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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of IPC Systems, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Non-Dominant Interexchange Carrier.	Application 25-09-002

ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING UPDATING ISSUES AND SCHEDULE AND DIRECTING RESPONSES TO QUESTIONS

This Assigned Commissioner's Ruling (ACR) amends the Scoping Memo and Ruling issued on December 3, 2025 (Scoping Memo). This ACR adds several issues to the scope to consider.

IPC has provided service in California since July 1, 2025 without prior Commission authorization.[1] IPC is therefore required to remit past-due California Public Purpose Program surcharges (surcharges),[2] related interest,[3] and Public Utilities Commission Reimbursement Fees (user fees).[4] Given these requirements, it is appropriate to consider whether IPC still proposes to pay

[1] IPC Application at Appendix D.

[2] Surcharges include the Universal Lifeline Telephone Service (Pub. Util. Code § 879 and §§ 270 *et seq*.); the Deaf and Disabled Telecommunications Program (Pub. Util. Code § 2881 and §§ 270 *et seq*.); California High Cost Fund-A (Pub. Util. Code § 275, § 739.3 and §§ 270 *et seq*.); California High Cost Fund-B (Pub. Util. Code § 276, § 739.3 and §§ 270 *et seq*.); California Teleconnect Fund (Pub. Util. Code § 280 and §§ 270 *et seq*.); and California Advanced Services Fund (Pub. Util. Code § 281).

[3] *See* D.22-10-021 at 75, Ordering Paragraph (OP) 1; D.98-01-021 at OP 11, *as modified by* D.98-04-068; General Order (G.O.) 153-A at Rule 11.

[4] Pub. Util. Code §§ 401-410, 431-435.

$2,000 for violating Public Utilities (Pub. Util.) Code Section 1001. Additionally, it is appropriate to consider whether IPC should pay a separate penalty for failure to pay user fees, pursuant to Pub. Util. Code Section 405.

This Amended Scoping Memo also provides a schedule for the resolution of these issues. All other events and dates included and ordered in the Scoping Memo remain in effect and unchanged.

To resolve these additional scoping questions, the record is reopened. IPC shall file and serve a response to the questions below by September 18, 2026. The Proposed Decision issued on August 13, 2026 is being withdrawn and the decision will not appear on the September 17, 2026 agenda. The assigned Administrative Law Judge will issue a new proposed decision after the record on the new scoping issues is submitted.

1. Procedural Background

On December 3, 2025, The Assigned Commissioner issued the Scoping Memo, which listed the following issues:

1. Whether IPC intends to offer wireline telecommunications services.
2. Whether the Commission has jurisdiction over the services IPC intends to provide.
3. Whether IPC meets all of the Commission requirements, including but not limited to financial, technical, and California Environmental Quality Act requirements for a Certificate of Public Convenience and Necessity (CPCN).

On August 13, 2025, a Proposed Decision was issued that resolved the issues identified in the December 3, 2025 Scoping Memo.

Based on IPC’s statement in its application that it began offering services before receiving Commission authority, the Proposed Decision found that IPC violated Pub. Util. Code Section 1001 and ordered IPC to pay a penalty of $2,000 for contracting with customers without a certificate of public convenience and necessity from July 1, 2025 to September 11, 2025.[5] The ordered penalty matched the amount IPC proposed to remit to address its provision of services prior to receiving authority.[6]

Opening comments on the Proposed Decision were due on September 2, 2026, and none were filed.

2. Updated Proceeding Scope

All telephone corporations operating in California are required to assess, collect, report, and remit surcharges, and report and remit user fees.[7] Service providers are assessed interest at an annual rate of 10 percent accrued interest for late remittance of surcharges owed to the Commission.[8] Pub. Util. Code Section 405 also gives the Commission discretion to enforce a late payment penalty of 25 percent of user fees due on delinquent payments.[9]

To remit their past owed surcharges and user fees, a service provider must provide the Commission's Communications Division with a summary of (1) its total monthly gross intrastate revenue subject to user fees for regulated voice services provided in California from July 1, 2025 to the issuance date of the

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[5] Proposed Decision at 16, 30-31, OP 14.

[6] Proposed Decision at 25, Finding of Fact 31.

[7] Pub. Util. Code §§ 401 *et seq.* and §§ 431 *et seq.*; D.22-10-021 at OP 1; G.O. 153 at Section 11.1.1; *see also* CPUC Telephone Surcharges Reporting and Payment Filing Directions, *available at* https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/instructions-for-filing; CPUC User Fee, *available at* https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/telecommunications-surcharges-and-user-fees/cpuc-user-fee.

[8] D.98-01-023, *as modified by* D.98-04-068; G.O. 153-A at Rule 11.2.1.

[9] Cal. Pub. Util. Code § 405.

CPCN decision, and (2) the number of access lines served each month from July 1, 2025 to the issuance date of the decision granting authority. The Commission is unable to issue an accounting of past surcharges and user fees before the applicant provides the necessary information for the Commission to determine the amount owed.

Here, IPC began offering service on July 1, 2025. Accordingly, it is appropriate for the Commission to assess past owed surcharges, user fees, and related interest on the surcharges. The Commission also may assess a penalty for late remittance of the user fees pursuant to Pub. Util. Code Section 405, in addition to a penalty for violation of Pub. Util. Code Section 1001. However, the Commission will not consider a decision on an issue not included in the Scoping Memo. Therefore, I will update the Scoping Memo in a fashion that is intended to develop the record to assess this question.

In light of this, the additional scoping questions are:

4. Given that IPC is required to pay past-due surcharges, interest on the surcharges, and past-due user fees for provision of service in California without authority beginning July 1, 2025, should IPC also pay its initially proposed penalty for violating Pub. Util. Code Section 1001?

5. Pursuant to Pub. Util. Code Section 405, should IPC pay a penalty of up to 25 percent of the user fees?

If the answer to these scoping questions is yes, the penalty for failure to pay the user fees and for violating Pub. Util. Code Section 1001 would be added to the past-due surcharges, interest on the surcharges, and past-due user fees.

3. Additional Information Needed to Resolve the Amended Issue and Schedule

By September 18, 2026, IPC is directed to provide responses to the questions below. The first two questions are relevant to resolving the additional scoping issues. The third question is relevant to the schedule for resolution, which, as described in the Section titled "Schedule" below, varies depending on whether IPC elects to stipulate to shortening or waiving public comment on a revised proposed decision.[10]

1. Does IPC still stipulate to pay its $2,000 penalty for violating Pub. Util. Code Section 1001? If not, please provide a response explaining your reasoning.
2. Does IPC stipulate to pay a late payment penalty of 25 percent assessed on user fees, beginning July 1, 2025, the date it began providing service in California? If not, please provide a response explaining your reasoning.
3. Does IPC stipulate to waiving or shortening to three days its opportunity for public comment on the revised proposed decision?[11]

4. Schedule

The final schedule will flow from IPC's response on this ruling, as follows:

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[10] Commissions Rules of Practice and Procedure at Rule 14.6(b).

[11] *See* Commission Rule of Practice and Procedure 14.6(b). "The Commission may reduce or waive the period for public review and comment on proposed decisions and their alternates, where all the parties so stipulate, and on draft resolutions and their alternates, where all persons identified in subsection (1), (2), (3) or (4) of Rule 14.2(d) so stipulate." As the only party to the proceeding, if IPC stipulates to waiving or shortening its comment opportunity, the Commission may choose to waive or shorten the Comment period.

Schedule if IPC agrees to (1) paying a $2,000 penalty for operating in California without authority, and (2) waiving the proposed decision comment period/reducing the comment period to three days	
IPC response to ACR	9/18/26
Revised Proposed Decision	No sooner than 9/28/26
Final Decision	No sooner than 10/8/26
Schedule if IPC agrees to paying a $2,000 penalty for operating in California without authority, but not to waiving or shortening the proposed decision comment period	
IPC response to ACR	9/18/26
Revised Proposed Decision issues for comment	No sooner than 9/25/26
Final Decision	No sooner than 10/29/26
Schedule if IPC does not agree to (1) paying a $2,000 penalty for operating in California without authority, or (2) waiving or shortening the proposed decision comment period	
IPC response to ACR	9/18/26
Revised Proposed Decision	TBD
Final Decision	TBD

IT IS RULED that:

1. The proceeding scope and schedule is updated to include resolution of Issues 4 and 5 as identified by this Amended Scoping Memo as set forth above and adopted.

2. Aside from adding Issues 4 and 5 to the proceeding scope and adopting a schedule for resolution, all other issues, determinations, events, and dates included and adopted in the Scoping Memo and Ruling dated December 3, 2025, shall remain in effect and unchanged.

3. IPC shall file and serve a response to the questions in this Scoping Memo by Friday, September 18, 2026.

This order is effective today.

Dated September 8, 2026, at San Francisco, California.

/s/ CHRISTINE HARADA
Christine Harada
Assigned Commissioner