BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Revises General Order 153 to Reflect Administrative Revisions to the California LifeLine Telephone Program Draft Res. T-17202 (Served March 16, 2009)

COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES ON DRAFT RESOLUTION T-17202

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April 1, 2009

SUBJECT INDEX

TABL	E OF AUTHORITIES	.i
SUMN	MARY OF RECOMMENDED CHANGES	ii
I.	INTRODUCTION	1
II.	THE COMMISSION SHOULD CLARIFY THE RULES FOR ASSESSING CONVERSION CHARGES	2

APPENDIX

CERTIFICATE OF SERVICE

TABLE OF AUTHORITIES

CPUC Decisions

D.08-08-029	1
Statutes, Regulations, Rules	
Rule 14.5	1
General Order 153	1,2

SUBJECT INDEX OF RECOMMENDED CHANGES

The Division of Ratepayer Advocates recommends that the Draft Resolution and General Order (G.O.) 153 clarify when conversion charges may be assessed with the following addition to G.O 153 section 8.1.3.3:

No conversion charge may be assessed on new customers who sign up for the LifeLine program. Existing customers who successfully enroll in the LifeLine program may be charged a conversion charge, but no connection (installation) charge. New customers may be charged a connection (installation) charge, but no conversion charge.

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I. INTRODUCTION

Pursuant to Rule 14.5 of the Commission's Rules of Practice and Procedure the Division of Ratepayer Advocates ("DRA") respectfully submits these limited Comments on Draft Resolution T-17202 ("Draft Resolution") issued March 16, 2009.

In D.08-08-029 the Commission adopted a new enrollment process for the LifeLine Program called Pre-Qualification, to be effective July 1, 2009. Under Prequalification, customers are no longer immediately enrolled in the Lifeline Program upon first contacting their telephone carrier. Instead, customers must wait until their eligibility is determined by a Certifying Agent before they can begin receiving the LifeLine telephone discount. Procedures for administering the LifeLine Program are contained in General Order (G.O.) 153. The Draft Resolution revises G.O. 153 by incorporating the changes necessary to implement the pre-qualification enrollment process.

In these Comments, DRA recommends that the Draft Resolution and G.O. 153 clarify that existing customers (customers changing their status) who successfully enroll in the LifeLine Program can only be charged a conversion charge, whereas new customers (customers requesting installation of initial service) can only be charged an installation charge. However, in no instance may a LifeLine applicant be assessed both charges.

1

II. THE COMMISSION SHOULD CLARIFY THE RULES FOR ASSESSING CONVERSION CHARGES

DRA urges the Commission to clarify the rules for assessing conversion charges, so that the language in G.O. 153 could not be interpreted to allow new customers to be charged both conversion and installation charges. According to the Staff Report on September 29, 2008 Workshop Regarding Implementation of California Telephone Program's Pre-qualification Requirements, if a new customer is approved for LifeLine, then the carrier converts the status of the customer from "pending" (when a customer is pending the customer pays the full basic service rates) to "LifeLine customer," and makes the necessary system changes to the customer's account, including issuing credits for all but \$10.00 of installation costs. However, carriers <u>cannot</u> assess another \$10 conversion charge on the customer, even though the new customer's account status has changed from regular to Lifeline.¹

While the draft G.O. 153 and the Draft Resolution clearly state that no conversion charge may be assessed if a customer fails to qualify for LifeLine or if a customer is removed from the LifeLine program,² they are both unclear about the application of the conversion charges for "new customers" who are successfully enrolled in the LifeLine program. Based on the Staff Workshop Report, DRA recommends that the Commission include language in G.O. 153 that explicitly states that existing customers who are successfully enrolled in the LifeLine program can only be charged the conversion charge, whereas new customers who are successfully enrolled in the LifeLine program can only

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 ¹ Staff Report on September 29, 2008 Workshop Regarding Implementation of California Telephone Program's Pre-qualification Requirements (2/27/09) at 20.
² T-17202 at 4.

be charged the connection (installation) charge, and not an additional conversion charge.

Respectfully submitted,

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APPENDIX: DRA'S RECOMMENDED MODIFICATION TO DRAFT RESOLUTION T-17202

Pages 4 and 19:

8.1.3.3 No conversion charge may be assessed on an applicant or claimed from the LifeLine fund if a LifeLine applicant fails to qualify. No conversion charge can be assessed on a customer or claimed from the LifeLine fund if a customer is removed from the LifeLine program (either voluntarily or involuntarily). No conversion charge may be assessed on new customers who sign up for the LifeLine program. Existing customers who successfully enroll in the LifeLine program may be charged a conversion charge, but no connection (installation) charge. New customers may be charged a connection (installation) charge, but no conversion charge.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES ON DRAFT RESOLUTION T-17202," served on R.04-12-001 by using the following service:

[X] E-Mail Service: sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

[] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on April 1, 2009 at San Francisco, California.

/s/ JOANNE LARK

Joanne Lark

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