to be ineligible for the program, as part of the certification process, the CertA will notify the carrier, and inform the carrier of the effective date for the change. At that time the carrier should regrade the customer to regular service.

**R. Notice to Customers Regarding Failure to Qualify for ULTS****Party's Position:**

The Joint Consumers refer to the requirements of §6.4 regarding notice to customers who fail to qualify for ULTS. The Joint Consumers state that those notices regarding a consumer's appeal rights and a notice to the applicant of the consequences for failure to qualify for ULTS should also appear on the certification and verification forms. That notice should address the consequences for failure to qualify.

**Discussion:**

We agree that consumers should be informed about the consequences of failing to qualify for ULTS, as well as their appeal rights. TD should work with the CertA to see that that information is included on the certification and verification forms.

**S. Toll-free Telephone Numbers****Party's Position**

The Joint Consumers note that there is no provision in either the RFP or the proposed GO regarding the standards and the scope of customer service the CertA must provide. The Joint Consumers support revisions to the RFP or

GO setting forth customer service standards and scope of service required. They suggest that the CertA should, at a minimum, be subject to the same requirements as the carriers under GO 133-B regarding answer and hold times for its hotline.

### **Discussion**

The Joint Consumers' request is rejected. We cannot place requirements on the CertA that were not included in the RFP.

### **T. Deferred Payment of ULTS Connection Charge Parties' Comments:**

In its comments on the draft Workshop Report, AT&T suggests that the Commission eliminate the option of paying the ULTS connection charge in three equal monthly installments, in view of the fact that the connection charge is capped at \$10.00. Cox proposes a revision of this section which combines the two sentences, and gives the utilities the option of charging the ULTS connection charge in installments.

### **Discussion:**

We believe that it will be more affordable for some customers to pay their service connection charge in installments, rather than the entire amount at one time. We will retain that option and leave the language in § 8.1.2.1, and related § 9.3.7 unchanged.

Also, we reject Cox's proposed language. The way proposed § 8.1.2.1 reads, utilities *shall* give customers the option of paying the ULTS connection charge in three equal monthly installations. The second sentence provides that utilities *may* offer the option to pay over a 12-month period. In other words, the utility must provide installment payments over three months, but the utility has the option of whether to accept payment over a 12-month period. Cox's proposed language, with its use of the word "*may*" would give the

utilities the unilateral right to determine if they want to accept payment of the ULTS service connection charge in installments. We want to ensure that customers will have the installment payment option.

## **U. Bad-debt Costs**

### **Parties' Positions**

Fones4All states that since carriers are obligated to initiate service immediately upon an applicant's representation of eligibility for ULTS, they will necessarily incur costs of providing service before eligibility can be confirmed. In cases where the customer is unable to provide the CertA with adequate documentation of eligibility or neglects to send in the paperwork in a timely fashion, the ULTS rules require the carrier to terminate ULTS service and re-bill the customer at regular rates. Fones4All expects that in many instances the new bill simply will not be paid, thereby resulting in bad debt expense for the carrier.

Fones4All believes that the ULTS rules do permit recovery of this type of bad-debt expense but seeks clarification. Fones4All states that bad-debt expense under the new rules becomes significant for carriers who provide service using unbundled network loops that they lease from incumbent local exchange carriers (ILECs) or through resale of ILEC services.

The Small LECs and SureWest echo Fones4All's concern that if carriers are required to offer ULTS discounts before customers' eligibility for the program is confirmed, the Commission has created additional opportunities for carriers to incur bad debt. The carriers express concern that while the proposed language protects carriers against bad debt from ULTS *customers*, they do not necessarily protect against bad debt from *prospective* ULTS customers who are later deemed ineligible for ULTS discounts.

The Small LECs and SureWest point out that if a carrier issues a ULTS discount to a customer upon service initiation, and that customer is later deemed ineligible by the CertA, the carrier must then back-bill the customer for a number of different charges. If the carrier is unable to recover these amounts by back-billing the ineligible customer, these amounts will translate into bad debt. SureWest and the Small LECS assert that § 9 of the General Order must be revised to specifically allow recovery of this ULTS-related bad debt from the ULTS fund. The carriers stress that bad debt should be compensable from the state ULTS fund even if it stems from amounts that would normally have been recovered from a federal program, such as the Link-Up program.

### **Discussion**

This issue has been addressed in §§ 5.4.4 and 9.3.9.1. In addition, we have added Section 9.3.9.2 to clarify that only ULTS-related services are subject to the bad-debt provisions:

9.3.9.2 Bad-debt expenses are limited to actual ULTS rates and charges, and back-billed ULTS discounts; and do not include other expenses such as the lease of unbundled loops, or non-ULTS services.

## **V. Payment of Claims**

### **Parties' Positions:**

Section 9.8.3 indicates that no payment will be made to a utility to pay approved claims if the appropriation in the State's Annual Budget Act for the ULTS fund is exhausted. SBC states that there is no parallel provision in GO 153 that affirmatively addresses the utilities' responsibilities to provide discounts when the appropriation is exhausted. Omitting a provision that addresses this issue incorrectly suggests that the utility must provide discounts that will not be reimbursed by the Commission. The utility is not required to subsidize a ULTS customer when reimbursement funds are not available.

SBC proposes to add section 3.4 that allows carriers to suspend all ULTS-funded discounts to ULTS customers if the ULTS appropriation in the State Budget is exhausted. In its reply comments, Cox supports SBC's proposed amendment to the GO.

In their reply comments, the Joint Consumers oppose SBC's proposal, saying it would be inappropriate and would create substantial hardship for the most vulnerable consumers. The Joint Consumers note that this provision was discussed at the workshop, and TD staff noted that the one time the ULTS fund was exhausted, the State provided an additional appropriation in the next budget to compensate carriers for costs previously incurred. While there was a delay in compensation, carriers received all reimbursements they were due. TD staff also indicated that if funding was unavailable, a plan would be developed to ensure that carriers' needs were addressed.

The Joint Consumers point out that under SBC's proposal vulnerable consumers would simply have their subsidy suspended, with no clear notice and no information about when it would resume. SBC's proposal makes no provision to reimburse consumers for their lost subsidy when funding is restored.

**Discussion:**

We concur with the Joint Consumers that SBC's proposal would create a hardship for vulnerable consumers. We share TD staff's belief that the Legislature will work with the Commission to ensure that carriers receive all reimbursements they are due. SBC's language in § 3.4 is rejected.

## **W. Certification and Verification Forms**

### **Parties' Positions:**

Various parties propose modifications to the proposed certification and verification forms. The Joint Consumers propose changes to clarify the role of the CertA in processing the forms, provide consistent use of household eligibility (versus customer eligibility) , and consistent notice of the availability of e-mail notice, a clarification on the income documentation required, and a clarification of the header in Part F. The Joint Consumers' proposed text also highlights the availability of the toll-free numbers, disclosure of the consequences for failure to qualify for ULTS, information about the timeframe the CertA has to make a determination and information on how to appeal a determination.

### **Discussion:**

As we stated earlier, we believe that the CertA should have input into the design of the forms to be used in the program. Since the CertA is not yet operational, TD has not had an opportunity to work with the CertA to further improve the draft forms.

## **IV. Other Issues Raised in the Workshop Report**

In their comments on the Workshop Report, parties raised a number of issues that we believe should be resolved by the Commission, but not be included as part of General Order 153.

### **A. Sharing of Information with Other Utilities**

The Joint Consumers point out that the Workshop Report makes reference to the presentation by San Diego Gas & Electric Company and Southern California Gas Company (Joint Utilities) regarding their request to receive lists of ULTS-eligible consumers so that these companies may enroll the same consumers in other utilities' assistance programs, including the California

Alternative Rates for Energy (CARE) program. Joint Consumers support the narrow proposal to share ULTS-eligible customer information, with customer consent, in order to provide additional services.

However, Joint Consumers do not believe that the consent language provides enough information to allow the consumer to provide truly informed consent. The Joint Consumers propose revised language for the consent paragraph to clarify the issues they raise.

The revised RFP states that the Cert A will forward a list of qualified and disqualified customers to the participating utilities. According to the Joint Consumers, it is unclear why the participating utilities would need the list of disqualified customers. In keeping with the goal of limiting personal information distribution, Joint Consumers recommend deleting the reference to “disqualified” consumers.

The Joint Consumers support the proposal that the ULTS program share limited amounts of participant information with other public purpose programs. However, the RFP and Workshop Report are drafted in such a way to suggest the proposal is only being considered by staff and is not yet adopted. They urge staff to move forward with the proposal.

The Joint Consumers recommend that specific changes be made to the language in the Workshop Report and as an addendum to the RFP or, at a minimum, reflected in the parameters of the service once it is implemented.

In its comments, SBC states that it does not oppose the Commission’s proposal to incorporate procedures that will enable the ULTS program to share customer information with other Commission-sponsored assistance programs for purposes of enrolling eligible participants. However, SBC asserts that the costs of administering these processes must not be borne by the ULTS fund.

Cox opposes the proposal to share information and believes that, regardless of what the RFP requests, the Commission may adopt rules governing the sharing of ULTS customer data only through the proper rulemaking process.

The Joint Utilities support the comments expressed by the Joint Consumers and SBC regarding moving forward with implementation of customer data sharing. The Joint Utilities state that sharing customer information with the energy utilities will allow them to enroll the customers into CARE. The Joint Utilities urge the Commission to provide for customer data sharing.

The Joint Utilities also suggest that common terminology be adopted for telecommunications and energy low-income programs to avoid confusion. The Joint Utilities recommend that the term “verification” be eliminated from the ULTS program forms because it appears that the ULTS program uses the terms “certification” and “verification” to refer to processes that are similar to CARE “certification” and “recertification” processes and procedures. Streamlining the terminology will help avoid confusion when customers are requested to provide eligibility information and facilitate customer participation in ULTS and CARE programs.

### **Discussion**

We are not requiring the sharing of customer information with the CARE program in this decision. We agree with Cox, that this needs to be accomplished in the proper rulemaking process, *i.e.*, a rulemaking relating to the CARE program rather than the ULTS program. What we have accomplished is to establish a price the CertA would charge to perform this function. That means that the basic structure is in place for the CertA to perform that function.

The Joint Consumers suggest that once a program is approved, Commission staff should be required to notify the public of its intent to authorize release of information by the CertA and that the notification be specific as to the entity receiving the information and the types of information to be released. This notice should allow for public comment and occur in advance of the program implementation so that comments can be taken into account in designing the program. We agree that public notification should be specific about how and what information is going to be released. This should be taken into account in designing the program by the CARE program.

We concur with SBC that CARE, not the ULTS fund, should pay for implementation of the information sharing process. Since the data sharing element was bid separately, it would be easy to isolate those costs from the costs caused by the ULTS program.

We reject the Joint Utilities' request that we change the terminology used in this program. With the use of the terms "certification" and "verification," we have mirrored the terminology that the FCC uses to describe these functions. Since we are required to follow the FCC's dictates, it is important that we use the same terminology so that there is no confusion regarding our compliance with the FCC's requirements.

We note that the Joint Consumers recommended several changes as an addendum to the RFP, or at least be reflected in the parameters of the service once it is implemented. The Joint Consumers will have an opportunity to submit their comments in the proper CARE proceeding when we address the issue of sharing ULTS customer information.

## **B. Privacy Issues**

### **Discussion**

The Joint Consumers express concern that not enough has been done to address the security of personal information transmitted to the CertA and held by the CertA indefinitely. TURN requested that privacy be a specific agenda item of the April workshop, but in its reply, Commission staff referred TURN to state contracting language regarding document handling and did not address the issue further at either the April or June workshops.

The net result, according to the Joint Consumers is the RFP mandates minimally acceptable privacy practices. The Joint Consumers support the requirement that employees be subject to background checks and the requirement that paper copies of income certification documents be shredded before being thrown away. While the Joint Consumers recognize that it may be too late to amend the RFP, they want to point out several areas in the RFP where data handling requirements are weak. For example,

- There is no mention of the types of safeguards required for the data link to be established between the carriers and the CertA;
- The form continues to have a line for the customer's social security number, even though the program does not use the number. While it is helpful to have the word "optional" next to the request for the number, many consumers will fill in the box just because "it is there;"
- The RFP only requires hard copies of income certification documents to be kept in a "secure environment." There is no further guidance on what a "secure environment" may be or whether it applies to the millions of electronic files maintained by the CertA.

- The RFP requires the CertA to provide a “data security plan,” which the Joint Consumers support, but there should be more detail specifying the types of encryption, password protection, and authorized users that will have access to the information. Further the safeguards referenced in this requirement seem to only apply to potential loss or destruction of the information, not unauthorized release.
- There does not appear to be a specific timeline for destruction of documents, especially electronic files. While the RFP indicates paper copies can be destroyed after one year, there is no similar requirement or provision as to electronic files.

In its reply comments, Cox agrees with the comments of the Joint Consumers and recommends that the Commission manage the RFP process to ensure that the CertA implement and maintain appropriate security requirements. The CertA should adhere to security requirements that protect against the improper disclosure of customer information.

### **Discussion**

The Joint Consumers raise a number of critical issues relating to the privacy of data maintained by the CertA. We concur that customer privacy is of the utmost importance to the Commission. We order that the social security number be eliminated from the forms, as it has been from so many other forms in daily use because of the danger of that information falling into the wrong hands. We strongly encourage TD to work closely with the CertA to come up with satisfactory answers to the questions the Joint Consumers have raised.

### **C. Web-Based System**

#### **Party’s Comments:**

The Joint Consumers state that D.05-04-026 requires the CertA to establish a web-based system through which applicants can demonstrate their

program-based eligibility to the ULTS program, and through which participants may complete the annual verification. However, the Workshop Report does not reflect any guidance as to how the web-based system should operate or a timeline for its development.

The Joint Consumers point out that persons unable to complete or mail paper-based forms because of a disability may be able to utilize the web to establish eligibility. The Joint Consumers stress that the web-based system should have interactive features that are responsive to the needs of disabled persons. Although in the workshops, staff stated that the web-based system would be put in place at a later date, Joint Consumers believe that the initial guidance on the development of the secured web-based system should be included in the revised GO so that there is a commitment to follow through and so that any immediate ULTS processes are developed with the forethought that they must be able to be used in a secured web-based system. The Joint Consumers urge that there be a firm commitment to future development of the secured web-based system. The Joint Consumers recommend language to reflect this outcome.

**Discussion:**

In D.05-04-026 we stated as follows:

We will require that the TPA [Third Party Administrator] establish a web-based system, and to assist the disabled population in accessing the system we will require that the web-based system be accessible to screen-reading software.<sup>8</sup>

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<sup>8</sup> D.05-04-026 at 32.

We reiterate our intent that a web-based system be developed. We reject the language the Joint Consumers propose which would put that obligation on the CertA. As we have already said, requirements on the CertA must appear in the RFP, and additional responsibilities cannot be added in the General Order.

We will require the TD to work with the CertA to begin development of a web-based system within one year of the time when the CertA's contract is implemented. That will give the CertA and TD a year to work out any implementation bugs before beginning work on the web-based system. The web-based system should be operational within one year after work begins. In other words, the system would be operational within two years, as suggested by the Joint Consumers. Any web-based system developed will remain the property of the Commission, so that if there is a change in CertA as a result of the state's contracting process in the future, we will not have to develop a second web-based system.

In this decision, we are ordering the development of the web-based system, and we have set up a timeframe for implementation. There is no need to include this in the revised GO.

#### **D. Mismatch Report**

##### **Parties' Comments:**

Verizon state that to ensure that no customers continue to receive ULTS beyond a year past certification/verification, utilities should provide a list of all ULTS customers with a certification/verification date past one year to check for more recent certification/verification dates and customer follow-up.

In its reply comments SBC disagrees with Verizon's proposal for mismatch reports. The sole responsibility for certifying and verifying customers

remains with the CertA. Carriers are no longer responsible for keeping track of customers who are up for verification. Rather, they will continue/discontinue customers' enrollment based solely on the direction of the CertA.

### **Discussion**

As SBC points out, the Cert A has the exclusive responsibility to ensure that certification and verification is conducted as mandated in GO 153. The carrier will not be required to produce mismatch reports to check accuracy.

### **E. Mandatory Reevaluation Period**

#### **Party's Comments:**

The Joint Consumers indicate that there will be significant changes to the ULTS program design and administration once these new rules are in place. If it appears that as a result of these changes participation rates plummet, costs skyrocket, there is degradation in the quality of customer service, or there is overall general confusion among program participants, consumers should not have to wait to address these problems. Therefore, the Joint Consumers propose a reevaluation period not to exceed two years.

The Joint Consumers state that as part of the re-evaluation, staff should take close look at whether the program would benefit from additional CBO involvement to address concerns surrounding language difficulties, cultural differences and disability access.

### **Discussion**

We will not set a mandatory reevaluation period. We would prefer to have staff or any interested party notify us of problems in program administration, and we will then initiate a review to respond to specific issues.

## **F. Additional Programs to Facilitate Participation**

The workshop convened by TD on June 22-23, 2005 was to address additional programs to facilitate participation of persons without immigration documents and those who live in a cash economy.

According to the Workshop Report, "Workshop participants did not suggest additional programs for the program-based criterion."<sup>9</sup> Therefore, no additional programs will be added at this time.

## **G. Effective Date of Changes to General Order 153**

The Commission does not yet have the contract with the Third Party Administrator in place. Therefore, while we adopt the revisions to our General Order we are deferring the effective date of the changes to our General Order. The date will be set in the Commission Resolution adopting the final version of the certification and verification forms.

For the same reason, we are deferring carriers' customer notification of the revisions to the ULTS program to the Commission Resolution adopting the final version of the certification and verification forms. This will not occur until we have an actual effective date for the contract with the Third Party Administrator. TD and our Public Advisor's Office are to develop a uniform customer notification for carriers that provide residential and ULTS services to send as a bill insert to those customers.

## **V. Comments on Draft Decision**

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Commission's

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<sup>9</sup> Workshop Report at 8.

Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_ and Reply Comments, on \_\_\_\_\_.

## **VI. Assignment of Proceeding**

Dian Grueneich is the Assigned Commissioner and Karen A. Jones is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. It simplifies the enrollment process to accomplish enrollment within the context of a single phone call with the customer.
2. The Universal Lifeline Telephone Service (ULTS) fund will be financially responsible for bad debt incurred through the initial certification process, including bad debt incurred from the federal Lifeline and Link-Up programs.
3. The Certifying Agent (CertA) should have input into the design of the forms to be used in the ULTS program.
4. The issue of portability is addressed in the Request for Proposal (RFP) and does not need to be included in General Order (GO) 153.
5. The Commission does not want to micro-manage the CertA's internal procedures for administering the GO's rules.
6. At the time of verification, a customer may change the method by which he/she establishes eligibility for the ULTS program.
7. Utilities may use the step-down approach when reading the means-tested programs and stop when the customer confirms that a household member is enrolled in an approved program.
8. The utility must ask the customer's household size in order to enroll customers under the income-based criteria.
9. There is no way to bar-code electronic communications.

10. The utility needs to determine the need for Braille or large print at the time of the initial call, so that the certification form mailed to that customer may be easily read.

11. The list of languages served can be expanded to include alternative formats required by customers.

12. Carriers will not be required to maintain an additional field in their respective databases to store the data on Braille or large print formats.

13. It makes sense to take care of the TTY issue during the initial call with the customer.

14. Utilities are encouraged to provide customers with someone who is proficient in their language when they call their service representative.

15. There is no need for rules relating to the CertA to be included in GO 153.

16. Customers removed from the ULTS program for failing to meet certification requirements are not disconnected, but simply regraded to regular service.

17. Utilities must undertake reasonable efforts to collect bad-debt costs from ULTS customers before they seek to recover those costs from the ULTS fund.

18. The verification process determines the customer's eligibility for the coming year.

19. Customers who fail to verify their continued eligibility in a timely fashion, will be treated as new customers and are subject to a conversion charge.

20. The ULTS program will not be responsible for any bad debt associated with the federal program, except that incurred during the initial enrollment period, or as the result of a Commission audit.

21. Any back-billing following an audit will be performed by the Commission or its authorized representative, rather than the utilities.

22. An ineligible customer will be changed to regular tariffed rates; no service conversion charges will be billed to the customer for the change in service.

23. The CertA is bound by the terms of the RFP in its performance; the Commission cannot place requirements on the CertA that were not included in the RFP.

24. Customers should be informed about the consequences of filing to qualify for ULTS, as well as their appeal rights.

25. It will be more affordable for some customers to pay their service connection charge in installments.

26. Bad-debt expenses are limited to actual ULTS rates and charges and federal Lifeline and Link-Up charges, and do not include other expenses (such as the lease of unbundled loops or purchase of non-ULTS services).

27. It would create a hardship for ULTS customers if utilities are not required to continue to provide ULTS service, in the event the ULTS fund is exhausted.

28. Sharing of customer information with the CARE program should be accomplished in a proper rulemaking process involving the CARE program.

29. Customer privacy is of utmost importance to the Commission.

30. The Commission intends that a web-based system be developed.

### **Conclusions of Law**

1. Carriers should not be required to sign customers up for ULTS at initial contact, unless the Commission takes steps to see that they are made whole in the case of default by the customer.

2. The FCC's rules allow us the flexibility to craft a California approach that will allow customers to be enrolled at the point of the first customer contact.

3. SBC should be able to protect itself against liability exposure that may result from other carriers concurring with SBC's tariffs.

4. A person operating pursuant to a power of attorney or a legal guardian should be able to sign the certification and verification forms.

## O R D E R

### IT IS ORDERED that:

1. The revisions to General Order 153 that appear in Appendix A to this Order, are adopted and shall become effective at a later date, determined by the Commission Resolution that adopts the final versions of the certification and verification forms.

2. The Telecommunications Division shall circulate any additional changes to the certification and verification forms or other portions of General Order 153 to the service list of this proceeding for comment. We will approve those additional changes by Commission Resolution.

3. In the interests of consumer privacy, the social security number shall be removed from certification and verification forms.

4. The Telecommunications Division shall work with the Certifying Agent (CertA) to begin development of a web-based system within one year of the time when the CertA's contract is implemented.

5. The web-based system shall be operational within one year after work begins.

6. Any web-based system developed shall remain the property of the Commission, so that if there is a change in the CertA as a result of the state's contracting process, the Commission will not have to develop a second web-based system.

7. The sharing of information from the Universal Lifeline Telephone service program and the California Alternative Rates for Energy program shall be

addressed further in Rulemaking 04-01-006, the Commission's generic low income energy proceeding.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**GENERAL ORDER 153****Public Utilities Commission of the State of California  
PROCEDURES FOR ADMINISTRATION OF  
THE MOORE UNIVERSAL TELEPHONE SERVICE ACT  
GENERAL ORDER****1. GENERAL**

- 1.1 Intent – The purpose of this General Order is to implement the Moore Universal Telephone Service Act [California Public Utilities Code § 871 et seq.]. The Act is intended to provide low-income households with access to affordable basic residential telephone service.
- 1.2 Applicability – This General Order is applicable to all telecommunications carriers operating in California and to residential customers eligible for Universal Lifeline Telephone Service furnished pursuant to the Moore Universal Telephone Service Act.

**2. DEFINITIONS**

- 2.1.1 “Act” – The Moore Universal Telephone Service Act, AB 1348, Ch. 1143, Stats. 1983 [Calif. Pub. Util. Code S 871 et seq.], as amended.
- 2.1.2 “Annual ULTS notice” – The written notice that each utility annually sends to all of its residential customers regarding the availability, terms, and conditions of ULTS.
- 2.1.3 “Basic Residential Telephone Service” – A class of local telephone service designed to meet the minimum communication needs of residential customers. The elements of basic residential telephone service are set forth in Appendix A of this General Order. Basic residential telephone service is sometimes referred to as basic service.
- 2.1.4 “Business Day” – Official business day of the State of California.
- 2.1.5 “California High Cost Fund B (CHCF-B)” – A fund established by the Commission in D.96-10-066 for the purpose of subsidizing residential telephone service provided by COLRs in designated high-cost areas of the State.
- 2.1.6 “Carrier of Last Resort (COLR)” – A carrier that is required by D. 96-10-066 to provide telephone service, upon request, to all residential

and business customers within a designated geographic area. A COLR may be designated as such pursuant to D.96-10-066, Appendix B, Rule 6.D.1, or voluntarily acquire such status pursuant to D.96-10-066, Appendix B, Rule 6.D.4.

- 2.1.7 “Certification” – When an individual is applying to enroll in ULTS.
- 2.1.8 “Certification Process” – A process that a customer must undergo when applying to enroll in ULTS.
- 2.1.9 “Certifying Agent (CertA)” – A third-party administrator retained by the Commission to certify and verify the eligibility of ULTS customers.
- 2.1.10 “Certification date” – The deadline for a completed certification form and supporting documentation, if any, to be received by the CertA.
- 2.1.11 “Commission” – The California Public Utilities Commission.
- 2.1.12 “Customer-Owned Pay Telephone (COPT)” – A pay telephone (coin or coinless) owned by a person or a business other than a phone company for public or non-public use.
- 2.1.13 “Deaf and Disabled Telecommunications Program (DDTP)” – A public program established pursuant to Pub. Util. Code § 2881 et seq., to provide persons who are deaf, hard of hearing, or disabled with free telecommunications equipment and services for the purpose of enabling such customers to communicate over the public telephone network.
- 2.1.14 “Deposit” – Money paid by the customer as security to the serving utility in order to establish or re-establish service as required by the utility’s tariffs.
- 2.1.15 “Disabled Person” – A person who is qualified to obtain free telecommunications equipment and services through the DDTP pursuant to Pub. Util. Code § 2881 et seq.
- 2.1.16 “Eligible Telecommunications Carrier (ETC)” – A carrier designated by a state commission pursuant to Subpart C of Title 47 of the Code of Federal Regulation (47 C.F.R.) § 54.201. An ETC is required to provide to qualified low-income customers the services described in Subpart E of 47 C.F.R., and the ETC is eligible to receive the federal financial support for the provision of such services.
- 2.1.17 “End-user intrastate telecommunications services” – All telecommunications services that both originate and terminate within

the State of California, whether tariffed or untariffed, that are used by, and billed to, the final user of the service.

- 2.1.18 “End-User Common Line (EUCL) Charge” - The federally mandated monthly charge assessed directly on end-users of telecommunications services to recover portion of a utility’s interstate-allocated cost of the access line between the utility’s central office and the end-user’s premises.
- 2.1.19 “Enrollment” - When a customer begins to receive ULTS discounts.
- 2.1.20 “Exchange Area” - An area shown on maps filed in a utility’s tariff schedules within which the utility holds itself out to furnish exchange telephone service from one or more central offices serving that area.
- 2.1.21 “Extended Area Service (EAS)” - An exchange service available to customers in a particular exchange or district area for communication throughout that exchange and other designated areas in accordance with the provisions of a carrier’s exchange tariffs.
- 2.1.22 “Flat-Rate Local Service” - Local telephone service satisfying the requirements of basic residential telephone service which is furnished for a fixed periodic charge and provides unlimited local calls without additional charges.
- 2.1.23 “Gross revenues” - All revenues billed by a telecommunications carrier for the provision of intrastate telecommunications services, excluding all federal, state, and local taxes and all accounts that have been found to be worthless and written off for income tax purposes or, if the telecommunications carrier is not required to file income tax returns, written off in accordance with generally accepted accounting principles.
- 2.1.24 “Household” - A ULTS customer and those persons, if any, living with the ULTS customer in a single residence.
- 2.1.25 “Income-based criterion” - An eligibility based on the customer’s household size and corresponding income limit established by the Commission.
- 2.1.26 “Incumbent Local Exchange Carrier (ILEC)” - The former monopoly provider of local exchange service in a given service area. ILECs are required to serve as a COLR pursuant to D.96-10-066, Appendix B, Rule 6.D.1.

- 2.1.27 "Intrastate telecommunication service" – Means any of the following:
- 2.1.27.1 A telecommunication for which there is a toll charge that varies in amount with the distance and/or the elapsed transmission time of each individual communication, where the point of origin and the point of destination are located within this state.
  - 2.1.27.2 A service that entitles the subscriber, upon payment of a periodic charge (determined as a flat amount or upon the basis of total elapsed transmission time), to the privilege of an unlimited number of telecommunications to or from persons having telephone, data, or radio telephone stations that are outside or within the exchange area in which the station provided with the service is located, where the point of origin and the point of destination are located within this state.
  - 2.1.27.3 A service that entitles the subscriber, upon payment, to transfer or move information whether voice, data, digital, or video in nature where the point or points of origin and the point or points of destination of the service are located in this state.
- 2.1.28 "In This State" – Means within the interior limits of the State of California and includes all territory within those limits owned by or ceded to the United States of America.
- 2.1.29 "Local Call" – A completed call or telephonic communication between a calling station and any other station within the designated local exchange area plus any extended area service of the calling station.
- 2.1.30 "Measured-Rate Local Service" – A local telephone service satisfying the requirements of basic residential telephone service for which there is a usage-based charge for some or all local calls.
- 2.1.31 "Medical Certificate" – A certificate signed by a medical professional which states that a designated telephone customer has a disability that qualifies the customer for specialized telecommunications equipment from the DDTP. Medical certificates must comply with Pub. Util. Code §2881 et seq.
- 2.1.32 "Program-based Criterion" – An eligibility based on participation in various means-tested programs approved by the Commission.
- 2.1.33 "Qualifying Equipment" – Equipment that a household must possess in order to qualify for more than one ULTS line.

- 2.1.34 "Qualifying Household" – A customer who is eligible to receive ULTS.
- 2.1.35 "Public Advisor" – An organizational unit within the Commission that is responsible for carrying out those duties and responsibilities related to the ULTS program that are set forth in this General Order.
- 2.1.36 "Re-certification" – For the purpose of this General Order, re-certification is synonymous with verification.
- 2.1.37 "Regular Tariff Rates" – A carrier's or utility's rates and charges for telecommunications services that are applicable to non-ULTS residential customers.
- 2.1.38 "Residence" – That portion of an individual house, building, flat, or apartment (a dwelling unit) occupied entirely by a single family or individual functioning as one domestic establishment. A room or portion of a dwelling unit occupied exclusively by an individual not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of Universal Lifeline Telephone Service.
- 2.1.39 "Residential Local Service" – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.
- 2.1.40 "Service" – Basic residential telephone service furnished to a customer at a residence or place of dwelling where the actual or obvious use is for domestic purposes and not for business purposes.
- 2.1.41 "Service Connection Charge" – A charge designed to recover in part certain expenses incident to the installation of telephone service.
- 2.1.42 "Service Conversion Charge" – A charge designed to recover certain expenses incident to changing the class, type, or grade of ULTS, such as switching from measured-rate local service to flat-rate local service.
- 2.1.43 "Surcharge" – The percentage increment, as determined by the Commission, that is applied to the end-user's bill by the carrier for intrastate telecommunications services.
- 2.1.44 "Telecommunications Carrier" – Any provider of end-user intrastate telecommunications services such as local exchange carriers, competitive local carriers, interexchange carriers, commercial mobile radio service carriers, and paging companies. Pursuant to Pub. Util.

Code §234(b), the definition of “telecommunications carrier” excludes providers of one-way paging service.

- 2.1.45 “Telecommunications Division (TD)” – An organization within the Commission that is responsible for carrying out those duties and responsibilities related to the ULTS program that are set forth in this General Order.
- 2.1.46 “Text-Telephone Device” – A device used by disabled persons to send and receive information over a telephone line in text and graphic forms. A text-telephone device is commonly referred to as a “TTY.”
- 2.1.47 “Three-Month Commercial Paper Rate” – The 3-month commercial paper rate published in the Federal Reserve Statistical Release, G-13.
- 2.1.48 “Third-Party Administrator” – see definition of CertA.
- 2.1.49 “Toll Blocking” – A service provided by a carrier that lets consumers elect not to allow the completion of outgoing toll calls from their telecommunications channel.
- 2.1.50 “Toll Control” – A service provided by a carrier that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle.
- 2.1.51 “Toll Limitation Service” – A service that includes, but is not limited to, toll blocking or toll control service.
- 2.1.52 “Total Household Income” – All revenues, from all household members, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.
- 2.1.53 “ULTS” – Universal Lifeline Telephone Service. ULTS is a class of subsidized local telephone service designed to meet the minimum communication needs of low-income residential customers. ULTS includes all of the service elements set forth in Appendix A of this General Order. ULTS is funded by a surcharge on all end users of intrastate telecommunications services except for certain services set

forth in this General Order. ULTS is sometimes referred to as “Lifeline service.”

- 2.1.54 “ULTS Trust Administrative Committee (ULTSAC)” - An advisory board that advises the Commission on the development, implementation, and administration of the ULTS program to ensure lifeline telephone service is available to the people of the state, as provided by the Act.
- 2.1.55 “ULTS Trust Administrative Committee Fund (ULTS Fund)” - A repository of ULTS surcharge monies used to reimburse utilities and others as directed by the Commission for the costs associated with the provision and administration of the ULTS program.
- 2.1.56 “ULTS Line” - A single subsidized telephone connection provided by a utility under the ULTS program to a qualifying household.
- 2.1.57 “Utility” - A telecommunications carrier that offers ULTS as defined by this General Order. All telecommunications carriers that offer residential local exchange service are required to offer ULTS.
- 2.1.58 “Verification” - Annual confirmation of customer’s ULTS eligibility.
- 2.1.59 “Verification Process” - A process that an existing ULTS customer must undergo annually to remain on the ULTS program.
- 2.1.60 “Verification date” - The deadline for a completed verification form and supporting documentation, if any, to be received by the CertA.

### 3. TARIFF FILINGS

- 3.1 Telecommunications carriers that are required to file tariffs with the Commission shall include in their tariffs the requirement to collect the ULTS surcharge from their customers.
- 3.2 Utilities that are required to file tariffs with the Commission shall include in their tariffs the requirement to offer ULTS to the public under the terms and conditions that reflect the requirements of Pub. Util. Code § 871 et seq., relevant Commission decisions, and this General Order.
- 3.3 Any telecommunications carrier that offers ULTS shall file tariffs regarding the provision of ULTS that reflect the requirements of Pub. Util. Code § 871 et seq., relevant Commission decisions, and this General Order.

3.4 All tariff filings pertaining to any aspect of the ULTS program and/or the ULTS surcharge shall be filed in accordance with Calif. Pub. Util. Code § 489 and General Order 96. No tariff shall substantially depart from the intent of this General Order.

#### 4. NOTICES, ENROLLMENT, AND FORMS

##### 4.1 Initial ULTS Notice.

4.1.1 Utilities shall inform new customers calling to establish residential local exchange telephone service about the availability of ULTS, a discount program for customers with a household member currently enrolled in certain public assistance programs or customers with low household income. If customers indicate that they are interested in subscribing to ULTS, utilities shall enroll customers in ULTS in accordance with Section 4.2 of this General Order

4.1.2 Utilities shall not link the availability of discounted phone service under the ULTS program with the sale of non-ULTS services.

##### 4.2 Enrollment.

4.2.1 Utilities shall ask the customer whether he/she is currently or within the last 30 days has been enrolled in ULTS by another utility.

4.2.1.1 If yes, immediately enroll the customer in the ULTS program and inform the customer that: (i) except as provided for elsewhere in this Section, he/she can have only one ULTS line; and (ii) his/her continued enrollment will be verified by a third-party administrator. If the third-party administrator cannot confirm the customer's continued eligibility, the customer will be treated as a new ULTS customer and be subject to the certification process.

4.2.1.2 If no, ask the customer if any member of the household is enrolled in a public assistance program.

4.2.1.2.1 If yes, read the means-tested programs listed in Section 5.1.5 of this General Order and ask the customer whether the household member is enrolled in any of these programs. Utility may use the step-down approach when reading the means-tested programs and stop when the customer confirms that

a household member is enrolled in an approved program.

4.2.1.2.1.1 If customer verbally certifies participation in an approved public program, immediately enroll the customer in ULTS and inform the customer that: (i) the customer will be receiving a certification form in the mail for completion and submission; (ii) the completed certification form must be returned and received by the third-party administrator by the due date indicated in the form; and (iii) if the customer fails to qualify for ULTS by the certification date, the customer will be removed from the ULTS program, will be billed for ULTS discounts received by the customer, and will be subject to the utility's rules applicable to the establishment of credit.

4.2.1.2.2 If no, ask the customer about his/her household size and read the corresponding ULTS income limit that the customer must meet in order to qualify for ULTS. The utility shall also inform the customer that he/she must also provide income document(s) substantiating the household income. If the customer verbally certifies that he/she meets the ULTS income limit and has income documentation, the utility shall immediately enroll the customer in ULTS, and inform the customer that: (i) the customer will be receiving a certification form in the mail for completion and submission; (ii) the completed certification form and supporting income document(s) that reflect total household income must be returned and received by the third-party administrator by the due date indicated in the form; and (iii) if the customer fails to qualify for ULTS by the certification date, the customer: i) will be removed from the ULTS program; ii) will be billed

for ULTS discounts received by the customer; and iii) may be subject to the utility's rules applicable to the establishment of credit.

4.2.2 Utilities must inform the customer that he or she may opt to receive the certification form in Braille (English Only) or in large print.

4.2.3 Utilities shall also inform the customer of the availability of 2 ULTS lines if a member of the household uses a TTY when making a call.

4.2.3.1 If the customer verbally certifies that he/she qualifies for 2 ULTS lines, the utility shall immediately enroll the customer for the second ULTS line and remind the customer that he/she must provide proof for the need of a TTY as outlined in Section 5.1.7 of this General Order.

#### 4.3 Annual ULTS Notice.

4.3.1 Every utility shall annually send to all of its residential customers, other than customers of ULTS, foreign exchange, or farmer lines, a notice that contains information about the availability, terms, and conditions of ULTS.

4.3.1.1 The annual notice shall include information about the availability, terms, and conditions of two ULTS lines for qualified disabled persons.

4.3.1.2 Every utility shall submit its annual notice to the Commission Public Advisor (PA) for the PA's review and approval. Once approved, a utility does not need to resubmit its annual notice to the PA unless there is a material change to the notice. A change to the annual notice to reflect the annual adjustment to ULTS income eligibility limits is not a material change to the notice.

#### 4.4 Customer Certification Forms.

4.4.1 Certification Forms are used when customers are applying to enroll in ULTS.

4.4.1.1 A copy of the Certification forms and associated instructions are attached to this General Order as Appendix B.

4.4.1.1.1 The instructions must inform ULTS customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the

ULTS program. If the audit establishes that the customer is ineligible, the customer will be removed from the ULTS program and billed for previous ULTS discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.

4.4.1.1.2 The instructions must inform ULTS customers that submitted income and/or supporting documentation will not be returned to the customers.

4.4.1.2 The Certification forms mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

#### 4.5 Customer Verification Forms.

4.5.1 Verification forms are used annually to determine customers' continued eligibility in ULTS.

4.5.1.1 A copy of the Verification forms and associated instructions are attached to this General Order as Appendix C.

4.5.1.1.1 The instructions must inform ULTS customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the ULTS program. If the audit establishes that the customer is ineligible, the customer will be removed from the ULTS program and billed for previous ULTS discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.

4.5.1.1.2 The instructions must inform ULTS customers that submitted income and/or supporting documentation will not be returned to the customers.

4.5.1.2 The Verification forms mailed to customers for completion will be partially completed by the CertA based on information provided by utilities.

#### 4.6 ULTS Notices in the Language of Sale.

4.6.1 With the exception of those sales involving the use of an outside translation service, any utility that sells ULTS in a language other than

English shall provide those customers to whom it sold ULTS in a language other than English with the following:

4.6.1.1 Commission-mandated ULTS notices that are in the same language in which ULTS was originally sold.

4.6.1.2 Toll-free access to customer service reps who are fluent in the language in which ULTS was originally sold.

## 5. ELIGIBILITY CRITERIA FOR OBTAINING AND RETAINING ULTS

5.1 ULTS is available to any residential customer who meets all of the following eligibility requirements:

5.1.1 The residence at which the service is requested is the customer's principal place of residence.

5.1.2 The customer and the members of the customer's household collectively have one, and only one, ULTS line, except as provided for elsewhere in Section 5 of this General Order.

5.1.3 The customer's eligibility meets either the income-based criterion or the program-based criterion.

5.1.4 Income-based criterion allows a customer to enroll in ULTS based on his/her household income, i.e. members of the customer's household collectively earn no more than the following amount of annual income:

<u>Household Size</u>	<u>ULTS Income Limits Effective 6/1/05 through 5/31/06</u>
1-2 members	\$20,600 per year
3 members	\$24,300 per year
4 members	\$29,200 per year
Each additional member	\$4,900 per year

5.1.4.1 The income used to determine eligibility for the ULTS program shall be based on the definition of "total household income" as defined in this General Order.

5.1.4.2 For households with self-employed members, the "income from self-employment" shown on IRS Form 1040, Schedule C, line 29, shall be used in the determination of whether a household is eligible to participate in the ULTS program.

5.1.4.3 Borrowed money shall not be considered as income when determining eligibility for the ULTS program.

- 5.1.4.4 Funds transferred from one account to another, such as from savings account to a checking account, shall not be considered as income when determining eligibility for the ULTS program, even if such funds are used for living expenses.
- 5.1.4.5 The customer must provide income documentation substantiating his/her household income. Acceptable income documents are:
  - 5.1.4.5.1 Prior year's state, federal, or tribal tax return
  - 5.1.4.5.2 Current income statement from an employer or paycheck stub for three consecutive months worth of the same type of statements within the calendar year
  - 5.1.4.5.3 Statement of benefits from Social Security, Veterans Administration
  - 5.1.4.5.4 Statement of benefits from retirement/pension, Unemployment/Workmen's Compensation
  - 5.1.4.5.5 A divorce decree
  - 5.1.4.5.6 Child support document
- 5.1.5 Program-based criterion allows a customer to enroll in ULTS based on the customer's or a member of the customer household's participation in any of the means-tested programs approved by the Commission. Approved means-test programs are:
  - 5.1.5.1 Medicaid or Medi-Cal
  - 5.1.5.2 Food Stamps
  - 5.1.5.3 Supplemental Security Income
  - 5.1.5.4 Federal Public Housing Assistance (Section 8)
  - 5.1.5.5 Low Income Home Energy Assistance Program (LIHEAP)
  - 5.1.5.6 Temporary Assistance for Needy Families (TANF)
  - 5.1.5.7 National School Lunch's free lunch program (NSL)
  - 5.1.5.8 Tribal TANF
  - 5.1.5.9 Bureau of Indian Affairs General Assistance
  - 5.1.5.10 Tribal NSL
  - 5.1.5.11 Tribal Head Start
  - 5.1.5.12 Healthy Families Category A
  - 5.1.5.13 Women, Infants and Children (WIC)
- 5.1.6 No customer who is claimed as a dependent on another person's income tax return shall be eligible for ULTS.

- 5.1.7 A household shall be eligible to receive two ULTS lines if: (i) the household meets all ULTS eligibility criteria set forth above; (ii) the household has a disabled member who has immediate and continuous access within the household to a TTY; and (iii) the TTY is issued by DDTP or a medical certificate indicating the household member's need for a TTY is submitted.
- 5.1.8 All ULTS rules and regulations that apply to the one ULTS line shall apply equally to the second ULTS line provided to a household.
- 5.2 The ULTS income limits will be adjusted each year for inflation based on the Federal Consumer Price Index - Urban Areas.
  - 5.2.1 TD shall adjust ULTS income limits by April 15th of each year. TD shall notify utilities of the annual adjustment within five business days of the adjustment being made. Utilities shall implement the adjusted ULTS income limits by no later than June 1st of each year.
    - 5.2.1.1 To implement the annual adjustment to ULTS income limits, utilities shall follow one of the following procedures:
      - 5.2.1.1.1 (i) file revised tariffs that reflect (a) the adjusted income limits, and (b) the instructions, if any, contained in the notice of the annual adjustment sent by TD; and (ii) revise their annual ULTS notice to reflect the adjusted ULTS income limits.
      - 5.2.1.1.2 (i) file revised tariffs once concurring with Pacific Bell (d.b.a. SBC California) tariffs on the ULTS income limits; and (ii) revise their annual ULTS notice to reflect the adjusted ULTS income limits. Any utility concurring with Pacific Bell shall do so in accordance with the liability limitations set forth in Pacific Bell's tariff.
- 5.3 No utility shall knowingly enroll into the ULTS program a customer who does not meet the ULTS eligibility criteria. No utility shall knowingly allow a customer to remain in the ULTS program who does not meet the ULTS eligibility criteria.
- 5.4 Each customer enrolling in the ULTS program is subject to the certification process described below:
  - 5.4.1 At Certification, the customer has the option of enrolling in ULTS under either: (i) the program-based criterion, or (ii) the income-based criterion.
    - 5.4.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should enroll under the program-based criterion and complete the certification form entitled "ULTS Program-Based Certification Form."
    - 5.4.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* enroll under the income-based criterion and complete the certification form entitled "ULTS Income-Based Certification Form".

- 5.4.2 The Certification form that a customer chooses to file shall be signed by the customer whose name appears on the utility's account, the customer's legal guardian or a person operating pursuant to a power of attorney for such customer.
- 5.4.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and submitted documents, if any, are true and correct.
- 5.4.3 The completed certification form and supporting documents, if any, must be received by the CertA on or before the certification date specified in the form.
- 5.4.4 Any customer who fails to qualify for ULTS by the certification date shall be removed from the ULTS program and converted to regular service. Upon notification from the CertA, the utility shall bill the customer for all ULTS discounts received by the customer. The customer will also be subject to the utility's rules applicable to the establishment of credit.
- 5.4.4.1 Where a utility has not filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer as of the date of notification from CertA, the utility must not submit such reimbursement request to the state and/or federal fund.
- 5.4.4.2 Where a utility has filed for reimbursement from a state and/or federal fund for unauthorized ULTS discounts received by a customer, the utility must return such amount in the next reimbursement request filed with the state and/or federal fund.
- 5.4.4.3 A utility may treat any unpaid ULTS rates and charges, and unpaid back-billed ULTS discounts by the ineligible customer as bad-debt and seek reimbursement from the ULTS program pursuant to Section 9.3.9 of this General Order.
- 5.5 To remain in ULTS, each ULTS customer is subject to the annual verification process described below:
- 5.5.1 At verification, the customer has the option of qualifying his or her continued eligibility under either: (i) the program-based criterion, or (ii) the income-based criterion.
- 5.5.1.1 If the customer has a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer should continue his/her ULTS enrollment under the program-based criterion and complete the verification form entitled "ULTS Program-Based Verification Form."

- 5.5.1.2 If the customer does not have a household member currently enrolled in any of the means-tested programs listed in Section 5.1.5 of this General Order, the customer *must* continue his/her ULTS enrollment under the income-based criterion and complete the verification form entitled “ULTS Income-Based Verification Form”.
- 5.5.2 The Verification form that a customer chooses to file shall be signed by the customer whose name appears on the utility’s account, the customer’s legal guardian or a person operating pursuant to a power of attorney for such customer.
  - 5.5.2.1 By signing the form, the customer is self-certifying, under penalty of perjury, that the information contained in the completed form and all submitted documents, if any, are true and correct.
- 5.5.3 The completed verification form and all supporting documents, if any, must be received by the CertA on or before the due date specified in the form.
- 5.5.4 Any customer who fails to qualify for continued eligibility to ULTS shall be removed from the ULTS program. Upon notification from the CertA, the utility shall convert the customer to regular residential service starting with the next telephone bill rendered to the customer.
- 5.5.5 Customers who wish to re-establish ULTS service after removal from the program will be treated as a new customer, subject to enrollment pursuant to Section 4.2 and a conversion charge. The ULTS discount will not be applied retroactively to the date of removal.
- 5.6 ULTS customers must notify the utility of any change that causes the ULTS customers to no longer qualify for (i) ULTS, or (ii) a second ULTS line. Upon receipt of notification, the utility will change ULTS to regular tariffed rates and charges for the services furnished. No service conversion charges shall be billed to the customer for this change in service.
  - 5.6.1 The utility may require service deposits, if applicable.
- 5.7 The CPUC may reduce ULTS claim payments to a utility by the amount of ULTS discounts and interest that a utility fails to bill to an ineligible customer found to be participating in the ULTS programs.
- 5.8 The Commission or the Commission’s agent may audit and verify a customer’s eligibility to participate in the ULTS program.
  - 5.8.1 Any ULTS customer who is found to be ineligible to participate in the ULTS program shall be removed from the ULTS program.
    - 5.8.1.1 Upon notification from the Commission or the Commission’s agent, the utility shall change the ineligible customer’s ULTS to regular tariffed rates and charges for the services furnished. Such notification shall specify the effective date of the change. No service conversion charges shall be billed to the customer for this change in service.
      - 5.8.1.1.1 The utility may require service deposits, if applicable.

- 5.8.2 The Commission or the Commission's agent may bill the ineligible customer for any ULTS discounts that the customer should not have received for the period covered by the audit, plus interest equal to the 3-month commercial paper rate.
  - 5.8.2.1 The Commission or the Commission's agent will inform the utility that is also an ETC of the amount recovered from the ineligible customer and the applicable portion of this amount that should be returned to the federal Lifeline and/or Link-Up programs.
  - 5.8.2.2 The utility will include in the ULTS claim the amount remitted to the federal Lifeline and/or Link-Up programs as directed by the Commission or the Commission's agent.

## 6. CERTIFYING AGENT (CertA)

- 6.1 CertA is the third-party administrator retained by the CPUC.
  - 6.1.1 The role of the CertA is to qualify new ULTS customers and to verify the continued eligibility of existing ULTS customers.
    - 6.1.1.1 The CertA must furnish all ULTS forms, instructions and letters to customers in their preferred language, as provided to the CertA by the utilities.
  - 6.1.2 The schedule that the CertA must adhere to in evaluating a customer's qualification is attached to this General Order as Appendix E.
- 6.2 All utilities must notify the CertA before their initial offering of ULTS services and arrange the 2-way exchange of ULTS customer data information.
- 6.3 Utilities shall provide ULTS customer information to CertA notwithstanding restrictions in their tariffs limiting the disclosure of non-published customer information.
  - 6.3.1 All utilities must provide the CertA with their ULTS customer activities before the end of the next business day from the time of notification received from customers.
  - 6.3.2 All utilities must provide the CertA with their ULTS customer activities initiated by the utilities before the end of the next business day from the time such actions were taken.
  - 6.3.3 CertA shall provide each utility the following lists of ULTS customers by the end of the next business day from the time of completion of customers' qualification review:

- 6.3.3.1 Newly enrolled ULTS customers that are found eligible to participate in ULTS.
- 6.3.3.2 Newly enrolled ULTS customers that are found ineligible to participate in ULTS.
- 6.3.3.3 Existing ULTS customers that are found eligible to remain in ULTS.
- 6.3.3.4 Existing ULTS customers that are found ineligible to remain in ULTS.

6.4 CertA shall notify customers in writing of the final settlement of their ULTS qualification including the right to challenge the CertA's findings.

- 6.4.1 Customers may dispute CertA's finding of ineligibility by submitting a formal or informal complaint to the Commission.

## 7. SERVICE ELEMENTS, SERVICE DEPOSITS & SERVICE REQUIREMENTS OF ULTS

- 7.1 Utilities shall offer to their ULTS customers all of the service elements set forth in Appendix A of this General Order.
- 7.2 ULTS is restricted to eligible low-income residential customers who subscribe to individual, two-party, four-party and suburban residential service.
- 7.3 ULTS is restricted to residential service. Foreign exchange, farmer lines, and other non-ULTS services are excluded from this offering.
- 7.4 Utilities shall not require customers to post a service deposit in order to initiate ULTS.
- 7.5 Utilities may require a ULTS customer to pay any overdue ULTS rates and charges, or make payment arrangements, before ULTS is reinstated at the same address or at a new address.
- 7.6 Other than previously stated, ULTS is subject to the conditions of "Discontinuance and Restoration of Service" as set forth in the utility's tariffs.
- 7.7 If a customer is disconnected for nonpayment of toll charges, a utility must provide ULTS to the customer if the customer elects to receive toll blocking.

## 8. ULTS RATES AND CHARGES

- 8.1 Utilities shall offer ULTS priced at the following rates and charges:
- 8.1.1 Discounted nonrecurring service connection charge for the initial installation of a single telephone connection at the ULTS subscriber's primary residence ("ULTS connection charge").
    - 8.1.1.1 The ULTS connection charge shall equal the lower of (i) \$10.00, or (ii) 50% of the utility's regular tariffed service connection charge for the initial installation of a single residential telephone connection.
    - 8.1.1.2 The ULTS connection charge is applicable to all qualifying households residing at the same address.
    - 8.1.1.3 The ULTS connection charge is applicable any time a qualifying household (i) establishes ULTS, (ii) re-establishes ULTS at the same residence at which ULTS was previously provided, (iii) establishes ULTS at a new residence, or (iv) switches ULTS from one utility to another.
    - 8.1.1.4 Utilities may not impose a "central office charge" in addition to the ULTS connection charge when installing ULTS.
    - 8.1.1.5 Installation of a second and subsequent telephone service connections shall be subject to the utility's regular tariffed rates for these connections, except that low-income households with a disabled member may qualify for ULTS connection charges on two residential telephone connections.
  - 8.1.2 Deferred payment of the ULTS connection charge.
    - 8.1.2.1 Utilities shall offer ULTS customers the option of paying the ULTS connection charge in three equal monthly installments with no interest. Utilities may also offer ULTS customers the option of paying the ULTS connection charge in equal monthly installments with no interest for a period not to exceed 12 months.
    - 8.1.2.2 Utilities may charge a late-payment fee when ULTS customers fail to timely remit some or all of the ULTS connection charge under a deferred-payment schedule.
  - 8.1.3 Discounted nonrecurring charge for service conversion ("ULTS conversion charge").
    - 8.1.3.1 The ULTS conversion charge shall equal the lowest of (i) \$10.00, (ii) 50% of the utility's regular tariffed non-recurring charge for the initial connection of a single residential telephone line or (iii) the utility's regular tariffed non-recurring conversion charge.
    - 8.1.3.2 The ULTS conversion charge is applicable each time a ULTS customer requests a change in the class, type, or grade of service, including requests to change from Foreign Exchange Service. There is no limit on the number of times a ULTS customer may pay the ULTS conversion charge to effect a change in the class, type, or grade of service.
  - 8.1.4 Discounted monthly rate for flat-rate local service ("ULTS flat-rate service").

- 8.1.4.1 The ULTS flat-rate service shall equal the lower of (i) 50% of the utility's regular tariffed rate for flat-rate local service, or (ii) one-half of Pacific Bell's (dba SBC California) regular tariffed rate for flat-rate local service. One-half of Pacific Bell's (dba SBC California) regular tariffed rate for flat-rate local service is currently \$5.34 per month.
- 8.1.4.2 ULTS customers subscribing to ULTS flat-rate service shall receive unlimited local calling.
- 8.1.5 Discounted monthly ULTS rate for measured-rate local service (ULTS measured-rate service).
  - 8.1.5.1 The ULTS measured-rate service shall equal the lower of (i) 50% of the utility's regular tariffed measured-rate service for local residential service, or (ii) one-half of Pacific Bell's (dba SBC California) regular tariffed measured-rate service. One-half of Pacific Bell's (dba SBC California) regular tariffed measured-rate service is currently \$2.85 per month.
  - 8.1.5.2 ULTS customers subscribing to ULTS measured-rate service shall receive 60 untimed local calls per month. The utility shall charge \$0.08 per call for each local call in excess of 60 per month.
- 8.1.6 Discounted monthly EAS rate.
  - 8.1.6.1 In exchanges with EAS, ULTS customers shall pay 50% of the applicable EAS increment. Unlimited incoming calls shall apply.
- 8.1.7 No charge for the federal EUCL charge.
- 8.1.8 No charge for toll-limitation service (including, but not limited to, toll blocking or toll control).
- 8.1.9 No charge [to ULTS customers' ULTS billings] for surcharges including the following: California High Cost Fund (CHCF-A) A surcharge, CHCF-B surcharge, California Teleconnect Fund surcharge, California Relay Service and Communications Device Fund surcharge, and ULTS surcharge.
  - 8.1.9.1 Utilities shall pay to the appropriate taxing authorities the applicable taxes, fees, and surcharges billed to ULTS customers and the ULTS Fund.
- 8.2 A utility may require advance payments for ULTS rates and charges not to exceed one month's rates and charges.
- 8.3 Optional services and equipment are not included in ULTS rates and charges, but will be available to ULTS customers at the applicable regular tariffed rates and charges.
  - 8.3.1 Each ULTS customer shall be eligible for one or more ULTS lines as set forth in this General Order, and ULTS customers may subscribe to additional, non-ULTS lines. Non-ULTS lines will be available to ULTS customers at the applicable regular tariffed rates and charges.
    - 8.3.1.1 This General Order shall not apply to any additional, non-ULTS lines that a ULTS customer subscribes to.

- 8.4 Except as specifically modified by this General Order, all rules, regulations, charges and rates in conjunction with the services furnished elsewhere in a utility's tariffs are also applicable to the service provided under ULTS.
- 8.5 TD shall notify utilities of any changes to the statewide ULTS rates and charges set forth in this General Order, including changes to the statewide recurring monthly rates for ULTS due to a change in Pacific Bell's (dba SBC California) monthly rates for ULTS. Such notice shall inform utilities of the new statewide rates and charges for ULTS, and instruct utilities to file compliance tariffs, if necessary, to reflect the new statewide rates and charges. Upon receipt of such notice, utilities shall file tariffs, if necessary, to implement the new statewide ULTS rates and changes.

## 9. REPORTS AND CLAIMS FOR REIMBURSEMENT OF ULTS-RELATED COSTS

### 9.1 Eligible Utilities.

- 9.1.1 Any utility that provides ULTS may submit a claim for the reimbursement of its ULTS-related costs and lost revenues.

### 9.2 Recoverable ULTS Costs and Lost Revenues.

- 9.2.1 A utility, regardless of whether or not it is an ETC, may recover from the ULTS Fund the reasonable costs and lost revenues that it incurs to provide ULTS to the extent that such costs and lost revenues meet all of the following criteria: (i) directly attributable to the ULTS program, (ii) would not otherwise be incurred in the absence of the ULTS program, (iii) not recovered from other sources, such as the rates and charges paid by ULTS customers, the utility's general rates, or subsidies from the federal Lifeline and Link Up programs, and (iv) specified in Sections 9.3 and 9.4 of this General Order.

### 9.3 Utilities may recover the following costs and lost revenues from the ULTS Fund:

- 9.3.1 Lost revenues caused by providing ULTS customers with (i) ULTS connection charges, (ii) ULTS conversion charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.
- 9.3.2 Each utility, on a per ULTS customer basis, may collect from the ULTS Fund an amount of lost revenues equal to the difference between (a) ULTS rates and charges, and (b) the lesser of the following: (i) the utility's regular tariffed rates and charges, or (ii) the regular tariffed rates and charges of the ULTS customer's incumbent local exchange carrier.

- 9.3.3 The federal EUCL charge that the utility pays on behalf of its ULTS customers.
- 9.3.4 The taxes, fees, and surcharges associated with the federal portion of the ULTS discount provided to ULTS customers beginning January 1, 1998.
- 9.3.5 The taxes, fees, and surcharges that a utility pays on behalf of its ULTS customers.
  - 9.3.5.1 The base for calculating the reimbursable amount of federal Excise Tax shall include only the lost revenues from the following items: (a) conversion charges, (b) measured and/or flat rate service, (c) EUCL, (d) surcharges (including PUC user fee), and (e) allowable recovery of untimed calls. Service connection charges are exempted from the tax. The base for calculating the reimbursable amount of PUC user fee shall include only the lost revenues for the following items: (a) connection charges, (b) conversion charges, (c) measured and/or flat rate service, (d) surcharges claimed from the ULTS fund, and (e) allowable recovery of untimed calls. The following table summarizes how the federal excise tax and PUC user fee must be calculated and reported on the ULTS Claim Form:

<u>Base for Federal Excise Tax</u>	<u>Base for PUC User Fee</u>
Conversion charges	Connection charges
Measured	Conversion charges
Flat	Measured
EUCL	Flat
Allowable Recovery Untimed Calls	Allowable Recovery Untimed Calls
Surcharges:	Surcharges:
Bill & Keep/Other rate cases	Bill & Keep
PUC user fee	Other rate cases

- 9.3.5.2 Utilities shall not be reimbursed for federal excise taxes and PUC user fees unless such taxes and fees are calculated and reported in accordance with the above instructions.

- 9.3.5.3 If a utility's actual liability for the taxes, fees, and surcharges that it pays on behalf of its ULTS customers differs from the amount that was previously reimbursed by the ULTS Fund, the utility shall report the difference, whether positive or negative, as a true up on its ULTS Claim Form.
- 9.3.6 Interest and penalties assessed by taxing authorities that stem from the taxes, fees, and surcharges that utilities pay on behalf of their ULTS customers.
- 9.3.6.1 Any interest and penalties that clearly stem from the negligence of the utility shall not be reimbursed by the ULTS Fund.
- 9.3.6.2 TD may determine whether, and to what extent, the interest and penalties assessed by a taxing authority should be reimbursed by the ULTS Fund.
- 9.3.7 Administrative and interest costs incurred to provide deferred-payment schedules for ULTS connection charges. Reimbursement for interest costs shall be based on (i) the 3-month commercial paper rate, and (ii) the assumption that all deferred payment are made on time.
- 9.3.8 The incremental costs incurred by a utility to provide toll-limitation services free of charge to its ULTS customers to the extent that such costs are not recovered from the federal Lifeline program. All utilities shall determine their total incremental costs in the manner prescribed by the Federal Communications Commission.
- 9.3.8.1 The ULTS Fund shall not reimburse a utility for the regular tariffed rates and charges of its toll limitation services.
- 9.3.9 Bad-debt costs equal to the lowest of (i) the actual amount of the ULTS rates and charges that a ULTS customer fails to pay, plus the associated lost revenues that the utility may recover from the ULTS Fund, (ii) the actual amount of the ULTS rates and charges, and back-billed ULTS discounts that an ineligible customer fails to pay, or (iii) the deposit for local residential service, if any, that the utility normally requires from non-ULTS customers.
- 9.3.9.1 Utilities must take reasonable steps to collect bad debt costs from ULTS customers before they seek to recover these costs from the ULTS Fund. A utility that disconnects a customer for non-payment of ULTS rates and charges and/or back-billed

ULTS discounts, pursuant to the applicable rules governing disconnection, shall be deemed to have undertaken reasonable collection efforts for the purposes of this section.

- 9.3.9.2 Bad-debt expenses are limited to actual ULTS rates and charges, and back-billed ULTS discounts; and do not include other expenses such as the lease of unbundled loops or non-ULTS services.
- 9.3.10 The demonstrably incremental costs associated with the time spent by utility service reps to (i) notify residential customers about the availability of ULTS, (ii) ask residential customers if they are eligible to participate in the ULTS program, (iii) obtain verbal certification from residential customers regarding their eligibility to participate in the ULTS program, (iv) inform enrolled customers that they must return the signed self-certification form within 30 days of being admitted into the ULTS program, and (v) inform enrolled customers of the yearly re-certification requirement.
- 9.3.11 The incremental costs incurred by a utility to develop, deploy, and operate systems and procedures associated with the provision of two ULTS lines to qualified low-income households with a disabled member.
- 9.3.12 The lost revenues associated with the provision of a second ULTS line to a particular ULTS customer, with lost revenues equal to the difference between (i) the ULTS rates and charges paid by the customer, and (ii) the lower of (a) the utility's normal tariffed rates and charges for one residential line (i.e., the "first" residential line provided to the customer) plus the EUCL charge for the second line, or (b) the ILEC's regular tariffed rates and charges for one residential line (i.e., the first line) plus the EUCL charge for the second line.
- 9.3.13 The incremental costs incurred by a utility to implement new reporting requirements ordered by the Commission in D.05-04-026 and subsequent order(s).
- 9.4 Utilities shall neither claim nor recover from the ULTS Fund any of the following costs and lost revenues:
- 9.4.1 Advertising, marketing, and outreach costs.
- 9.4.2 State 911 tax.

- 9.4.3 Costs associated with non-ULTS services and activities, such as the costs associated with the sale of toll service, Caller ID, and voice mail to ULTS customers.
- 9.4.4 Costs caused by the failure of ULTS customers to timely remit deferred payments of the ULTS connection charge, including costs for collecting on delinquent accounts and the time value of money. Utilities may recoup such cost via late-payment fees charged to ULTS customers who fail to timely remit deferred payments of the ULTS connection charge, but only to the extent that such costs are not recovered by utilities from other sources, such as the bad-debt costs built into a utility's general rates.
- 9.4.5 Lost revenues caused by the failure of ULTS customers to pay late-payment fees that the utility assesses when ULTS customers fail to timely remit deferred payments of the ULTS connection charge.
- 9.4.6 Costs associated with (i) processing ULTS service orders, and (ii) answering calls from ULTS customers about their bills.
  - 9.4.6.1 Costs associated with processing ULTS service orders and answering calls from ULTS customers regarding their bills may be recovered from the ULTS Fund to the extent that a utility can affirmatively demonstrate that such costs meet all of the criteria in Section 9.2.1.
- 9.4.7 Any costs or lost revenues associated with the provision of services that ETCs are required to provide under the federal Lifeline of Link Up programs, but which utilities are not required to provide under the ULTS program.
- 9.4.8 Any costs or lost revenues that the utility has recovered or will recover from other sources.
- 9.4.9 Any costs or lost revenues associated with the provision of non-ULTS lines to ULTS customers.
- 9.5 Schedule, Content, and Format of the ULTS Report and Claim Form.
  - 9.5.1 Utilities shall report and claim their ULTS-related costs and lost revenues by filing the ULTS Report and Claim Form ("ULTS Claim Form") appended to this General Order.
    - 9.5.1.1 Claims must be accompanied by any supporting workpapers required by this General Order.

- 9.5.2 Utilities shall file the ULTS Claim Form on a monthly basis unless a utility has obtained permission from TD to file the ULTS Claim Form on a biannual basis.
- 9.5.3 Each ULTS Claim Form filed on a monthly basis shall be for a full month.
  - 9.5.3.1 Utilities that file ULTS Claim Forms on a monthly must also remit ULTS surcharge revenues on a monthly basis.
- 9.5.4 Utilities may request permission from TD to file their ULTS Claim Forms on a biannual basis. The Commission and TD may specify and revise the conditions that utilities must meet in order to file their ULTS Claim Forms on a biannual basis.
  - 9.5.4.1 Utilities filing ULTS Claim Forms on a biannual basis must show a monthly breakdown of their claims on the ULTS Claim Form.
  - 9.5.4.2 Utilities shall not be paid interest on claims that are submitted on a biannual basis.
  - 9.5.4.3 Utilities that report and remit ULTS surcharges on a biannual basis must file ULTS Claim Forms on a biannual basis.
- 9.5.5 Utilities must submit their ULTS Claim Forms to TD no later than 30 days after the close of the monthly or biannual period for which a claim is made.
- 9.6 Accessibility of ULTS Claim Information to the Public.
  - 9.6.1 Each utility shall make available upon request in its main California office copies of all ULTS Report and Claim Statements filed with the Commission in compliance with these rules.
- 9.7 Review and Approval of Claims.
  - 9.7.1 Utilities shall submit ULTS claims to TD for review and determination of whether, and to what extent, ULTS claims should be paid. TD shall prepare payment letters for all approved claims. TD shall forward the payment letters to the Information and Management Services Division (IMSD). IMSD shall make payments as required by all payment letters.
    - 9.7.1.1 Claims submitted without proper supporting workpapers will be rejected.

9.7.1.2 The utility will be provided with an explanation for the rejection of all or part of a claim.

9.7.1.3 Any uncontested portions of the claim will be authorized for payment. Should it later be determined that all or a part of the contested portion of a claim was valid, the valid portion of the claims shall be paid with interest based on the three-month commercial paper rate.

#### 9.8 Payment of Claims.

9.8.1 Claims shall be paid in accordance with § 270(c) of the Public Utilities Code and Section 9.7.1 of this General Order.

9.8.2 No payment will be made to a utility if there is not a sufficient amount in the ULTS Fund to pay approved claims.

9.8.3 No payment will be made to a utility to pay approved claims if the appropriation in the State's Annual Budget Act for the ULTS Fund is exhausted.

9.8.4 No payment will be made to a utility that has not reported its ULTS surcharge revenues.

9.8.5 No payment will be made to a utility until all ULTS surcharge revenues due from the utility are remitted in full, along with interest on the late remittance based on an annual rate of 10%.

#### 9.9 Interest on Claims.

9.9.1 The ULTS Fund shall pay interest to utilities on monthly and biannual ULTS claims that are both timely and legitimate if such claims are not paid 60 days after the due date for utilities to submit their claims. The interest paid to utilities shall be based on the 3-month commercial paper rate.

9.9.1.1 Accrual of interest shall commence on the 60th day after the claim was due to be submitted and end on the date that payment is made to the utility.

9.9.2 No interest shall be paid on (i) claims that are not submitted by the due date, or (ii) claim payments that are withheld from a utility due to a utility's failure to timely report or remit ULTS surcharge revenues.

#### 9.10 Time Limits for Submitting Initial Claims and True-up Claims.

- 9.10.1 Utilities shall not be reimbursed for ULTS claims that are filed more than two years after the claims are due.
- 9.10.2 Utilities that submit a timely claim shall have two years from the deadline for submitting the initial claim to submit a true-up claim. True-up claims shall not be paid if they are submitted more than two years from the deadline for submitting initial claims.
- 9.10.3 Interest shall be paid to, or received from, utilities that submit timely true-up claims. The rate of interest on true-up claims shall be based on the 3-month commercial paper rate.
  - 9.10.3.1 Accrual of interest shall commence on the 60th day after the initial claim was due to be submitted and end on the date that the “true-up” payment is made to, or received from, the utility.
- 9.10.4 There is no time limit for utilities to submit true-up claims associated with taxes, fees, and surcharges.
- 9.11 Obligation to Support and Justify Claimed Costs and Lost Revenues.
  - 9.11.1 Utilities have the burden of supporting and justifying any costs and lost revenues that they seek to recover from the ULTS Fund.
  - 9.11.2 TD may require utilities to submit workpapers, documents, and other information to support their ULTS claims. TD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this General Order for promulgating administrative revisions to the ULTS program.
  - 9.11.3 Utilities shall provide to the Commission or TD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding costs and lost revenues claimed by the utility. Failure to provide information requested by the Commission or TD is reasonable grounds to deny costs and lost revenues claimed by the utility.
- 9.12 Carriers of Last Resort (COLRs).
  - 9.12.1 COLRs may draw financial support from the CHCF-B for two ULTS lines provided to low-income households in designated high cost areas of the State. The amount that a COLR may draw from the CHCF-B for the second ULTS line provided to a particular ULTS customer shall be governed by the same terms and conditions that

apply to the COLR's draws from the CHCF-B for the first ULTS line provided to the ULTS customer.

9.12.2 TD may require COLRs to submit workpapers and other information to support their CHCF-B claims for second ULTS lines. Failure to provide information requested by TD is reasonable grounds to deny recovery from the CHCF-B of amounts claimed by the COLR.

9.13 For the recovery of incremental operating expenses, a competitive local exchange carrier (CLEC) has the option of receiving its reimbursement based on a cost-factor developed by TD. Once this option is exercised, it shall remain in effect for the entire fiscal year (FY).

9.13.1 This cost-factor shall be determined by the average incremental operating expense per customer per month excluding any zero claims filed by the ILECs and approved by TD.

9.13.2 By April 15 of each year, TD shall adjust this cost-factor to be applied in the coming FY based on the incremental operating expenses claimed by the ILECs during the previous calendar year and the formula identified in Section 9.13.1 of this General Order.

9.13.3 Each CLC must notify TD before the FY begins if it chooses to receive its incremental operating expenses based on this cost-factor.

## 10. ULTS SURCHARGE RATE & SURCHARGE BILLING BASE

10.1 All carriers shall assess, collect, and remit the ULTS surcharge.

10.2 The current ULTS surcharge rate is set forth in the Combined California PUC Telephone Surcharge Transmittal Form ("Surcharge Transmittal Form") that is available on the Commission's website (<ftp://ftp.cpuc.ca.gov/gopher-data/telecom/tranform.doc>).

10.3 The Commission shall set the ULTS surcharge rate based on the forecast of revenues subject to the surcharge and the funding requirements for the provision of ULTS to eligible customers, including ULTS marketing costs and program administrative costs.

10.3.1 Effective July 1, 2001, the ULTS surcharge rate will be annually revised, if necessary, on July 1st of each year.

10.4 Schedule for Filing Revenues and Expense Forecasts.

10.4.1 Each telecommunications carrier shall annually submit to TD an estimate of the carrier's projected gross revenues subject to the ULTS surcharge for the following year.

10.4.2 Each utility shall annually submit to TD a forecast of the utility's ULTS claims for the following year.

10.4.3 On or before June 1 of each year, the ULTSAC shall submit a proposed budget to TD. The proposed budget shall include estimated program expenditures and the Committee's projected expenses for the fiscal year (July 1 to June 30) that will commence thirteen (13) months thereafter.

10.4.4 TD's resolution adopting the revised ULTS surcharge rate may also adopt an annual budget for the ULTS Fund.

#### 10.5 Surcharge Revenue Base.

10.5.1 All end-user intrastate telecommunications services, whether tariffed or untariffed, are subject to the ULTS surcharge, except for the following services:

10.5.1.1 ULTS billings.

10.5.1.2 Charges to other certificated carriers for services that are to be resold.

10.5.1.3 Coin sent paid telephone calls (coin in box) and debit card calls.

10.5.1.4 Usage charges for coin-operated pay telephones.

10.5.1.5 Customer-specific contracts effective before September 15, 1994.

10.5.1.6 Directory advertising.

10.5.1.7 One-way radio paging.

### 11. REPORTING AND REMITTANCE OF SURCHARGES

#### 11.1 Surcharge Transmittal Form.

11.1.1 Every carrier shall report and remit ULTS surcharge revenues using the Surcharge Transmittal Form that is available on the Commission's website (<ftp://ftp.cpuc.ca.gov/gopher-data/telecom/tranform.doc>).

#### 11.2 Surcharge Remittance Schedule and Procedures.

- 11.2.1 Carriers shall report and remit ULTS surcharge revenues on a monthly basis in accordance with the instructions attached to the Surcharge Transmittal Form (STF). The STF and the instructions attached to the STF are available as one document on the Commission's website (<ftp://ftp.cpuc.ca.gov/gopher-data/telecom/tranform.doc>).
  - 11.2.2 Carriers may seek authority to submit the STF and remit ULTS surcharge revenues on a biannual basis in accordance with the instructions attached to the STF. Carriers that are granted such authority shall submit the STF and remit ULTS surcharge revenues in accordance with the instructions in the STF.
- 11.3 Method for Remitting and Reporting Surcharge Revenues.
- 11.3.1 Carriers shall report and remit their ULTS surcharge revenues based on intrastate end-user billings less estimated uncollectibles. Carriers shall true-up their estimated ULTS surcharge uncollectibles with their actual uncollectibles.
- 11.4 Interests on Late Surcharge Remittances.
- 11.4.1 Carriers that are late in remitting their ULTS surcharge revenues shall pay interest on the late remittances equal to an interest rate of 10%. Interest shall accrue beginning on the date the remittance are due and ending on the date that the surcharge revenues are remitted.
- 11.5 Warning Notices on Late Surcharge Remittances.
- 11.5.1 TD shall send two written notices to any carrier that is late in remitting ULTS surcharge revenues. The notices shall warn the carrier that it will lose its Certificate of Public Convenience and Necessity if it fails to remit past-due surcharge revenues and associated interest.
- 11.6 Reporting of Surcharge Over/Under Collection or Remittance.
- 11.6.1 Each carrier shall report any under or over collection of the ULTS surcharge as soon as it becomes known to the carrier. Each carrier shall report any under or over remittance of ULTS surcharge monies as soon as it becomes known to the carrier.
- 11.7 Surcharge Workpapers.
- 11.7.1 TD may require carriers to submit workpapers, documents, and other information to support their surcharge remittances. TD may promulgate standards regarding the format, content, and timing of workpapers in accordance with the procedures set forth in this

General Order for promulgating administrative revisions to the ULTS program.

11.7.2 Carriers shall provide to the Commission or TD, upon request, documents, workpapers, records (to the extent that records exist) and other information regarding their surcharge remittances.

## 12. USE OF ELECTRONIC COMMUNICATIONS

12.1 The Commission's website may be used as a means to provide carriers, utilities, and other parties with access to information regarding the ULTS program. Such information may include: this General Order, Commission decisions, resolutions, rulings, staff reports, letters, and other documents pertinent to the ULTS program.

12.2 TD may provide notice to carriers, utilities, and other parties of important matters regarding the ULTS program by e-mail that (i) briefly describe the matter being noticed, (ii) provide information on how to obtain more detailed information and/or documents regarding the matter being noticed from the Commission's website, and (iii) the phone number of a contact person from whom the information and/or documents can be obtained.

12.2.1 When appropriate, notice of matters pertaining to the ULTS program may be combined with notices pertaining to other public programs, such as the CHCF-B and DDTP.

## 13. AUDITS AND RECORDS

13.1 The Commission, Commission staff, and agents of the Commission may audit carrier's remittance of ULTS surcharge revenues and utilities' ULTS claims.

13.2 The scope of audits shall be limited to five calendar years following the calendar year in which ULTS surcharge revenues are remitted or ULTS claims submitted, except in cases where there appears to be malfeasance, such as gross waste, fraud, or abuse. Where there is an indication of malfeasance, the scope of the audit will depend on the law and circumstances existing at that time.

13.3 TD shall authorize the ULTS Fund to promptly reimburse a utility for the underpayment of ULTS claims found by a Commission audit. Any

underpayment of ULTS claims found by an audit shall accrue interest based on the 3-month commercial paper rate.

- 13.3.1 If a utility believes that the amount of reimbursement is too little, the utility may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.
- 13.4 Utilities that promptly reimburse the ULTS Fund for an overpayment of ULTS claims found by a Commission audit shall pay interest on the amount of overpayment based on the 3-month commercial paper rate, unless there is malfeasance on the part of the utility, in which case the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.
- 13.5 TD shall authorize the ULTS Fund to promptly reimburse a carrier for the over-remittance of ULTS surcharge revenues found by a Commission audit. Any over-remittance of ULTS surcharge revenues found by an audit shall accrue interest based on the 3-month commercial paper rate.
- 13.5.1 If a carrier believes that the amount of reimbursement is too little, the carrier may file an application with the Commission to seek additional reimbursement. Any additional reimbursement awarded by the Commission shall accrue interest based on the 3-month commercial paper rate.
- 13.6 Any under-remittance of ULTS surcharge revenues found by a Commission audit shall accrue interest at a 10% annual rate, unless the under-remittance is due to carrier malfeasance, in which case, the rate of interest shall depend on the law and circumstances existing at the time the malfeasance is discovered.
- 13.7 If a carrier or utility does not promptly reimburse the ULTS Fund for an overpayment of ULTS claims or under-remittance of ULTS surcharge revenues that is discovered by an audit, then the Commission's Consumer Services and Information Division shall prepare an order instituting investigation (OII) on whether the entity should be required to reimburse the ULTS Fund for some or all of the amount identified in the audit.
- 13.7.1 Any amount that a carrier is found to owe to the ULTS Fund as a result of the OII shall accrue interest at a 10% annual rate, unless the amount owed is due to malfeasance, in which case the rate of interest

shall depend on the law and circumstances existing at the time the malfeasance is discovered.

13.7.2 Any amount that a utility is found to owe to the ULTS Fund as a result of the OII shall accrue interest based on the 3-month commercial paper rate, unless the amount owed is due to negligence or malfeasance, in which case the rate of interest shall depend on (i) the circumstances, and (ii) the law existing at the time the negligence or malfeasance is discovered.

13.8 Carriers shall retain all records related to ULTS surcharge remittances for a period of five calendar years following the year in which the surcharges are remitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that carriers must retain for five calendar years include all records pertaining to intrastate billings and collections.

13.9 Utilities shall retain all records related to a ULTS claim, including a true-up claim, for a period of five calendar years following the year in which the ULTS claim or true up claim is submitted, unless all or part of such records must be kept for a longer period of time pursuant to requirements promulgated elsewhere (e.g., record-retention requirements set forth in the uniform system of accounts). The records that utilities must retain for five calendar years include (i) customer certification and re-certification forms, (ii) ULTS Claim Forms and workpapers supporting the claim forms, and (iii) other documents and information on which the ULTS Claim Forms and workpapers are based.

#### 14. REQUESTS FOR WAIVER OF ULTS PROGRAM ADMINISTRATIVE REQUIREMENTS

14.1 Carriers and utilities may request a waiver of any administrative requirement set forth in this General Order, including the administrative requirements pertaining to (i) the schedule, format, and content of workpapers that utilities must submit to support their ULTS claims, and (ii) the time limit for submitting ULTS claims.

14.2 Carriers and utilities may request a waiver by submitting a written waiver request to the Director of the TD. The request must provide a thorough explanation for why the waiver is necessary.

14.3 TD may attach conditions when granting a waiver request.

14.4 If a waiver involves the payment of money to or from a carrier or utility, TD may determine what rate of interest, if any, should apply to the payment(s) subject to the waiver.

15. FUTURE REVISIONS TO THIS GENERAL ORDER

15.1 This General Order shall be continuously updated and revised to reflect the future needs of, and changes to, the ULTS program in accordance with the Commission's orders and resolutions.

## General Order 153

### Appendix A Service Elements of ULTS

Universal Lifeline Telephone Service is composed of the service elements set forth below. All ULTS customers are entitled to receive every one of the service elements of ULTS, and every utility is required to offer all of the service elements of ULTS to each of its ULTS customers. The service elements of ULTS are as follows:

1. Access to (a) single party local exchange service, or (b) service that is equivalent, in all substantial respects, to single party local exchange service.
2. Access to all interexchange carriers offering service in the ULTS customer's local exchange.
3. Ability to place calls.
4. Ability to receive free unlimited incoming calls.
5. Free touch-tone dialing.
6. Free unlimited access to 911/E-911.
7. Access to local directory assistance (DA). Each utility shall offer to its ULTS customers the same number of free DA calls that the utility provides to its non-ULTS residential customers.
8. Access to foreign Numbering Plan Areas.
9. ULTS rates and charges.
10. Customer choice of flat-rate local service or measured-rate local service. The 17 smaller LECs identified in D.96-10-066 do not have to offer ULTS customers the choice of flat or measured-rate local service, unless the smaller LEC offers this option to its non-ULTS residential customers.
11. Free provision of one directory listing per year as provided for in D.96-02-072.
12. Free white pages telephone directory.
13. Access to operator service.
14. Voice grade connection to the public switched telephone network.
15. Free access to 800 or 800-like toll-free services.

16. One-time free blocking for information services and one-time billing adjustments for changes incurred inadvertently, mistakenly, or that were unauthorized.
17. Access to telephone relay services as provided for in Pub. Util. Code § 2881 et seq.
18. Toll-free access to customer service for information about ULTS, service activation, service termination, service repair, and bill inquiries.
19. Toll-free access to customer service representatives fluent in the same language (English and non-English) in which ULTS was originally sold.
20. Free access to toll-blocking service.
21. Free access to toll-control service, but only if (i) the utility is capable of offering toll-control service, and (ii) the ULTS customer has no unpaid bill for toll service.
22. Access to two residential telephone lines if a low-income household with a disabled person requires both lines to access ULTS.
23. Free access to the California Relay Service via the 711 abbreviated dialing code.

## General Order 153

### Appendix B

### CERTIFICATION FORMS AND INSTRUCTIONS

## **UNIVERSAL LIFELINE TELEPHONE SERVICE (ULTS) INSTRUCTION FOR COMPLETING ULTS CERTIFICATION FORM**

Upon your request, your telephone company has enrolled you in the Universal Lifeline Telephone Service (ULTS) program. This is a discount program for low-income customers provided by your telephone company and sponsored by the California Public Utilities Commission (CPUC). **You must certify your eligibility by completing one of the enclosed certification forms. The completed certification form and support documents, if any, must be received by ABC Contract Services, an agent of the CPUC, by:**

[insert date].

**A self-addressed return envelope is provided for your use. If you fail to qualify by the above date, you will be removed from the discount program. Your telephone company will back bill you for the ULTS discounts that you should not have received and may require you to post a service deposit.**

### **Certification Form**

You may qualify for ULTS under either the program-based criterion **or** income-based criterion. If you are currently enrolled in any of the public assistance programs listed on the ULTS Program-Based Certification Form, you should complete the form entitled "ULTS Program-Based Certification form." If you are not enrolled in any of the public assistance programs listed on the ULTS Program-Based Certification Form, you must use the form entitled "ULTS Income-Based Certification Form."

### **2 ULTS Lines**

If your telephone company has enrolled you for 2 ULTS lines because you or another person in your household is disabled and has immediate and continuous access within the household to a text-telephone device (TTY), you must also complete Part D of the form.

### **ULTS Eligibility**

You must notify your telephone company if you no longer qualify for ULTS or a second ULTS line.

The Commission or the Commission's agent may audit your eligibility to participate in the ULTS program at any time. If the audit finds that you are not eligible, you will be removed from the ULTS program and billed for previous ULTS discounts that you should not have received plus interest at the 3-month commercial paper rate.

**WHO TO CALL WITH QUESTIONS ABOUT THESE FORMS:**

**Commission's Agent, ABC Contract Services, has toll-free numbers that you can call from 7:00 AM to 7:00 PM on regular business days. Toll-fr**

**UNIVERSAL LIFELINE TELEPHONE SERVICE (ULTS)  
INSTRUCTION FOR COMPLETING ULTS CERTIFICATION FORM**

**(Page 2)**

**Instructions for Completing the Forms:**

**Part A – Carrier Information** - This part has been completed for you. If the “Name of Carrier” listed on the form is not the telephone company providing your local telephone service, please call the toll-free hotline at 1-800-555-1212 / TTY 1-800-555-1213.

**Part B – Customer Information** - This part has been completed for you based on information that you provided to your telephone company. If this information is incorrect or incomplete, please make all necessary changes directly on the form.

**Part C – Method of Qualifying**

If you are using the Program-Based Form, check the box relating to the program you are referring to and on the line below, write the name of the person on that program.

If you are using the Income-Based Form, you must provide a copy of income document(s) that support your household income when submitting this form. Please be sure to send only copies because we will not be able to return your documents to you.

**Part D – Qualifying for 2 ULTS lines**

You must check one of the boxes that apply to you and provide the name of the household member who is using the TTY. If the TTY is not issued by the Deaf and Disabled Telecommunications Program (DDTP), you must attach a medical certificate indicating the household member’s need for a TTY when submitting this form.

**Part E – Signature**

By signing the form, you are certifying, under penalty of perjury, that the information contained in the completed form and that the provided documents are true and correct.

**Part F – How do you prefer to receive notifications?**

You will be notified in writing once it is determined whether you qualify for the ULTS program. Also, to continue on the ULTS program, you must re-certify annually. If you prefer to receive notifications including the annual re-certification form in Braille (English only) or in large-font, please specify your preference by completing this part of the form.

\*\*\*\*\*

# ULTS Program-Based Certification Form

Return form to: ABC Contract Services  
 505 Van Ness Avenue,  
 #200  
 San Francisco, CA 94102  
 1-800-555-1212 / TTY 1-800-555-1213

## A. Carrier Information

Name of Carrier:	
ULTS Start Date:	Return this form by [date] to be eligible for the discount program

## B. Customer Information

First Name and Middle Initial		Last Name		SS # (Optional) - -
Service Address				Suite/Apartment
City	State	Zip Code		ULTS Telephone # ( ) -
Billing Address (if different from service address)				Apartment No.
City	State	Zip Code		Contact Tel. ( ) -

## C. Qualifying Criterion: Program-based

If you or another person in your household is enrolled in any of the following programs, you qualify for ULTS. Please identify the program by checking the corresponding box below:

<input type="checkbox"/> Medicaid/Medical	<input type="checkbox"/> Food Stamps
<input type="checkbox"/> Supplemental Security Income	<input type="checkbox"/> Federal Public Housing Assistance (Section 8)
<input type="checkbox"/> Low Income Home Energy Assistance Program	<input type="checkbox"/> Temporary Assistance for Needy Families
<input type="checkbox"/> National School Lunch's FREE Lunch Program	<input type="checkbox"/> Healthy Families Category A
<input type="checkbox"/> Tribal TANF	<input type="checkbox"/> Bureau of Indian Affairs General Assistance
<input type="checkbox"/> Tribal NSL	<input type="checkbox"/> Tribal Head Start
<input type="checkbox"/> Women, Infant and Children (WIC) program	

Please provide the name of the household member who is enrolled in the above checked program:

## D. Qualifying for 2 ULTS lines:

If you or another person in your household is disabled, and has immediate and continuous access within the household to a TTY, you may qualify for 2 ULTS lines by checking the corresponding box below:

<input type="checkbox"/> A household member is using a TTY issued by DDTP.
<input type="checkbox"/> Attached is a copy of the medical certificate indicating the household member's need for a TTY. (Please attach medical certificate.)

Please provide the name of the household member who is using the TTY:

E. **Signature** - By signing below, I certify, under penalty of perjury, that this information is true and correct.

<b>Customer signature</b>	<b>Date</b>
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F. **How do you prefer to receive notifications:** large font \_\_\_\_\_; Braille \_\_\_\_\_;

# ULTS Income-Based Certification Form

Return form to: **ABC Contract Services**  
 505 Van Ness Avenue,  
 #200  
 San Francisco, CA 94102  
 1-800-555-1212 / TTY 1-800-555-1213

## A. Carrier Information

Name of Carrier:	
ULTS Start Date:	<b>Return this form by [date] to be eligible for the discount program.</b>

## B. Customer Information

First Name and Middle Initial		Last Name	SS # (optional) - -
Service Address			Suite/ Apartment
City	State	Zip Code	ULTS Telephone # ( ) -
Billing Address (if different from service address)			Apartment No.
City	State	Zip Code	Contact Tel. ( ) -

## C. Qualifying Information: Income-Based

If your household size meets the corresponding ULTS yearly Income Limits noted below, you qualify for ULTS. Please identify your household size by checking the appropriate check box below:

Check Box	Household Size	ULTS Yearly Income Limits (6/1/05 through 5/31/06)
<input type="checkbox"/>	1-2 Members	\$20,600
<input type="checkbox"/>	3 Members	\$24,300
<input type="checkbox"/>	4 Members	\$29,200
<input type="checkbox"/>	5 Members	\$34,100
<input type="checkbox"/>	_____ Members	For each additional member after 5 members, add \$4,900 to \$34,100 \$ _____

You must provide documents proving that your total household income meets the ULTS income guidelines. Below, please check which documents you are providing:

	Prior year's state, federal, or tribal tax return
	Income statements or paycheck stubs for three consecutive months within the calendar year
	Statement of benefits from Social Security, Veterans Administration, retirement/pension, unemployment compensation, and/or workmen's compensation
	A divorce decree
	Child support document
	Other income documents
Household income is defined as all revenues from everyone in your household, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.	

**ULTS Income-Based Certification Form**

**D. Qualifying for 2 ULTS lines:**

If you or another person in your household is disabled, and has immediate and continuous access within the household to a TTY, you may qualify for 2 ULTS lines by checking the corresponding box below:

<input type="checkbox"/> A household member is using a TTY issued by DDTP.
<input type="checkbox"/> Attached is a copy of the medical certificate indicating the household member's need for a TTY. (Please attach medical certificate.)

Please provide the name of the household member who is using the TTY:

**E. Signature** - By signing below, I certify, under penalty of perjury, that the information contained herein and provided documents are true and correct.

<b>Customer signature</b>	<b>Date</b>
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F. How do you prefer to receive notifications:  Large Font;  Braille (English Only).

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Appendix C  
VERIFICATION FORMS AND INSTRUCTIONS

**UNIVERSAL LIFELINE TELEPHONE SERVICE (ULTS)  
INSTRUCTION FOR COMPLETING ULTS ANNUAL VERIFICATION FORM**

You are enrolled in the Universal Lifeline Telephone Service (ULTS) program. This is a discount program for low income-customers provided by your telephone company and sponsored by the California Public Utilities Commission (CPUC). **To remain on the program, you must re-certify your eligibility by completing one of the enclosed verification forms. The completed verification form and supporting document, if any, must be received by us by:**

<insert date>.

**A self-addressed return envelope is provided for your use. If you fail to verify your continued eligibility by the above date, you will be removed from the discount program. Your telephone company will convert your telephone service to the full residential service rate and may require you to post a service deposit.**

**Verification Form**

You may use either the "ULTS Program-Based Verification Form" or "ULTS Income-based Verification form" to remain on the ULTS program. If you are currently enrolled in any of the public assistance programs listed on the ULTS Program-Based Verification Form, you should complete the form entitled "ULTS Program-Based Verification form." If you are not enrolled in any of the public assistance program listed on the ULTS Program-Based Verification Form, you must use the form entitled "ULTS Income-Based Verification Form."

**2 ULTS Lines**

If you are receiving 2 ULTS lines because you or another person in your household is disabled and has immediate and continuous access within the household to a TTY device, you must also complete Part D of the form.

**ULTS Eligibility**

You must notify your telephone company if you no longer qualify for ULTS or a second ULTS line.

The Commission or the Commission's agent may audit your eligibility to participate in the ULTS program at any time. If the audit finds that you are not eligible, you will be removed from the ULTS program and billed for previous ULTS discounts that you should not have received plus interest at the 3-month commercial paper rate.

**UNIVERSAL LIFELINE TELEPHONE SERVICE (ULTS)  
INSTRUCTION FOR COMPLETING ULTS ANNUAL VERIFICATION FORM**

**(Page 2)**

**Instructions for Completing the Forms:**

**Part A - Carrier Information** - This part has been completed for you. If the "Name of Carrier" listed on the form is not the telephone company providing your local telephone service, please call the toll-free hotline at 1-800-555-1212/ TTY 1-800-555-1213.

**Part B - Customer Information** - This part has been completed for you based on information that you provided to your telephone company. If this information is incorrect or incomplete, please make all necessary changes directly on the form.

**Part C - Method of Qualifying**

If you are using the Program-Based Form, check the box relating to the program you are referring to and on the line below, write the name of the person on that program.

If you are using the Income-Based Form, please be sure to indicate how many people are in your household by checking the proper box.

Household income is defined as all revenues from everyone in your household, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income.

**Part D - Continued Qualification of 2 ULTS lines**

You must complete this part for your continued eligibility of 2 ULTS lines. If you have a new household member using the TTY and the TTY is not issued by the Deaf and Disabled Telecommunications Program (DDTP), you must attach a medical certificate indicating the household member's need for a TTY when submitting this form.

**Part E - Signature**

By signing the form, you are certifying, under penalty of perjury, that the information contained in the completed form and that the provided documents are true and correct.

**Part F - How do you prefer to receive notifications?**

To continue on the ULTS program, you must re-certify annually. If you prefer to receive notifications including the annual re-certification form in Braille (English Only) or in large-font, please specify your preference by completing this part of the form.

\* \* \* \* \*

# ULTS Program-Based Annual Verification Form

Return form to: ABC Contract Services  
505 Van Ness Avenue,  
#200  
San Francisco, CA 94102  
1-800-555-1212 / TTY: 1-800-555-1213

## A. Carrier Information

Name of Carrier:	
ULTS Start Date:	<b>Return this form by [date] to continue on the discount program:</b>

## B. Customer Information

First Name and Middle Initial		Last Name	SS # (Optional) - -
Service Address			Suite/Apartment
City	State	Zip Code	ULTS Telephone # ( ) -
Billing Address (if different from service address)			Apartment No.
City	State	Zip Code	Contact Tel. ( ) -

## C. Qualifying Criterion: Program-based

If you or another person in your household is enrolled in any of the following programs, you qualify for ULTS. Please identify the program by checking the corresponding box below:

<input type="checkbox"/> Medicaid/Medical	<input type="checkbox"/> Food Stamps
<input type="checkbox"/> Supplemental Security Income	<input type="checkbox"/> Federal Public Housing Assistance (Section 8)
<input type="checkbox"/> Low Income Home Energy Assistance Program	<input type="checkbox"/> Temporary Assistance for Needy Families
<input type="checkbox"/> National School Lunch's FREE Lunch Program	<input type="checkbox"/> Healthy Families Category A
<input type="checkbox"/> Tribal TANF	<input type="checkbox"/> Bureau of Indian Affairs General Assistance
<input type="checkbox"/> Tribal NSL	<input type="checkbox"/> Tribal Head Start
<input type="checkbox"/> Women, Infant and Children (WIC) program	

Please provide the name of the household member who is enrolled in the above checked program:

## D. Continued Qualification of 2 ULTS lines:

You have been qualified for 2 ULTS lines. For your continued qualification of 2 ULTS lines, please check the corresponding box below:

<input type="checkbox"/> < insert name > is a household member and has immediate and continuous access within the household to a TTY.
<input type="checkbox"/> A new household member is using a TTY issued by DDTP.
<input type="checkbox"/> Attached is a copy of the medical certificate indicating a new household member's need for a TTY. (Please attach medical certificate.)

Please provide the name of the new household member who is using the TTY:

**E. Signature** - By signing below, I certify, under penalty of perjury, that this information is true and correct.

<b>Customer signature</b>	<b>Date</b>
---------------------------	-------------

F. How do you prefer to receive notifications: large font \_\_\_\_\_; Braille \_\_\_\_\_;

# ULTS Income-Based Annual Verification Form

Return form to: **ABC Contract Services**  
**505 Van Ness Avenue,**  
**#200**  
**San Francisco, CA 94102**  
**1-800-555-1212 / TTY 1-800-555-1213**

## A. Carrier Information

Name of Carrier:	
ULTS Start Date:	<b>Return this form by [date] to remain on the ULTS program</b>

## B. Customer Information

First Name and Middle Initial		Last Name		SS # (optional)
				- -
Service Address				Suite/Apartment
City	State	Zip Code		ULTS Telephone #
				( ) -
Billing Address (if different from service address)				Apartment No.
City	State	Zip Code		Contact Tel.
				( ) -

## C. Qualifying Information: Income-Based

If your household size meets the corresponding ULTS yearly Income Limits noted below, you may remain on the ULTS program. Please identify your household size by checking the appropriate check box below:

Check Box	Household Size	ULTS Yearly Income Limits (6/1/05 through 5/31/06)
<input type="checkbox"/>	1-2 Members	\$20,600
<input type="checkbox"/>	3 Members	\$24,300
<input type="checkbox"/>	4 Members	\$29,200
<input type="checkbox"/>	5 Members	\$34,100
<input type="checkbox"/>	_____ Members	For each additional member after 5 members, add \$4,900 to \$34,100 \$_____

## D. Continued Qualification of 2 ULTS lines:

You have been qualified for 2 ULTS lines. For your continued qualification of 2 ULTS lines, please check the corresponding box below:

<input type="checkbox"/> < insert name > is a household member and has immediate and continuous access within the household to a TTY.
<input type="checkbox"/> A new household member is using a TTY issued by DDTP.
<input type="checkbox"/> Attached is a copy of the medical certificate indicating a new household member's need for a TTY device. (Please attach medical certificate.)

Please provide the name of the new household member who is using the TTY:

E. **Signature** - By signing below, I certify, under penalty of perjury, that this information is true and correct.

<b>Customer signature</b>	<b>Date</b>
---------------------------	-------------

F. **How do you prefer to receive notifications:**  Large Font;  Braille (English Only)

# General Order 153

## Appendix D ULTS Report and Claim Form

UNIVERSAL LIFELINE TELEPHONE SERVICE PROGRAM  
REPORT AND CLAIM FORM  
FOR THE PERIOD OF \_\_\_\_\_, 200\_\_

ULTS  
CALIFORNIA PUBLIC UTILITIES COMMISSION  
TELECOMMUNICATIONS DIVISION  
505 VAN NESS AVENUE, 3<sup>rd</sup> FL  
SAN FRANCISCO, CA 94102

LOST REVENUE RECOVERY.\*

- 1. CONNECTION CHARGES (REGULAR CUSTOMERS) \_\_\_\_\_
- 2. CONVERSION CHARGES (REGULAR CUSTOMERS) \_\_\_\_\_
- 3. ALLOWABLE RECOVERY MEASURED SVC (REGULAR CUSTOMERS) \_\_\_\_\_
- 4. ALLOWABLE RECOVERY UNTIMED CALLS (REGULAR CUSTOMERS) \_\_\_\_\_
- 5. ALLOWABLE RECOVERY FLAT RATE SVC (REGULRR CUSTOMERS) \_\_\_\_\_
- 6. FCC END USER CHARGES (REGULRR CUSTOMERS) \_\_\_\_\_
- 7. CONNECTION CHARGES (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 8. CONVERSION CHARGES (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 9. ALLOWABLE RECOVERY MEASURED SVC (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 10. ALLOWABLE RECOVERY UNTIMED CALLS (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 11. ALLOWABLE RECOVERY FLAT RATE SVC (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 12. FCC END USER CHARGES (DISABLED CUSTOMERS INCL.1<sup>ST</sup> AND 2<sup>ND</sup> LINES) \_\_\_\_\_
- 13. SURCHARGES, TAXES & FEES:
  - A. BILL AND KEEP/ ALL OTHERS RATE CASE SURCHARGES \_\_\_\_\_
  - B. PUC USER FEE \_\_\_\_\_
  - C. FEDERAL EXCISE TAX. \_\_\_\_\_
  - D. LOCAL TAX. \_\_\_\_\_
  - E. TOTAL SURCHARGES, TAXES & FEES (SUM OF A TO D) \_\_\_\_\_
- 14. TRUE-UP OF FEDERAL SUPPORT. \_\_\_\_\_
- 15. TOTAL UNRECOVERED REVENUE. \_\_\_\_\_

OPERATING EXPENSE RECOVERY.\*

- 16. DATA PROCESSING EXPENSE. \_\_\_\_\_
- 17. CUSTOMER NOTIFICATION EXPENSE. \_\_\_\_\_
- 18. ACCOUNTING EXPENSE. \_\_\_\_\_
- 19. SERVICE REPRESENTATIVE COSTS \_\_\_\_\_
- 20. LEGAL EXPENSE. \_\_\_\_\_
- 21. TOLL LIMITATION EXPENSE. \_\_\_\_\_
- 22. DEFERRED PAYMENT SCHEDULE COSTS:
  - A. INTEREST COSTS \_\_\_\_\_
  - B. ADMINISTRATIVE COSTS \_\_\_\_\_
  - C. TOTAL DEFERRED PAYMENT COSTS (A + B) \_\_\_\_\_
- 23. BAD DEBT COSTS. \_\_\_\_\_
- 24. OTHER EXPENSES, TRUE UPS, and CREDITS. \_\_\_\_\_
- 25. TOTAL OPERATING EXPENSES CLAIMED. \_\_\_\_\_

IMPLEMENTATION COSTS OF NEW REPORTING REQUIREMENTS (NON-RECURRING):  
ORDERED BY COMMISSION ORDER: \_\_\_\_\_

- 26. DATA PROCESSING \_\_\_\_\_
- 27. CUSTOMER NOTIFICATION \_\_\_\_\_
- 28. ACCOUNTING \_\_\_\_\_
- 29. SERVICE REPRESENTATIVE COSTS \_\_\_\_\_
- 30. LEGAL \_\_\_\_\_

31. TOTAL IMPLEMENTATION COSTS (SUM OF LINES 26 THRU 30)

\_\_\_\_\_

32. TOTAL CLAIMS (LNS 15+25+31).\*

\_\_\_\_\_

\* Claimed amounts should be net of the subsidies, if any, that the ULTS provider expects to receive from the federal Lifeline and Link-up programs.

UNIVERSAL LIFELINE TELEPHONE SERVICE  
REPORT AND CLAIM FORM  
Page 2

NUMBER OF NEW ULTS SERVICE CONNECTIONS

FLAT RATE \_\_\_\_\_  
MEASURED \_\_\_\_\_  
TOTAL \_\_\_\_\_

NUMBER OF ULTS SUBSCRIBERS (TOTAL WEIGHTED-AVERAGE FOR THE CLAIM PERIOD)

FLAT RATE \_\_\_\_\_  
MEASURED \_\_\_\_\_  
TOTAL \_\_\_\_\_

NUMBER OF REGULAR ULTS SUBSCRIBERS (AS OF END OF THE CLAIM PERIOD):

\_\_\_\_\_

NUMBER OF DISABLED CUSTOMERS SUBSCRIBING TO 2 ULTS LINES (AS OF END OF THE CLAIM PERIOD):

\_\_\_\_\_

ETC ELIGIBLE TO RECEIVE FEDERAL LIFELINE AND LINK-UP SUPPORT:

YES \_\_\_\_\_ NO \_\_\_\_\_

I hereby certify that this claim, including any accompanying schedules, statements, and workpapers have been examined by me and to the best of my knowledge and belief is a true, correct and complete claim.

Signature \_\_\_\_\_ Title \_\_\_\_\_

Preparer \_\_\_\_\_ Date \_\_\_\_\_

Company \_\_\_\_\_ CPUC ID #: U-

\_\_\_\_\_-C

Address \_\_\_\_\_

Phone \_\_\_\_\_

\_\_\_\_\_

**Instructions for the  
Universal Lifeline Telephone Service (ULTS)  
Report and Claim Form**

1. Utilities shall submit the Report and Claim Form (“ULTS Claim Form”) no later than 30 days after the close of the monthly or biannual period for which a claim is made. If the 30th day falls on a weekend or holiday, the ULTS Claim Form shall be submitted on the next business day. The ULTS Claim Form must be submitted to the Telecommunications Division. Any ULTS Claim Forms received after the 30-day deadline will be processed during the next claim period.
2. Utilities have the burden of supporting and justifying any costs they claim. Workpapers should be provided for all claimed costs. Such workpapers, as identified in Paragraph 9 of these instructions, must be unambiguous and show how all claimed items on the Claim Form were derived. Failure to provide supporting workpapers for all claimed items will constitute reasonable grounds for rejection of such claims.
3. Utilities may only claim those costs and lost revenues identified in the body of General Order (GO) 153. Utilities shall not claim any costs or lost revenues that are prohibited by GO 153.
  - a. Competitive local exchange carriers (CLECs) may opt-in to receive their reimbursement of incremental operating expenses, which include data processing (lines 16/26), customer notification (17/27), accounting (18/28), service representative (19/29) and legal (20/30), based on a cost-factor developed by TD.
  - b. For details of this cost-factor, please see General Order 153, Section 9.13.
4. Utilities must report costs and lost revenues that they seek to recover from ULTS program in accordance with the instructions set forth in GO 153. Utilities shall not be reimbursed for costs and lost revenues that are not reported in the manner prescribed by GO 153.
5. Claims shall be reported to the nearest cent.
6. Utilities shall report on the ULTS Claim Form the weighted-average number of ULTS customers served by the utility during the period covered by the Claim Form. In calculating the weighted average, the “weight” of each ULTS customer shall be based on the number of days the customer was billed for ULTS during

the period covered by the ULTS Claim Form. The weighted-average number of ULTS customers shall be broken down into measured-rate local service and flat-rate local service.

7. Utilities shall report on the ULTS Claim Form the number of new ULTS service connections for the period covered by the Claim form, broken down into new connections for measured-rate local service and flat-rate local service.
8. The following table summarizes the proper assessment and billing of surcharges, taxes, and fees:

<b>PROPER ASSESSMENT AND BILLING OF SURCHARGES/SURCREDITS, TAXES, AND FEES</b>				
	<u>Assess on ULTS services billed to ULTS customers</u>	<u>Assess on ULTS services billed to federal programs</u>	<u>Assess on ULTS services billed to ULTS Fund *</u>	<u>Assess on Other Elements</u>
<b>ILEC's Bill &amp; Keep /Rate Case Surcharge/Surcredit</b>	Yes - Paid by Customers	Yes - Paid by ULTS	Yes - Paid by ULTS	None
<b>Public Programs Surcharges **</b>	No	No	No	None
<b>PUC User Fee</b>	Yes - Paid by Customers	Yes - Paid by ULTS	Yes - Paid by ULTS	ILEC's Bill & Keep/Rate Case Surcharge/Surcredit - Paid by ULTS
<b>Federal Excise Tax</b>	Yes except for new service connection charges - Paid by Customers	Yes except for new service connection charges - Paid by ULTS	Yes except for new service connection charges - Paid by ULTS	EUCL, ILEC's Bill & Keep/Rate Case Surcharge/Surcredit, PUC User Fee, and City & Local Taxes - Paid by ULTS
<b>911 Tax</b>	No	No	No	None
<b>City &amp; Local Taxes</b>	If ULTS services are not exempted - Paid by Customers	If ULTS services are not exempted - Paid by ULTS	If ULTS services are not exempted - Paid by ULTS	None
* ULTS services billed to the ULTS Fund include (i) ULTS connection charges, (ii) ULTS conversion charges, (iii) discounted monthly rates for local service, and (iv) untimed local calls.				
** Public Program Surcharges include California High-Cost Fund-A, California High-Cost Fund-B, California Relay Service and Communications Device Fund, California Teleconnect Fund, and Universal Lifeline Telephone Service.				
Carriers should report and bill the ULTS Fund for items identified as "Paid by ULTS".				

9. All required workpapers as identified below should be provided in Microsoft's Excel format and stored in a 3-1/2 inch diskette(s) or a compact disc(s).

Required workpapers for lost revenues reported in Lines 1 through 12 of the Claim Form:

	(Col A)	(Col B)	(Col C)	Col D	(Col E)	(Col F)	(Col G)	(Col H)	(Col I)	(Col J)
(Row 1)	<u>Line # of the Claim Form</u>	<u>Service/Description</u>	<u>Name of ILEC where services (Col B) provided</u>	<u>ILEC's Rate/Charge (Col C)</u>	<u>Lower of Utility or ILEC's Rate/Charge (Col D)</u>	<u>Quantity</u>	<u>Total Expected Revenue</u>	<u>Amount Billed to ULTS Customers</u>	<u>Amount Billed to Federal Programs</u>	<u>Amount Billed to ULTS Fund</u>

- If any line-item (Col A) includes more than one service element, each service element should be separately identified. For example, connection charges (Line 1) may include service order and central office.
- If any service/service element (Col B) has more than one regulatory treatment, each regulatory treatment for that service should be separately identified by providing additional description. For example, the federal Link-Up program is not available to the second ULTS lines, therefore the connection charges for disabled customers (Line 7 of the Claim Form) should be further broken down by the 1<sup>st</sup> and the 2<sup>nd</sup> ULTS lines.
- The quantity (Col F) for the discounted measured-rate and flat-rate local services should be the weighted-average number of customers as defined in Paragraph 6 of these instructions.

Required Workpapers for the following operating and implementation costs:

	• data processing (Lines 16/26 of the Claim Form)				• service representative costs (Lines 19/29)	
	• customer notification (Lines 17/27)				• legal (Lines 20/30)	
	• accounting (Lines 18/28)					
	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)	(Col F)
(Row 1)	<u>Line Number of the Claim Form</u>	<u>Cost Description</u>	<u>Direct Labor</u>	<u>Direct Material</u>	<u>Equipment/Depreciation Expense</u>	<u>Overhead Indirect/Shared Costs</u>

- The implementation costs for any line-item (Col A) may include methods and procedures development, training, special customer notification, system revision, etc.
- To facilitate timely process of the Claim Form, supporting documents should be made available to TD, upon request, within 5 business days.

Required Workpaper for the recovery of bad debt costs (Line 24)

	(Col A)	(Col B)	(Col C)	(Col D)	(Col E)
(Row 1)	<u>Line Number of the Claim Form</u>	<u>Bad Debts based on Amount of Normal</u>	<u>Bad Debts based on Amount of</u>	<u># of Accounts for bad debts reported</u>	<u>Repayment of Previously Claimed</u>

		Required Deposit	Actual Bad Debt	in Col B or Col C	Bad Debts

**General Order 153**

Appendix E

**TIMELINE FOR PROCESSING CUSTOMER'S ULTS QUALIFICATION**

## QUALIFICATION PROCESS

### New ULTS Customers (Certification):

- 5 days from the receipt of ULTS customer data records from carriers send partially completed Certification forms to new ULTS customers.
- 30 days for customers to return completed Certification forms.
- If Certification form is not returned within 15 days, CertA sends a reminder to the customer.
- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing.
- 15 days for disqualified customers to respond.
- 15 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers;
  - send list of re-qualified customers to carriers for conversion back to ULTS services from the original ULTS service date.
- 15 days for disqualified customers to complain/appeal to the CPUC.

### Existing ULTS Customers (Verification):

- 60 days prior to the customers' re-certification date send customers Verification forms.
- 30 days for customers to return completed Verification forms.
- 7 days for CertA to:
  - finalize review;
  - send letters of qualification or disqualification to customers;
  - flag disqualified customers for possible 2<sup>nd</sup> review and final determination;
  - send list of qualified customers to carriers.
- 15 days for disqualified customers to respond.
- 7 days for CertA to:
  - finalize customers' appeals;
  - send letters of qualification or disqualification to customers; and
  - send list of qualified and disqualified customers to carriers for appropriate billing (after 2<sup>nd</sup> review).

- For service re-grade, rate change should begin in the next bill rendered to customers after notification from CertA.
- 15 days for disqualified customers to complain/appeal to the CPUC.

**(END OF APPENDIX A)**