

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIAOrder Instituting Rulemaking Regarding Revisions to
the California High Cost Fund B Program.Rulemaking 09-06-019
(Filed June 18, 2009)**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK
FOR SUBSTANTIAL CONTRIBUTIONS TO DECISIONS (D.) 12-12-038, D.09-07-020,
D.08-09-042, D.07-12-054, AND RESOLUTION T-17143**

Claimant: The Utility Reform Network (TURN)	For contribution to Decisions (D.) 12-12-038 (Basic Service), D.09-07-020 (CASF), D.08-09-042 (Price Cap), D.07-12-054 (CASF), and Resolution T-17143
Claimed (\$): \$490,927.31	Awarded (\$): \$490,927.31
Assigned Commissioner: Michael R. Peevey	Assigned ALJ: Thomas R. Pulsifer

PART I: PROCEDURAL ISSUES**A. Brief Description of Decisions and Resolution:**

TURN's compensation request covers multiple decisions adopted over a 5-year period. Taken together, these decisions constitute the California Public Utilities Commission's (CPUC or Commission) work to revise the Commission's California High Cost Fund-B and to devise different market mechanisms to encourage competition in high cost areas. As part of this effort, the Commission adopted two decisions and a resolution to create the California Advanced Services Fund (CASF). The Commission also adopted transitional price caps and revised the definition of basic service to facilitate market entry by alternative technology service providers.

B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	N/A	N/A
2. Other Specified Date for NOI:	N/A	N/A
3. Date NOI Filed:	November 29, 2006 April 19, 2010	Correct
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	Rulemaking (R.) 06-06-028 R.09-06-019	Correct
6. Date of ALJ ruling:	January 15, 2008 October 10, 2011	Correct
7. Based on another CPUC determination (specify):	N/A	
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	Application (A.) 05-02-027 A.08-05-023	Correct
10. Date of ALJ ruling:	November 4, 2005 April 22, 2009	Correct
11. Based on another CPUC determination (specify):		
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-12-038	Correct
14. Date of Issuance of Final Order or Decision:	December 24, 2012	Correct
15. File date of compensation request:	February 22, 2013	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
B.3	XX		The Commission closed R.06-06-028 and opened R.09-06-019 as a “successor proceeding.” TURN properly filed its NOI for work performed in R.06-06-028 and was granted an award of substantial contribution for its work toward the Phase 1 decision, D.07-09-020. Upon the commencement of R.09-06-019, TURN filed a revised NOI and, on October 10, 2011, ALJ Pulsifer found TURN eligible to request compensation for its work in both R.09-06-019 and R.06-06-028 upon Commission adoption of a Final Decision in this docket. Although work will continue in this docket, it will be more focused on potential high cost analysis and auction mechanisms.
B.13	XX		Including work toward D.09-07-020 (CASF), D.07-12-054 (CASF), Resolution T-17143 The Commission created the CASF in Phase 1 and began its implementation work on the California Advanced Services Fund in the second phase of R.06-06-028. The process to develop rules and standards for the new grant program was spread over two years. The Commission set up initial rules in D.07-12-054 with clear intent to continue the process during 2008. The work on these issues continued with Resolution T-17143, June 2008 and D.09-07-020. TURN is requesting compensation for its work on all of these decisions as a consolidated effort on issues relating to the California Advanced Services Fund coming from the changes to the CHCF-B.
B.13	XX		Including work toward D.08-09-042: The Commission adopted D.08-09-042 as a continuation of its work in Phase 1 of this docket (at 7). In it, the Commission set transitional rate caps and a date for the elimination of rate caps on local basic service for Uniform Regulatory Framework carriers as an interim step in opening up the markets to broader competition. The Commission originally requested comment on these issues as related to an auction mechanism; however, the Commission found the rate cap issue was a prerequisite to discussion of an auction mechanism or other marketing opening strategies. It, therefore, adopted a separate decision on price cap issues while intending to work toward development of market mechanisms.
B.13	XX		Including work toward D.12-12-038: The Commission adopted D.12-12-038 as the culmination of over four years of proceedings on the redefinition of basic service. After several rounds of comments spanning over two dockets, months of working groups, multiple public participation hearings and nine versions of the Proposed Decision, the Commission adopted D.12-12-038. The initial motivation for this work was to define a standard offering to be used in an auction mechanism, but eventually the Commission recognized that this effort was a prerequisite for broader work on opening markets to alternative service providers.

PART II: SUBSTANTIAL CONTRIBUTION**A. Claimant's description of its claimed contribution to the final decisions**

Contribution	Specific References to Claimant's Presentations and to Decision	Showing Accepted by CPUC
<p>Definition of Basic Service</p> <p>Below, TURN breaks out numerous examples of its substantial contribution to the multiple interrelated issues covered by the Commission Decisions at issue in this compensation request. However, because of the length and complexity of the proceedings, it is difficult to encapsulate hundreds of pages of filed comments and hours of participation in working groups and workshops into direct examples of where the Commission may have agreed with TURN's position and included it in one of the Decisions discussed here. TURN did not attempt to comprehensively cite to all of the sets of comments it filed either on its own or jointly. In particular, TURN filed numerous sets of comments during the Proposed Decision phase that responded to changes in the PD and Alternate but the comments covered similar issues each time. TURN did not cite to each of those comments in the discussion below.</p> <p>Overall, TURN, along with other intervenors, was an active and critical part of the consumer voice in this docket. TURN's knowledge, experience, and resources contributed overall to expand the record and strengthen the level of discourse on these issues. While no single party can demonstrate substantial contribution on all of the issue, TURN's participation undeniably contributed to the overall value and effectiveness of the proceeding and resulting Decisions.</p>		Yes

<p>Definition of Basic Service – Public Input</p> <p>TURN consistently urged the Commission to create a process for accepting public input into the proposals for revising the definition of basic service. TURN argued that millions of customers will be affected by these changes and should have an opportunity to not only express their opinions but be fully informed about the proposals being considered.</p> <p>TURN filed two Motions requesting Public Participation Hearings or, in the alternative, some other process to solicit public input into the issue of revising the definition of basic service. The first Motion requests that the Commission create a “meaningful opportunity” for customers to discuss their expectations for basic phone service. The second Motion, filed jointly with DRA, focused on the need to notice customers about potential rate increases in basic service but also reiterated the overall importance of including public comment on the definition of basic service.</p> <p>Although the Assigned Commissioner initially found TURN’s request “premature,” she did agree with TURN that PPHs were a necessary part of the process. “...it is our intention to hold at least one public hearing on this topic [definition of basic service] in the future.” Subsequently, in 2010, the Assigned Commissioner clarified that “before adoption of any changes in the requirements of basic telephone service, a series of PPHs would be scheduled ...Public input will help ensure that basic service continues to meet essential customer needs...”</p> <p>In December 2010, the Commission set a schedule for seven PPHs to be held in March 2011. TURN worked with Commission staff on the PPHs, meeting with staff to provide its input on the Straw Proposal to be presented at the PPHs and the</p>	<p>TURN Reply Comments on Phase II ACR, November 28, 2007, at 5.</p> <p>Motion of TURN to Implement a Process to Elicit Public Input, February 19, 2008.</p> <p>Motion of DRA and TURN for Public Notice, Public Input, and Deferral of the Transitional Basic Rates Increases, September 17, 2008.</p> <p>Assigned Commissioner’s Ruling (R.06-06-028), May 28, 2008, at 28.</p> <p>Assigned Commissioner’s Ruling (R.09-06-019), February 11, 2010, at 6.</p> <p>Assigned Commissioner’s Ruling (R.09-06-019), May 10, 2010, at 6.</p> <p>Assigned Commissioner’s Ruling (R.09-06-019) December 24, 2010.</p> <p>D.12-12-038, at 15-16, 32.</p>	
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<p>messaging/explanation of the process and substantive issues that would be used at the PPHs.</p> <p>The Final Decision on the basic service definition acknowledged the PPHs and relied, in part, on public comment to determine that many current elements of basic service are still important to their households, including flat rate services, reliable 911 and service in their homes. “As expressed by speakers at the PPHs held during March 2011, more vulnerable sectors of the public are not prepared or equipped to forfeit current protections offered through wireline basic service.”</p>		
<p>Definition of Basic Service-Procedure</p> <p>Even in its initial set of comments in 2007, TURN urged the Commission to prioritize its work on the definition of basic service in order to ensure that its market-opening mechanisms provided a reliable and functional service to COLR customers. Therefore, as a preliminary matter the Commission must create a standard definition to allow the Commission to compare bids in any auction process.</p> <p>The multi-party Working Group process, of which TURN was an active participant, came to the same conclusion, urging the Commission to focus on a definition of basic service and declaring this to be a “threshold issue.”</p> <p>Despite calls from carriers to quickly transition CHCF-B monies to a different market opening mechanism, the Commission determined that it must focus on the definition of basic service prior to moving forward with any reverse auction pilot or other process. “In considering reforms to the B-Fund and the LifeLine programs, a threshold issue is updating the definition and requirements of ‘basic telephone service.’” And later the Commission noted that the definition should</p>	<p>TURN Opening Comments on Phase II ACR, November 9, 2007, at 16, 45-48.</p> <p>Progress Report of Working Group 1, February 21, 2008.</p> <p>TURN Opening Comments on ACR Re: Reverse Auction Design, June 24, 2008, at 4-5</p> <p>TURN Opening Comments on ACR re: Reverse Auction Status, March 19, 2010, at 7-11.</p> <p>Assigned Commissioners Ruling (R.09-06-019/R.06-05-028), May 10, 2010, at 2.</p> <p>D.12-12-038, at 8.</p>	<p>Yes</p>

be “resolved as a priority” before proceeding with further steps toward an auction.		
<p>Definition of Basic Service- Value of Elements</p> <p>TURN advocated for an approach to the definition of basic service that recognizes even though newer technologies may be moving the industry in a different direction, most consumers continue to see the value in and rely on wireline basic service features and functions. Abandoning current basic service obligations would be harmful to customers by ignoring those customers’ essential needs and pushing service toward the lowest common denominator, especially those vulnerable customers with special needs.</p> <p>TURN also opposed the specific proposal made by Cox and other carriers to abandon the Commission’s definition in favor of the FCC’s definition of basic service.</p> <p>To support its proposals, in multiple sets of comments, TURN relied not only on its economic expert Dr. Roycroft and current FCC and CDC reports, but also introduced a survey commissioned specifically for this docket. Relying on the survey, TURN responded to numerous questions posed by the Commission in multiple ACRs in this docket. In its June 2008 comments, TURN submitted a declaration by the author of the survey to support the methodology and outcomes.</p> <p>The Commission responded to TURN’s advocacy by recognizing that, a “technology neutral definition does not mean settling for the lowest common denominator of service standards...Essential basic needs, particularly among the most vulnerable segments of the customer base,...must continue to be met...” and that, “these statistics [FCC, Affordability Study] indicate that most customers still value</p>	<p>TURN Opening Comments on ACR RE: Reverse Auction Design, June 24, 2008, at 9-11, 13-15, 16-18, Attachment 2.</p> <p>TURN Reply Comments on ACR RE: Reverse Auction Design, July 15, 2008, at 27-31.</p> <p>Consumer Groups Opening Comments on ACR and Amended Scoping Memo, May 28, 2010, at 2-7, 14-15.</p> <p>TURN Reply Comments on ALJ Ruling, May 31, 2011, at 4-9, 21-24.</p> <p>D.12-12-038, at 13, 16, 17.</p>	Yes

<p>features currently available through wireline basic service.”</p> <p>The Commission also rejected the carriers’ proposal to adopt the FCC’s definition of basic service because it, “lack[s] sufficient detail or clarity to apply for our purposes here.”</p>		
<p>Definition of Basic Service- Elements</p> <p>The parties to this docket were presented with numerous “straw proposals” for revisions to the definition of basic service. TURN provided no fewer than 6 sets of comments on these proposals. This work is in addition to the preliminary work on the definition of basic service more directly related to the auction mechanism discussions in earlier years. Further, TURN provided an additional 6 sets of comments on the numerous revisions to the Proposed Decision and Alternate Decision regarding the elements of basic service and specific service quality standards.</p> <p>TURN generally took consistent positions on the requirements for basic service and those positions are reflected in many of the elements adopted by the Commission in December. Below, TURN summarizes its position and the Commission’s Final Decision on several of the key elements. Citations are provided to the Commission’s adopt set of rules in Appendix A of the Decision. However, TURN is confident that its participation and advocacy, in general, can be seen as a substantial contribution to this long and detailed process.</p> <p>Unlimited incoming calls/flat rate service (D.12-12-038, Appendix A Section I. 4. (a),(b))</p> <p>TURN consistently argued that providers of basic service must be required to offer basic service plan that offered unlimited incoming and outgoing calls for a flat rate.</p>	<p>TURN Opening Comments on ACR RE: Reverse Auction Design, June 24, 2008, at 20-37; Attachment 4.</p> <p>TURN Reply Comments on ACR re: Reverse Auction Design, July 15, 2008, at 6-26.</p> <p>Working Group 1 Progress Report, 2-21-08.</p> <p>Consumer Groups Opening Comments on ACR and Amended Scoping Memo, May 28, 2010, at 12-33.</p> <p>Consumer Groups Reply Comments on ACR and Amended Scoping Memo, June 18, 2010, at 16-44.</p> <p>TURN Opening Comments on ALJ’s Ruling, May 16, 2011, at 9-32.</p> <p>TURN Reply Comments on ALJ’s Ruling, May 31, 2011, at 24-36.</p> <p>TURN Opening Comments on the Peevey PD, December 5, 2011 (Reply December 12)</p> <p>D.12-12-038, Appendix A.</p>	<p>Yes</p>

It cited to the Lake survey as well as its expert affidavit and other evidence of the importance of unlimited calling to basic service customers and the affordability of basic service.

The adopted definition of basic service requires carriers to offer the option of unlimited incoming and outgoing calls without a per-minute or per-call charge.

Provision of Directory Services (Section I.3.(a), (d))

Although the Commission's proposal on directory issues changed several times, TURN consistently advocated for free access to a local directory and quality access to directory assistance, including the ability for a customer to choose a listed or unlisted number.

The Commission's adopted definition maintains the requirement for all basic service providers to provide access to **local** directory assistance for an area at least as large as current basic exchange areas. It also requires all basic service providers to provide free access to a **local** white pages directory and to offer a choice of whether to list or unlist a number upon request.

Unlimited calls to 8YY# (Section I.5)

Despite opposition from carriers, TURN pushed the Commission to require completely free calls to 8YY#s, including wireless customers where calls to these numbers would not use up minutes from their plans. TURN noted that a significant volume of business, especially social services, are done through 8YY calling so that if these calls used up minutes, low income customers would be disadvantaged.

The definition requires basic service providers to offer an option of free 8YY#s that will not use up minutes or require usage charges. It also requires carriers to fully disclose how 8YY# calls are handled and

<p>billed if usage charges apply.</p> <p>Reliable service to customer premises (Section I. 1. (c), (d), (e))</p> <p>This issue was a top priority to TURN. It consistently advocated that COLRs and other providers of basic service must be required to provide reliable, high quality service to the customer premises. Indeed, without this requirement, TURN argued, the Commission would not uphold its policy basis for requiring a minimum “basic service offering” nor would it be meeting the “essential needs” of customers in California.</p> <p>The requirement to offer reliable basic service to the customer premises was the subject of numerous revisions of the straw proposals and the Proposed Decision and Alternate. Ultimately, the Commission adopted a definition of basic service that explicitly requires carriers to ensure it can provide voice grade service to the premises, requires disclosures of customers’ rights in this area, and provides consumer protections in the event of poor service.</p> <p>Reliable emergency communications (Section I.2)</p> <p>This was also a top priority issue for TURN. In numerous sets of comments, TURN advocated for strong requirements regarding 911 calling regardless of the technology used to provide the basic service offering. While no one advocated for the elimination of 911 calling from the definition, there was significantly varying positions regarding the level of detail necessary and need for state-specific requirements on this issue.</p> <p>The Commission made clear that this was a critical issue for the definition. While it did not adopt TURN’s initial proposals for this issue, the final definition has a strong set of requirements for 911 and emergency</p>		
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services for carriers to offer basic service, regardless of the technology used to provide the service and notes that mere compliance with FCC standards may not be sufficient for California-specific rules.

Presubscription (Section I.1.(a), (b))

In early comments, relying on the results from its customer survey, TURN strongly urged the Commission to maintain both a “local calling” element to the definition in order to ensure affordable calling for participation in community activities and services. TURN also advocated for continued presubscription requirements to ensure customer choice.

The definition requires carriers to offer an option of unlimited calling that “mirrors the local exchange or an equivalent or larger sized local calling area” and equal access “within the local calling areas in accordance with state and federal law and regulation.”

Service Quality Standards (Section II. (e))

First in the context of a reverse auction requirement and then subsequently as a critical safeguard for all customers, TURN advocated for a separate and specific set of service quality requirements to apply to all basic service providers regardless of technology used to provide the service. While TURN acknowledged that the standards themselves may need to be “fine-tuned” to allow different technologies to offer service, it argued that there should be strong minimum standards for service quality on a number of different aspects of the service. TURN initially urged the Commission to adopt these service quality standards as part of this effort and in this docket. However, in the alternative, TURN also supported the process of deferring this issue to the currently open Service Quality docket.

The Commission’s Final Decision agrees

<p>that it not only has a statutory obligation to ensure service quality standards but that high quality service is also a consumer protection issue. The Final Decision takes an interim approach to service quality while deferring significant issues to other dockets. It requires carriers to file a Tier 3 advice letter with specific information about the carrier's ability to comply with current service quality standards or a proposal for its own standards. Second, the Commission explicitly defers the issue of permanent standards to either a new docket or an expanded process in R.11-12-001.</p>		
<p>Price Cap- Transition</p> <p>TURN advocated for a multiple year rate freeze and a transition for increasing basic rates linked to inflation. TURN was concerned about rate shock and affordability impacts. It provided evidence that many other states continue to apply price caps and link basic service rates to certain indexes and provide for slow transitions for increases in rate caps.</p> <p>Pursuant to previous Commission decision, the rate caps on basic service were set to expire in January 2009. Despite pressure from several parties to immediately eliminate the rate caps, the Commission maintained its plan to set up transitional rate caps to "avoid rate shock while preserving affordability." The Commission also recognized that "normal" rate changes have a different affect than "dramatic" rate changes and wanted to address those concerns.</p> <p>Although the Commission agreed with TURN on the need for a transition mechanism, it did not accept TURN's specific proposal to limit rate increases to inflation, or to a maximum of 10% per year going forward. However, the Commission did "find[s] merit in TURN's proposal to limit rate increases based upon the rate of</p>	<p>TURN Opening Comments on Phase II ACR, November 9, 2007, at 16, 45-48</p> <p>TURN Reply Comments on Phase II ACR, November 28, 2007, at 15, Declaration of Trevor Roycroft, at 7-8.</p> <p>D.08-09-042, at 4, 36.</p>	<p>Yes</p>

inflation.” Even though carriers strongly advocated for higher and faster increases suggesting that competition will protect consumers throughout the state.		
<p>Price Cap-affordability</p> <p>TURN argued that a state-wide affordability study was a prerequisite for the Commission to consider proposals allowing rate increases or elimination of caps. Most carriers argued that affordability should not even be a consideration in developing Commission policy in this area because of the earlier finding that competition will protect rates.</p> <p>TURN also requested clarification regarding the purpose of the previously-set \$36 benchmark for rates in high cost areas and whether the benchmark was intended to serve as an affordability benchmark and if the Commission expected rates to go as high as \$36.</p> <p>The Commission did not order a state-wide affordability study but did “find merit” in an affordability study to evaluate the effectiveness of the LifeLine program to assist with affordability. The Commission agreed with TURN that an affordability study to “analyze the impacts of the transition plan,” elimination of price caps and reforms to the LifeLine program and the impact on LifeLine customers would be valuable.</p> <p>TURN filed comments on the Proposed Decision opposing the fact that the PD failed to require an affordability study and generally did not properly address the affordability impacts of its proposals. The Final Decision included significant revisions on this issue including a much larger discussion of the Commission’s justification for not conducting a full-scale affordability study. In addition, the Final Decision included a requirement to do an affordability study relating to the impacts on</p>	<p>TURN Opening Comments on Phase II ACR, November 9, 2007, at 14-16, 45.</p> <p>TURN Opening Comments on the PD, July 21, 2008, at 14.</p> <p>TURN Reply Comments on the PD, August 4, 2008, at 4.</p> <p>D.08-09-042, at 32, 42-45, COL 28-29, OP 7, 8.</p>	Yes

<p>LifeLine customers that did not appear in the Proposed Decision.</p> <p>Further, the Commission clarified that the \$36 “high cost benchmark does not necessarily constitute an affordable stand-alone basic rate” and there was no attempt to correlate the benchmark with rates. The Commission also clarified that the \$36 includes other services within a bundle.</p>		
<p>Price Cap- high cost areas</p> <p>TURN advocated for a more general price cap, but in the alternative focused a significant portion of its comments on the need for a continuing cap in high cost areas.</p> <p>While the Commission did not adopt the specific protections for high cost areas advocated by TURN, it did adopt high cost protections, to last beyond the transition, despite arguments from some carriers (e.g. Sprint Nextel) that competition will protect high cost areas. Further, in response to TURN’s comments on the Proposed Decision, the High Cost Cap mechanism was revised to require a broader benchmark for comparison of the rates, looking at rates in the “aggregate California service territory” of those carriers rather than just serving areas adjacent to ILEC areas.</p>	<p>TURN Reply Comments on Phase II ACR, November 28, 2007, at 15, Declaration of Trevor Roycroft, at 13-15.</p> <p>TURN Opening Comments on PD, July 21, 2008, at 12-13.</p> <p>D.08-09-042, at 33-34, 47, FOF 30.</p>	<p>Yes</p>
<p>Price Cap- Lifeline</p> <p>TURN urged the Commission to continue a cap on LifeLine rates over the course of the transition even if it allowed basic service rates to increase.</p> <p>The Commission did not adopt a complete LifeLine freeze but agreed that the LifeLine rates “should not increase on the same percentage basis as the basic rate for non-LifeLine customers” and created a much stricter transitional cap for LifeLine rates than the increases it was allowing for standard basic service. This was a</p>	<p>TURN Reply Comments on PD, August 4, 2008, at 4.</p> <p>D.08-09-042, at FOF 29, OP 5.</p>	<p>Yes</p>

<p>significant development because by keeping rates lower for LifeLine customers, the Commission also had to revise General Order 156 to temporarily de-link LifeLine rates from regular basic service rates.</p>		
<p>CASF-Legal Issues</p> <p>A significant issue relating to the creation of the CASF was whether the Commission had the legal authority to take monies from the CHCF-B Fund and use them to subsidize broadband deployment to unserved and underserved communities. TURN argued that this would be an illegal use of B-Fund dollars citing statutory authority for the proposition that the funds in any of the public purpose program accounts can only be used for the intended purpose of that fund.</p> <p>The Commission’s Final Decision stated that the Commission would not, “divert or transfer CHCF-B funds as the CASF funds collection will be collected separately from the CHCF-B.”</p>	<p>Comments of TURN on Phase II Issues Relating to the CASF (9/26/07), at 4-6.</p> <p>Reply Comments of TURN on Phase II Issues Relating to the CASF (10/3/07), at 2-3.</p> <p>Comments of TURN on Interim Opinion Implementing CASF (12/10/07), at 2-5.</p> <p>D.07-12-054, at 12, FOF 5.</p>	<p>Yes</p>
<p>CASF-Legal Issues</p> <p>TURN also argued that the Commission would be wise to seek legislative approval for the creation of a new surcharge on ratepayers.</p> <p>While the Commission held that it had the requisite authority to create the CASF and impose a new surcharge on ratepayers to support that program, D.07-12-054 did rule that the Commission would seek legislation to amend P.U. Code Sec. 270 to “add the CASF to those handled by the State Treasury.” The decision also held that the Commission will also seek to “add a new section to Chapter 1.5 to provide specific direction to carriers fro remitting CASF collections and use of the funds by the Commission.”</p>	<p>Comments of TURN on Phase II Issues Relating to the CASF (9/26/07), at 6-8.</p> <p>D.07-12-054, at 13.</p>	<p>Yes</p>

<p>CASF-Eligibility</p> <p>TURN urged the Commission to expand eligibility to include wireless carriers as well as non-telecommunications entities such as municipalities, community-based organizations and ISPs. TURN argued that there would be a higher likelihood of broadband projects in unserved areas if eligibility were expanded. The incumbent telephone companies argued that only “telephone corporations” should be eligible to apply for CASF money.</p> <p>The Commission has been willing to expand its eligibility for CASF, although in smaller steps than TURN advocated. In response to TURN’s request, the Commission included wireless carriers in the initial eligibility. It also requested input on this specific issue of non-telecommunications entities participation in 2008, citing specifically to TURN’s proposal and currently has a docket open addressing, in part, this very issue. (R.12-10-012).</p>	<p>Reply Comments of TURN on Phase II Issues Relating to the CASF (10/3/07), at 4-6.</p> <p>Comments of TURN on Interim Opinion Implementing CASF (12/10/07), at 9-10.</p> <p>Comments of TURN on the ACR on Soliciting Comments on Revisions in the CASF (11/5/08).</p> <p>October 15, 2008 Assigned Commissioner Ruling at 2.</p> <p>D.07-12-054, at 34-35.</p> <p>R.12-10-012 OIR to Consider Modifications of the CASF.</p>	
<p>CASF-Offerings-Speed</p> <p>TURN proposed that the benchmark broadband speed should be 10 Mbps download and upload to avoid the service from being obsolete by the time the Commission adopts a decision and grant recipients deploy facilities. TURN also argued against efforts by established carriers to have the Commission adopt even lower broadband speeds than the 3Mbps down/1Mbps up proposed by the Commission. TURN also argued for some flexibility in the application of the speed criteria in instances where topography and vegetation, for example, render the deployment of faster networks infeasible.</p> <p>D.07-12-054 agreed with TURN that a broadband speed benchmark must be established and that it should be no lower</p>	<p>Comments of TURN on Interim Opinion Implementing CASF (12/10/07), at 6-9.</p> <p>Reply Comments of TURN on Phase II Issues Relating to the CASF (10/3/07), at 7-8.</p> <p>Reply Comments of TURN on Interim Opinion Implementing CASF (12/10/07), at 2-3.</p> <p>Further Comments of TURN in Response to the February 7, 2008 CASF Workshop (2/19/08), at 5-6.</p> <p>D.07-12-054, at 40-42.</p>	Yes

<p>than 3Mbps/1Mbps. While the Commission did not adopt TURN's proposal for 10Mbps/10Mbps, the decision stated that "While we are sympathetic to arguments that we adopt significantly fasted speed benchmarks, we believe that the 3/1 standards represent a reasonable balance at the onset of the program." The decision pledged to provide larger scores to those projects offering higher speeds. The Commission also agreed that some flexibility was necessary and stated that applications with lower speeds "may be funded."</p>		
<p>CASF-Offerings-Voice Service</p> <p>TURN argued against a requirement that CASF recipients must offer "a basic voice service." TURN expressed concerns that such a requirement would undermine competition from independent broadband providers and would also effectively limit the number of potential applicants given the difference between voice and broadband services. Finally, TURN argued that the Commission was effectively creating a new definition of basic voice service inconsistent with the established Commission definition.</p> <p>Initially the Commission required CASF recipients to offer voice, but explicitly addressed TURN's concern that the voice offering required by D.07-12-054 was only applicable to CASF providers. Subsequently however, in T-17143, the Commission eliminated the voice requirement for CASF and further clarified that those offering a voice service must comply with certain aspects of the current definition of basic service.</p>	<p>Comments of TURN on Interim Opinion Implementing CASF (12/10/07), at 10-11.</p> <p>Further Comments of TURN in Response to the February 7, 2008 CASF Workshop (2/19/08), at 4.</p> <p>Comments of TURN on Draft Resolution T-17143, Approval of the CASF Application Requirements and Scoring Criteria for Awarding CASF Funds (5/14/08), at 2-3.</p> <p>D.07-12-054, at 36-38.</p> <p>Resolution T-17143, at 22, 40.</p>	<p>Yes</p>
<p>CASF-Confidentiality</p> <p>TURN argued that while confidentiality is important, sufficient information from CASF applications must be revealed so that a potential alternate bidder could in fact present a credible competing proposal.</p>	<p>Further Comments of TURN in Response to the February 7, 2008 CASF Workshop (2/19/08), at 6-7.</p>	<p>Yes</p>

<p>Thus, TURN proposed that the bidder submit, and the Commission publish on its website, a detailed description of the proposed territory with electronic maps. The carriers proposed that the only information from a CASF application that would be made public should be a list of the CBGs for which an applicant is filing for a grant.</p> <p>In Resolution T-17143, the Commission agreed with TURN holding that “the list of CBGs and the shapefiles showing boundaries of areas where broadband projects will be posted on the Commission’s website.”</p>	<p>Resolution T-17143, at 6.</p>	
<p>CASF-Pricing</p> <p>During the implementation workshop and in comments submitted about that workshop TURN argued that CASF applicants disclose terms and conditions of their service offerings and requested clarification on the calculation/application of the pricing commitment. TURN also proposed that a CASF recipient not be permitted to increase pricing to end-users for three-years except for inflation increases. TURN also argued against a Verizon proposal that applicants should be able to include promotions or discounts in their calculations of the initial one-year price commitment.</p> <p>In Resolution T-17143, the Commission agreed with TURN holding that applicants must disclose all service restrictions, etc. The Resolution also clarified, per TURN’s request, that the pricing commitment was on per customer basis. Further, the Resolution agreed with TURN that the proposed recurring price should be exclusive of any promotions or discounts. While the Commission rejected TURN’s pricing proposal, TURN’s advocacy ensured that the pricing issue was fully explored by the Commission and the parties.</p>	<p>Further Comments of TURN in Response to the February 7, 2008 CASF Workshop (2/19/08), at 9.</p> <p>Comments of TURN on Draft Resolution T-17143, Approval of the CASF Application Requirements and Scoring Criteria for Awarding CASF Funds (5/14/08), at 3.</p> <p>Reply Comments of TURN on Draft Resolution T-17143, CASF (5/19/08), at 2.</p> <p>Resolution T-17143, at 13, 34-35.</p>	<p>Yes</p>

<p>CASF-Scoring Criteria</p> <p>TURN made a number of recommendations on scoring criteria including changes in the formula for assessing broadband speeds, changes in the weight assigned to the various scoring criteria, identifying inconsistencies and urging the Commission to add a criteria for low-income areas.</p> <p>In Resolution T-17143, the Commission agreed with several of TURN's comments and proposals, including clarifying the criteria and adding a criteria for low-income. Further, while the Commission did not adopt TURN's suggested modifications in the speed and pricing formulas, TURN submits that TURN's efforts on these issues assisted the Commission in fully vetting the approach proposed in the draft resolution.</p> <p>On the specific weighting of the various criteria, the Resolution adopted some of TURN's recommendations or modified the weighting to get very close to some of TURN's recommendations. For example, the Commission adopted TURN's proposal for the "speed" criteria, reduced the weighting for some criteria and increased the weighting (such as Pricing) for others.</p>	<p>Further Comments of TURN in Response to the February 7, 2008 CASF Workshop (2/19/08), at 9, 15-23.</p> <p>Reply Comments of TURN on Draft Resolution T-17143, CASF (5/19/08), at 1-2.</p> <p>Resolution T-17143, at 28.</p> <p>Resolution T-17143, at 26.</p>	
<p>CASF-AARA/BTOP</p> <p>Through a set of workshops and comments, the Commission looked for ways to coordinate CASF applications with applications for additional money through the American Recovery and Reinvestment Act and NTIA's Broadband Technology Opportunities Program (BTOP). TURN, in joint comments with DRA, expressed skepticism about close coordination between the two programs because the goals and implementation of the program were extremely different. However, if coordination was to occur, TURN argued for increased transparency in the CASF</p>	<p>Opening Comments of DRA and TURN on Decision Establishing New Filing Plan for CASF Projects (6/29/09).</p> <p>Reply Comments of DRA and TURN on Decision Establishing New Filing Plan for CASF Projects (7/6/09).</p> <p>D.09-07-020, at 6, 10, 14.</p>	<p>Yes</p>

<p>application in light of linkages between CASF and BTOP applications.</p> <p>The Commission moved forward with an attempt to coordinate the applications between CASF and BTOP and, in the process, adopted TURN's proposals to use the stricter BTOP requirements to ensure transparency and proper accounting and audit requirements for those projects seeking both CASF and BTOP money.</p>		
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B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA)¹ a party to the proceeding?	Yes	Correct
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Correct
c. If so, provide name of other parties: <p>Other intervenors included the National Consumer Law Center, the Disability Rights Advocates/Center for Accessible Technology, and the Greenlining Institute. There were also numerous parties representing various categories of industry participants including incumbent GRC LECs, URF carriers, competitive local exchange carriers, wireless carriers (prepaid and otherwise), and VoIP carriers.</p>		Correct
d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: <p>TURN worked extremely closely with DRA and other intervenor parties to ensure limited duplication of effort. Throughout this long process, TURN collaborated both formally and informally with various combinations of parties through strategy conference calls, joint filings, and preparation for key events such as working groups, workshops, and ex parte meetings. When appropriate, the consumer parties coordinated and shared work effort to conserve resources and increase efficiencies. Due to its commitment to this issue, TURN often took the lead in drafting pleadings or representing the consumer perspective in various fora. With its retained consultant, Dr. Roycroft and the work dedicated to</p>		We find that TURN's participation did not unnecessarily duplicate other parties' efforts.

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>ensuring public input through various motions and comments, TURN helped move the consumer voice forward while still coordinating with each of the intervenors to ensure consistent consumer representation. This was especially critical in light of the significant number of parties representing various industry perspectives.</p> <p>In sum, the Commission should find that TURN's participation was efficiently coordinated with the participation of other intervenors wherever possible, so as to avoid undue duplication and to ensure that any such duplication served to supplement, complement, or contribute to the showing of the other intervenor.</p>	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

a. Concise explanation as to how the cost of Claimant's participation bears a reasonable relationship with benefits realized through participation:	CPUC Verified
<p>Viewed together, TURN's work and substantial contributions to the decisions covered by this compensation request created numerous tangible and intangible benefits to California consumers. This is a large compensation request covering significant resources expended by TURN on this docket. At its most concrete, TURN's work on transitional price caps and the elimination of price caps for basic service directly protected the consumers' wallets by winning a longer transition period than proposed by the carriers, with a stricter cap on both basic service and LifeLine rates during the transition. While the avoided rate increases during that time would be impossible to calculate, current experiences with high percentage increases in basic rates suggest that there was inevitable savings over the course of the transitional cap.</p> <p>More generally, the Commission's decision to conduct an affordability study for LifeLine customers was a direct benefit not only for low income consumers but all ratepayers. Once the affordability study was complete and the Commission received input from the Public Participation hearings advocated by TURN, the Commission recognized that affordability is still a critical issue and must be balanced with its work to reduce barriers to competitive entry. In its 2012 Decision, the Commission stated numerous times that affordability was a significant priority and criteria for its decisions.</p> <p>Of course the main task of this combined docket, the creation of a potential reverse auction mechanism has yet to be finalized. But, California consumers no doubt benefited from advocacy by consumer groups like</p>	Correct

<p>TURN regarding the need to prioritize issues such as a definition of basic service and price cap/LifeLine rate formulas prior to marching forward with the reverse auction pilots. Embarking on a reverse auction without first resolving these issues could have been a folly of ratepayer surcharge payments.</p> <p>The changes to the definition of basic service, while not as concrete as rate increase or decreases, do have direct impact on customers of both wireline and wireless basic services. TURN's substantial contribution through its customer survey, expert consultant and strong advocacy not only urged the Commission to recognize that the current features and functions of basic service were still critically important to the ability to communicate with friends, family, neighbors and the community, but it ensured that customers could rely on specific disclosures regarding the availability of basic services, emergency services and billing arrangements. Further, customers will have specific service quality standards for these newer technologies.</p> <p>Finally TURN's work on the development of the California Advanced Services Fund benefitted both those customers who may be eligible to receive services from those projects funded by a CASF grant in addition to the majority of California basic service customers who pay a surcharge into the CASF fund. Through the contribution of TURN's work on transparency, scoring, eligibility, disclosures and product offerings, at least in part, the Commission developed the initial rules for CASF to protect those customers of grantee service providers and to ensure the surcharge money will be efficiently distributed.</p> <p>The Commission should therefore conclude that TURN's overall request is reasonable in light of the substantial benefits to California ratepayers that were directly attributable to TURN's participation in the case.</p>	
<p>b. Reasonableness of Hours Claimed</p> <p>TURN Hours</p> <p>This compensation request represents a significant amount of TURN's staff time and resources. The Commission prioritized the issues in this docket and related issues for the development of its telecommunications policy and, as a result, TURN made its work in this docket a priority as well. Due to the long duration of the docket, plus the multiple interrelated but distinct issues covered by the docket, all of TURN's telecommunications advocates recorded significant amount of time for the organization's efforts. Christine Mailloux and William Nusbaum took turns over the years serving as lead attorney on the case. Generally, Mr. Nusbaum took the lead on issues relating to CASF and Ms. Mailloux focused on the definition of basic service; however, both of them worked on other issues as well. Regina Costa and Trevor Roycroft were consistent contributors on each of</p>	<p>Under the specific circumstances of TURN's participation in this proceeding and for the limited purposes of the subject claim, we find the claimed number of hours and hourly rates per person to be reasonable.</p>

the issues covered by the compensation request, occasionally taking the lead on certain issues. Dr. Roycroft used his experience and background in multiple states to bring knowledge and breadth to TURN's advocacy in addition to his economist background to respond to numerous sets of carriers' comments on pricing, impact of competition, service quality, customer behavior, and marketplace realities. Mr. Finkelstein also worked on this docket at various points in the process, mostly in an advisory role. Given the complexity and importance of the issues in this rulemaking, the Commission should find that TURN's use of attorney and expert witness time was reasonable.

Auction Mechanism Hours

As this Commission is well aware, both R.06-06-028 and R.09-06-019 included a focus on designing a potential auction mechanism. The Commission has yet to issue a Final Decision that covers the issues specifically related to auctions or to cost updates to high cost areas as part of the auction process. After the final decision in December, Assigned Commission Peevey issued an ACR outlining the steps in this docket going forward and TURN will continue to be an active participant. For the purpose of this compensation request, TURN carefully analyzed its time records to split out those entries that focused exclusively or primarily on auction mechanism issues. TURN is not including those hours in this compensation request. However, in light of the long duration of this case and the interrelation of the issues, especially throughout 2007-2008 and even in R.09-06-019, it was not always possible to be completely comprehensive. TURN urges the Commission to accept its apportionment of its time between those issues covered in this compensation request, as identified by the issue codes discussed below, and time entries deferred to a later stage of R.09-06-019. If the Commission needs additional document on this effort, TURN will work with the Commission to provide that information.

Working Group Effort

As the Commission is well aware, all stakeholders dedicated significant resources to the Working Group process created by the Commission in this docket. TURN had representatives on both Working Groups. Dr. Roycroft and Regina Costa took the lead for Working Group 2 and Christine Mailloux and Dr. Roycroft work with Working 1. Dr. Roycroft's expertise is directly relevant to the issues discussed in both Working Groups. As discussed below, TURN has identified entries for hours spent on Working Group matters as "WG." However, TURN has also attempted to separate and defer those hours spent exclusively on Working Group 2 issues and a portion of those entries from Working Group 1 that were not focused on basic service. As with the other auction-related hours this was not always

an easy task to identify Working Group 2 hours or COLR/auction issues from Working Group, but TURN did its best to properly apportion the hours. This is especially the case with entries where TURN staff was coordinating its work and strategy for the two Working Groups through conference calls. *It estimates that two-thirds of its time in the Working Group 1 process covered issues relating to this compensation request.* Therefore, TURN has eliminated one-third of each advocate's time coded as WG for 2008 (totaling 60.25 hours) from this compensation request and defer those hours to a future compensation request.

Meeting Attendance

There are some hourly entries that reflect meetings attended by two or more of TURN's attorneys and expert witnesses. In past compensation decisions, the Commission has on occasion deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This is not the case here. As discussed above, for the meetings that were among TURN's attorneys and expert witnesses, such meetings are essential to the effective development and implementation of TURN's strategy for this proceeding. None of the attendees are there in a duplicative role because each advocate and consultant has his or her own expertise and knowledge of certain issues and procedures to bring to the discussion. In addition, due to limited resources and out of town workers, each staff person had to be familiar enough with the issues to attend meetings and conference calls as a lone TURN representative. As a result of this collaborative process, TURN is able to identify new and unique issues and angles that would almost certainly never come to mind individually.

There were also meetings with other parties (particularly intervenors) and meetings or workshops at the Commission at which more than one attorney or advocate represented TURN on occasion. TURN's requested hours do not include any for any TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. As discussed above, TURN also has the unique situation where the case manager could not attend many of the meetings in person, leaving those in San Francisco to participate more fully while Ms. Mailloux monitored by phone. TURN submits that such meetings can be part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting to advance the intervenor's advocacy efforts.

TURN submits that the recorded hours are reasonable, both for each TURN staff member and expert witness and in the aggregate. Given some of the different circumstances present here including the long duration of the docket, multiple interrelated by distinct issue areas and collaboration with

several intervenors, TURN's hours are reasonable. Therefore, TURN seeks compensation for all of the hours recorded by our staff members and outside consultants as included in this request.

Compensation Request Preparation Time:

TURN's hours relating to preparation for Notices of Intent to claim compensation are slightly higher than average for this case. The NOI filed in R.09-06-019 was more complicated than standard because of the interrelationship with R.06-06-028. That NOI required some research into time records from the previous docket and coordination with the ALJ to ensure TURN properly requested authority to include time from both dockets.

TURN is requesting compensation for approximately 25 hours devoted to preparation of this request for compensation. While higher than the number of hours TURN tends to seek for compensation-related matters, this is a reasonable figure in light of the size and complexity of the case and, therefore, request for compensation itself. Ms. Mailloux and Mr. Nusbaum worked collaboratively on the request, some input from Mr. Finkelstein who has extensive knowledge of TURN's intervenor compensation experience. TURN took it upon itself to delete some hours worked by Mr. Nusbaum and Ms. Mailloux that it felt excessive and represented the fact that the attorneys had to piece together a larger than normal record and coordinate multiple advocates' work efforts. As a result, while the compensation-related hours are a bit higher than typical for TURN, the Commission should find this amount reasonable under the circumstances.

Hourly Rates of TURN Staff and Consultants

TURN's request for compensation covers work performed in 2007 through 2012.

For Christine Mailloux, her approved hourly rate for work performed in 2007 is \$360. The Commission first approved an hourly rate of \$390 for work she performed in 2008 up to 2010. (D.10-09-040, in R.09-05-006). Consistent with Resolution ALJ-267, TURN seeks compensation for her 2011 work at the same previously-approved hourly rate.

For 2012, TURN is requesting a Cost of Living Adjustment and a step increase. In Res. ALJ-281, the Commission adopted a COLA adjustment of 2.2% for 2012, and continued the previously adopted policy of "step increases" for 2008 and beyond. Res. ALJ-281, at 6, Finding #2. In D.08-04-010, the Commission had provided for up to two annual 5% "step increases" in hourly rates within each experience level for all

intervenor representatives, and specifically explained that an attorney would be eligible for additional step increases upon reaching the next higher experience level. D.08-04-010, at 2, 11-12.

Therefore, TURN seeks an hourly rate of \$420 for Ms. Mailloux's work in 2012. This figure represents the hourly rate previously adopted for her work in 2011 (in D.12-03-053) escalated by the 2012 COLA of 2.2% and a 5% step increase (rounded to the nearest \$5 increment). Ms. Mailloux is a 1993 law school graduate. In 2008, TURN sought and was awarded an hourly rate of \$390, in the lower half of the range set for attorneys with 13+ years of experience. D.09-09-024, at 17 (adopting the requested rate), and D.08-04-010, at 5 (setting the ranges for 2008). TURN seeks here the first step increase for Ms. Mailloux in the 13+ years experience level.²

Ms. Mailloux's only hours for 2013 relate to work on this compensation request. TURN calculated those hours using half of the hourly rate it is requesting for 2012.

Mr. Nusbaum has an approved hourly rate for his work in 2007 and 2008 of \$405. His rate was increased to \$435 for work performed in 2009-2011. Similar to Ms. Mailloux, TURN is requesting a Cost of Living Increase for Mr. Nusbaum pursuant to ALJ-281. This would increase his rate for work in 2012 to \$445. Mr. Nusbaum's only hours in 2013 relate to work on this compensation request. TURN calculated those hours using half of the hourly rate it is requesting for 2012.

For Regina Costa, pursuant to Resolution ALJ-247 (in 2010) and Resolution ALJ-267 (in 2011), TURN uses her previously authorized hourly rate of \$275 that was first adopted for her work in 2008. (D.09-08-020 in R.08-01-005). Ms. Costa's approved rate for 2007 is \$255.

For Trevor Roycroft, TURN uses his approved rates for his work in 2007-2010. For work in 2011, TURN is requesting a rate of \$230. TURN submitted significant background information and justification for this rate in its compensation request in I.11-06-009, filed October 29, 2012, and will not repeat that discussion here. However, if the Commission or staff needs additional information regarding Dr. Roycroft's qualifications, TURN can provide such information upon request. Dr. Roycroft has no hours in this case for 2012 or 2013.

² TURN's showing in support of this requested increase is based on and consistent with the showing TURN made in R.10-02-005 and R.05-06-040 in support of the requested step increase for its attorneys' hourly rates in those proceedings. The Commission approved the requested increase in D.10-12-015 (at 16) and D.12-05-033 (at 8), respectively.

TURN submits that this information is more than sufficient for the Commission to grant the requested hourly rates for these three consultants. However, should the Commission disagree and believe that it needs more information to support the request, TURN asks to be informed of the additional information that is necessary and given an opportunity to provide that information before a draft decision issues on this compensation request.

Reasonableness of Expenses

TURN requests that the Commission approve its expenses associated with its participation in this case.

TURN is including as an expense in this docket, a portion of the fee paid to Lake Research Partners for the development of the customer survey on basic telephone service filed in this docket in 2008. Although TURN commissioned this survey specifically for its work and analysis in this docket, TURN ended up using the survey for other purposes as well. Therefore, TURN is roughly estimating that 25% of the total paid by TURN to Lake Research Partners should not be charged to this case, leaving 75% of the cost. Lake charged TURN a total of \$33,565 as indicated by the attached invoices and Letter Agreement. Therefore, TURN is including an expense of \$25,174. We believe that this is a reasonable and fair allocation of the benefit of the survey.

The survey was a critical part of TURN's case. Early on it was clear that the Commission planned to revise the definition of basic service as part of its effort to open California markets to competition by alternative providers. While TURN was not opposed to that effort in theory, it recognized that it must understand itself, and demonstrate to the Commission, how customers currently rely on the various elements of basic service and which elements have the highest priority for different customer groups. The Lake survey supported TURN's litigation work in this docket. Not only did TURN rely heavily on the survey in several sets of comments, as discussed above in its discussion of substantial contribution, but the Commission also noted TURN's use of the survey and, in general, later came to rely on the need for public input into the docket.

TURN believes that the expense incurred for the development and use of the survey is reasonable, especially in light of the professional and comprehensive nature of the survey. TURN submitted an affidavit from the author of the survey in its comments to support the methodology and credentials of those that performed the survey. To support this request for compensation TURN is including the letter agreement between Lake and TURN that describes the scope of work and the set amount charged to

<p>TURN for the survey work based on the number of persons surveyed and the number of questions. While a flat fee is somewhat unusual for experts or consultant work, TURN submits that while this survey served a similar purpose (supporting TURN's advocacy) a survey is a different type of project and the fee charged by Lake is a standard rate that Lake would change any of its other clients.</p> <p>The additional expenses consist of photocopying expenses, postage, phone and for legal research conducted via Lexis/Nexis. The phone costs include conference call charges and personal phone expenses due to the coordination efforts with its consultant and among the intervenors. The Commission should find TURN's direct expenses reasonable.</p>	
<p>c. Allocation of Hours by Issue</p> <p>TURN has allocated its time entries asset for in the attachments by the following codes:</p> <p>GP General Preparation- work that generally does not vary with the number of issues that TURN addresses in the case</p> <p>PROC Procedure- Procedural motions such as the Motion for Public Input, Motions for Extensions of Time, and other procedural issues that an active participant in the docket must address</p> <p>CASF California Advanced Services Fund</p> <p><u>CASF/GP-</u> Work performed by advocates specifically on CASF issues that would not normally vary with the number of issues covered or level of involvement in the case</p> <p><u>CASF/L</u> - Issues associated with legal concerns about whether the Commission could use existing B-Funds for the CASF program; need for legislation</p> <p><u>CASF/E</u> – Issues associated with eligibility requirements such as whether non-telephone corporations could be eligible for CASF monies</p> <p><u>CASF/S</u> – Issues associated with the requirement that CASF applicants deliver specified broadband speeds</p> <p><u>CASF/V</u> – Issues associated with whether a CASF applicant was required to offer voice telephone service and the definition of such service</p>	<p>Under the specific circumstances of TURN's participation in this proceeding and for the limited purposes of the subject claim, we do not require a more specific allocation of hours by issues.</p>

	<p><u>CASF/C</u> – Issues associated with confidentiality and transparency of information provided by CASF applicants</p> <p><u>CASF/P</u> – Issues associated with the requirement for specified pricing of the broadband service a CASF applicant would provide and the duration of the pricing commitment</p> <p><u>CASF/SC</u> – Issues associated with the scoring criteria and weighting of such criteria that the Commission would utilize in making decisions about CASF grants</p> <p><u>CASF/ARRA/BTOP</u> – Issues associated with the coordination between CASF and ARRA/BTOP programs</p> <p>CASF/* - Where time entries cannot easily be identified with a specific activity code. For these entries, the allocation of time spent on activities can be broken down as such: CASF/L--5%; CASF/E--10% ; CASF/S--20%; CASF/V--15%; CASF/C--10%; CASF/P--15%; CASF/SC--25%</p>	
#	<p>Elements of Basic Service- This code represents work on specific proposals relating to the elements of basic service where that work cannot easily be broken out by element or policy issues. For these entries, the allocation of time spent on specific issues can be roughly broken down as such: EMERG-15%, BLG- 25%, SQ -25%, DIR-10%, LL-5% , POL-20%</p>	
PC	<p>Price Cap- Work on issues relating to the transitional price caps, affordability study, and elimination of price caps</p>	
WG	<p>Working Group- Participation in the Working Group Process set up by the Commission in the first five months of 2008. TURN has only included those hours relating to WG issues that are part of this compensation, mainly the definition of basic service from WG1. No Working Group 2 hours are included. TURN is only including two-thirds of its WG1 hours because some of the discussion related to COLR issues that are not part of this compensation request</p>	
BSVC	<p>Basic Service- This code represents TURN's work in the earlier parts of the docket where the Commission requested more general comments on a standard definition of basic service for purposes of the auction bids. Subsequent, more detailed, work on basic service is indicated by the “#” code or a code for individual</p>	

SQ	elements of basic service. Service Quality- Work by TURN advocates on issues relating to the need for SQ standards applicable to COLRs and other Basic Service Providers either as part of an auction or otherwise, plus work on issues relating to specific elements of basic service involving SQ such as service guarantees to the customer premises	
BLG	Billing/Rate Offering- This code covers those elements of basic service that relate to the specific service offering structure including issues around flat rates, stand alone service, unlimited minutes, 8YY#s, ETFs, contract terms, etc.	
DIR	Directory Issues – This code identifies work relating to directory listing and directory service issues	
POL	Policy- The focus of TURN’s advocacy did not just cover individual elements, there were issues relating to affordability, cord cutting, the importance of basic service, the applicability of the rules that fall into a more general Policy category	
EMERG	Emergency Services/911- This identifies work on more general issues of emergency services but also the specific element of basic service regarding 911 calling	
AFF	Affordability- This code has a narrow focus and identifies work of TURN advocates with staff on the affordability study itself. Because affordability was a significant by over-arching issue in this docket that impacted so many other issues, it can be difficult to pull out and identify specific entries therefore TURN includes the more general work on affordability under the Policy code.	
LL	LifeLine- Work by TURN advocates where LifeLine and Basic Service cross over, including the specific element of basic service that requires the offering of LifeLine. Some work on LifeLine also is necessarily included in Policy due to questions about overlap and applicability	
LAKE	Lake Survey- Work performed by TURN’s advocates with Lake Research to consultant on the creation of the survey, questions, and subsequent presentation of the data. No time for Lake associates is included here.	
PD	Proposed Decision- This code identifies entries relating to the year-long Proposed Decision phase of this docket, including work on the Alternate also issued in this case. While TURN finds all of its work during this time to be eligible for compensation, if the Commission needs a further breakdown of the hours, the issues and percentages applicable to the “#” code would also be	

REHG	generally applicable here. Rehearing- TURN filed an Application for Rehearing of D.08-09-042 jointly with DRA. The Commission has yet to act on this Application. Five years later, TURN requests compensation for its work. In D.11-10-033, wherein the Commission closed R.06-06-028, the Commission states it will address the Application in “a future Commission Order.” A year and half later, there has been no action by the Commission.	
COMP	Compensation- work on TURN’s compensation request and compensation related activities such as the NOI	
TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission’s rules. Should the Commission wish to see additional or different information on this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.		

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
William Nusbaum	2007	48.00	\$405	D.08-04-019	\$ 19,440.00	48.00	\$405	\$ 19,440.00
William Nusbaum	2008	124.75	\$435	D.09-02-024	\$ 56,266.25	124.75	\$435	\$ 56,266.25
William Nusbaum	2009	4.25	\$435	D.09-08-020	\$ 1,848.75	4.25	\$435	\$ 1,848.75
William Nusbaum	2010	13.75	\$435	D.10-07-012	\$ 5,981.25	13.75	\$435	\$ 5,981.25
William Nusbaum	2011	45.00	\$435	D.10-07-012	\$ 19,575.00	45.00	\$435	\$ 19,575.00
William Nusbaum	2012	55.75	\$445	Res. ALJ 281	\$ 24,808.75	55.75	\$445	\$ 24,808.75
Christine Mailloux	2007	13.00	\$360	D. 08-04-037	\$ 4,680.00	13.00	\$360	\$ 4,680.00
Christine Mailloux	2008	131.25	\$390	D.09-04-029	\$ 51,187.50	131.25	\$390	\$ 51,187.50
Christine Mailloux	2009	7.25	\$390	D.10-06-016	\$ 2,827.50	7.25	\$390	\$ 2,827.50
Christine Mailloux	2010	41.75	\$390	D.10-09-040	\$ 16,282.50	41.75	\$390	\$ 16,282.50

Christine Mailloux	2011	65.50	\$390	D12-03-053	\$ 25,545.00	65.50	\$390	\$ 25,545.00
Christine Mailloux	2012	98.25	\$420	Res. ALJ-281, D.08-04-010	\$ 41,265.00	98.25	\$420	\$ 41,265.00
Bob Finkelstein	2007	2.25	\$435	D.07-11-033	\$ 978.75	2.25	\$435	\$ 978.75
Bob Finkelstein	2008	5.75	\$470	D08-08-027	\$ 2,702.50	5.75	\$470	\$ 2,702.50
Bob Finkelstein	2010	.75	\$470	D.10-06-046	\$ 352.50	.75	\$470	\$ 352.50
Regina Costa	2007	81.75	\$255	D.09-08-020	\$ 20,846.25	81.75	\$255	\$ 20,846.25
Regina Costa	2008	184.25	\$275	Res. ALJ-267	\$ 45,141.25	184.25	\$275	\$ 45,141.25
Regina Costa	2009	41.75	\$275	Res. ALJ-267	\$ 11,481.25	41.75	\$275	\$ 11,481.25
Regina Costa	2010	110.50	\$275	See supra, Part III. Sec. A (b)	\$ 30,387.50	110.50	\$275	\$ 30,387.50
Regina Costa	2011	35.25	\$275	See supra, Part III. Sec. A (b)	\$ 9,693.75	35.25	\$275	\$ 9,693.75
Regina Costa	2012	68.00	\$275	See supra, Part III. Sec. A (b)	\$ 18,700.00	68.00	\$275	\$ 18,700.00
Trevor Roycroft	2007	23.25	\$175	D.08-04-037	\$ 4,068.75	23.25	\$175	\$ 4,068.75
Trevor Roycroft	2008	125.00	\$190	D.09-07-049	\$ 23,750.00	125.00	\$190	\$ 23,750.00
Trevor Roycroft	2010	49.00	\$210	D.11-07-023	\$ 10,290.00	49.00	\$210	\$ 10,290.00
Trevor Roycroft	2011	42.75	\$230	ALJ-281 (See reasonableness discussion above)	\$ 9,832.50	42.75	\$230	\$ 9,832.50
Subtotal:					\$457,932.50	Subtotal:		\$457,932.50
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Christine Mailloux	2010	3.5	\$195	Half approved hourly rate	\$ 682.50	3.5	\$195	\$ 682.50
Christine Mailloux	2013	13.25	\$210	Half approved hourly rate	\$ 2,782.50	13.25	\$210	\$ 2,782.50
William Nusbaum	2013	10.00	\$222	Half approved hourly rate	\$ 2,220.00	10.00	\$222	\$ 2,220.00
Bob Finkelstein	2013	1.0	\$240	Half approved hourly rate	\$ 240.00	1.0	\$240	\$ 240.00
Subtotal:					\$ 5,925.00	Subtotal:		\$ 5,925.00

COSTS					
#	Item	Detail	Amount	Amount	
	Photocopies		\$ 271.00		\$ 271.00
	Lexis		\$1,014.53		\$1,014.53
	Phone/Conference call		\$ 536.81		\$ 536.81
	Postage/FedEx		\$ 73.47		\$ 73.47
	Lake Research Partners		\$ 25,174		\$ 25,174
Subtotal:			\$ 27,069.81	Subtotal:	\$ 27,069.81
TOTAL REQUEST:			\$490,927.31	TOTAL AWARD:	\$490,927.31
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>					

Attorney	Date Admitted to CA BAR ³	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
William Nusbaum	June 7, 1983	108835	No; Please note from January 1, 1997 until October 4, 2002 William Nusbaum was an inactive member of the California State Bar.
Christine Mailloux	December 1, 1993	167918	No
Robert (Bob) Finkelstein	June 13, 1990	146391	No

PART IV: OPPOSITIONS AND COMMENTS**A. Opposition: Did any party oppose the Claim?**

No

B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(2)(6))?

Yes

³ This information may be obtained at: <http://www.calbar.ca.gov/>.

FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to Decisions (D.) 12-12-038, D.09-07-020, D.08-09-042, D.07-12-054, and Resolution T-17143.
2. The requested hourly rates for The Utility Reform Network's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable contribution is \$490,927.31.

CONCLUSION OF LAW

1. The Claim, as set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. The Utility Reform Network is awarded \$490,927.31.
2. Within 30 days of the effective date of this decision, the Commission's Fiscal Office shall disburse the awarded compensation from the Commission's Intervenor Compensation Fund. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning May 8, 2013, the 75th day after the filing of The Utility Reform Network's request, and continuing until full payment is made .
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	D1212038, D0907020, D0809042, D0712054, and Resolution T-17143	
Proceeding(s):	R0906019 and R0606028	
Author:	ALJ Thomas R. Pulsifer	
Payer(s):	Commission's Intervenor Compensation Program Fund	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
The Utility Reform Network (TURN)	2/22/2013	\$490,927.31	\$490,927.31	N/A	N/A

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
William	Nusbaum	Attorney	TURN	\$405	2007	\$405
William	Nusbaum	Attorney	TURN	\$435	2008	\$435
William	Nusbaum	Attorney	TURN	\$435	2009	\$435
William	Nusbaum	Attorney	TURN	\$435	2010	\$435
William	Nusbaum	Attorney	TURN	\$435	2011	\$435
William	Nusbaum	Attorney	TURN	\$445	2012	\$445
Christine	Mailloux	Attorney	TURN	\$360	2007	\$360
Christine	Mailloux	Attorney	TURN	\$390	2008	\$390
Christine	Mailloux	Attorney	TURN	\$390	2009	\$390
Christine	Mailloux	Attorney	TURN	\$390	2010	\$390
Christine	Mailloux	Attorney	TURN	\$390	2011	\$390
Christine	Mailloux	Attorney	TURN	\$420	2012	\$420
Bob	Finkelstein	Attorney	TURN	\$435	2007	\$435
Bob	Finkelstein	Attorney	TURN	\$470	2008	\$470
Bob	Finkelstein	Attorney	TURN	\$470	2010	\$470
Regina	Costa	Expert	TURN	\$255	2007	\$255
Regina	Costa	Expert	TURN	\$275	2008	\$275
Regina	Costa	Expert	TURN	\$275	2009	\$275
Regina	Costa	Expert	TURN	\$275	2010	\$275
Regina	Costa	Expert	TURN	\$275	2011	\$275

Regina	Costa	Expert	TURN	\$275	2012	\$275
Trevor	Roycroft	Expert	TURN	\$175	2007	\$175
Trevor	Roycroft	Expert	TURN	\$190	2008	\$190
Trevor	Roycroft	Expert	TURN	\$210	2010	\$210
Trevor	Roycroft	Expert	TURN	\$230	2011	\$230

(END OF APPENDIX)