

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Local Phone Services, Inc. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange Services Within the Local Service Territories of Pacific Bell Telephone Company, Verizon California, inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc., and to provide Facilities-Based and Resold Interexchange Service throughout California.

Application 05-08-003
(Filed August 3, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUIRING APPLICANT TO FILE ADDITIONAL INFORMATION
WITHIN 30 DAYS IN ORDER TO AVOID DISMISSAL OF APPLICATION**

On August 3, 2005, Local Phone Services, Inc. (Applicant) filed this application for a certificate of public convenience and necessity (CPCN) authorizing the provision of limited facilities-based and resold local exchange and interexchange services in California.

The application admits that Applicant has a record of regulatory and legal violations in Kansas. The application states that:

- Applicant failed to make required contributions to the Kansas Universal Service Fund and is currently being audited by the Kansas Public Service Commission (KSC) to determine the amount owed;
- Applicant was offering long-distance services to customers in Kansas without authorization from KSC. KSC denied an application by Applicant for authorization to provide long-distance services, pending completion of KSC's investigation and audit of Applicant. KSC has ordered Applicant

to cease and desist offering and providing long-distance services in Kansas, except to Applicant's existing customers.

- Applicant was offering three custom calling features to customers that were not included in its tariffs, and Applicant's late payment fee was not included in its tariffs.
- KSC's audit confirmed that Applicant's pre-2004 billing statements and disconnect policy did not meet KSC requirements.

My independent research also disclosed that Applicant has a history of significant regulatory problems in the State of Kansas.

On September 6, 2005, I directed Applicant by letter to submit additional information regarding its business activities in other states and pending investigations or enforcement actions including current status of any investigations or proceedings against Applicant in the State of Kansas by no later than September 27, 2005. The purpose of my request was to ensure that the Commission has complete information regarding Applicant's operations in other states and to permit Applicant an opportunity to explain the circumstances which led up to its regulatory problems in the State of Kansas, as well as any mitigating factors.

To date, Applicant has not made the required supplemental filing.

In addition, in late September 2005, the managing auditor of the Kansas Corporation Commission notified the staff of this Commission that several enforcement proceedings are pending against Applicant in the State of Kansas and that Applicant has not yet come into compliance with certain Kansas regulatory and legal requirements. A copy of the information provided by the Kansas Corporation Commission is attached as Attachments 1-44 to this ruling. (Attachments 2-44 are provided on the enclosed compact disk.)

Therefore, **IT IS RULED** that:

1. Applicant shall file a supplemental filing which contains the information requested in my letter dated September 6, 2005 within 30 days of the date of this ruling. Applicant's response shall be verified under penalty of perjury.

2. In order to ensure that due process requirements are met, Applicant may also respond to the information provided by the Kansas Corporation Commission (Attachments 1-44) in the above-described supplemental filing.

3. Applicant shall make the supplemental filing in accordance with the Commission's Rules of Practice and Procedure. Applicant may contact the Commission Public Advisor's Office at 1/866/849-8390 or 1/866/849-8391 for assistance with procedural questions.

4. Applicant shall also send a copy of the supplemental filing directly to me at 505 Van Ness Ave., Room 5041B, San Francisco, CA 94102 within 30 days of this ruling. In order to expedite review of this application, Applicant may also fax a copy of the supplemental filing to me at (415) 703-1723 or e-mail it to me at tom@cpuc.ca.gov.

5. If Applicant fails to make a satisfactory supplemental filing by no later than 30 days after the date of this ruling, I shall prepare a decision recommending denial of the application by the Commission, based on Applicant's failure to complete the application and its history of regulatory problems in the State of Kansas.

Dated October 18, 2005, at San Francisco, California.

/s/ MYRA J. PRESTIDGE

Myra J. Prestidge
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requiring Applicant to File Additional Information Within 30 Days in Order to Avoid Dismissal of Application on all parties of record in this proceeding or their attorneys of record.

Dated October 18, 2005, at San Francisco, California.

/s/ KE HUANG

Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

[Prestidge Ruling Attachment 1](#)