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John Leutza, Director
Communications Division
California Public Utilities Commission
505 Van Ness Avenue
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Dear Mr. Leutza,

The Utility Reform Network, Disability Rights Advocates and National Consumer Law Center file these comments in response to Draft Resolution T-17202 ("Draft Resolution"). This Draft Resolution makes changes to General Order 153 to reflect new requirements for the LifeLine program. With the exception of the concerns raised below, Joint Consumers believe that the Draft Resolution and accompanying revisions to the G.O. properly implement the prequalification requirement as set forth by the Commission in D.08-08-029.

Conversion and Connection Charges

Joint Consumers urge staff to clarify the rules regarding the imposition of conversion and connection charges to LifeLine customers. Joint Consumers agree with and support the Draft Resolution's clear statement that for *existing customers* who want to switch from flat or measured rate basic service onto the LifeLine program, a carrier can only impose a conversion charge if that switch is successful. (Draft Resolution at p.4) The revision to Section 8.1.3.3 is clear. However, the rules must be clear that a carrier cannot impose a full-rate conversion charge at the time of the Application Date and then credit the customer for the discounted conversion charge if the switch is successful or credit the entire conversion charge if unsuccessful. A carrier must wait to charge the conversion fee until the time that the customer is issued his or her first LifeLine bill.

Second, the imposition of conversion and connection charges for new customers must also be clarified. Joint Consumers agree that the imposition of a connection charge is allowed for a new customer and that under prequalification a customer can be charged a full rate connection/installation charge and, if successfully admitted to the program, will be credited an amount back to the discounted connection charge. However, under prequalification, it must be clear that new customers are not charged a conversion fee. This clarification is necessary because under prequalification a new customer will initially be classified as a full-rate basic service customer and then converted to a LifeLine classification once certified. However, if at the time of the Service Start Date the customer was a new customer, then they cannot also be charged a conversion charge when admitted onto the program. To make these two clarifications

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to the conversion charge rules, Joint Consumers recommend that Section 8.1.3.3 be further revised to state:

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). A regular tariffed conversion charge cannot be assessed at the time of the Application Date. A conversion charge is not applicable when an applicant has paid a service connection fee pursuant to Section 8.1.1.

And, a new Section 8.1.1.4 should be added to state,

8.1.1.4 Once a Lifeline applicant is certified, the applicant will receive a credit on his or her bill for all of the regular tariffed connection/installation charges, and central office charge if applicable, except for the Lifeline connection charge set forth in 8.1.1.1.

The rest of 8.1.1 should be renumbered accordingly.

Third, Joint Consumers want to ensure the usefulness of the requirement that carriers offer payment plans for discounted connection charges now reflected in Section 8.1.2 once the program transitions to prequalification. If a new customer is charged and pays the full rate service connection charge, in many instances at least a \$30 charge, it makes no sense to offer a deferred payment of the discounted connection charge of \$10 since the carrier will already have \$30 from the customer part of which will then be credited back to the customer. However, as discussed below, the Commission requires carriers to offer payment plans for upfront, full-rate nonrecurring charges. (D.08-08-029 at p. 29, O.P. 6). Revised Sections 4.2.1.2.1. and 4.2.1.2.2. require customer service representatives to inform the customer of the existence of a payment plan option. However, the requirement to inform customers that regular tariff rates will be charged while their applications are pending is in a separate section 4.2.4. Joint Consumers are concerned that unless the information about the availability of a payment plan is not specified along with the discussion of full tariffed rates, it may be lost. Therefore, in addition to the requirement in 4.2.1.2.1. and 4.2.1.2.2., Section 4.2.4 should be revised to reflect this requirement:

4.2.4 Utilities shall inform LifeLine applicants that they will incur regular tariff rates and charges until completion of the certification process. Utilities shall offer LifeLine applicants a payment plan for the regular tariff non recurring charges and deposits and shall inform applicants of the existence of such plans.

Section 8.1.2 should also be revised to add a new 8.1.2.1. that states,

8.1.2.1. Utilities shall offer LifeLine applicants the option of paying the tariffed connection charge in three equal monthly installments with no interest. Utilities may also offer LifeLine applicants the option of paying the LifeLine connection charge in equal monthly installments with no interest for a period not to exceed 12 months.

The rest of 8.1.2 should be renumbered accordingly.

Application Date and Service Start Date

Joint Consumers understand the need for a distinction between the Application Date and Service Start in the context of prequalification and finds that the draft language reflects the intent of the rules. However, the statement in the Draft Resolution that states the LifeLine Program does not allow for “pre-applications” may be drafted too broadly for two reasons. (Draft Resolution at p. 3). First, for those customers who are existing LifeLine customers or who have been on the program within the past 30 days but are changing carriers, it must be acknowledged that their request for LifeLine will be treated differently pursuant to Section 5.4.5. So while this scenario is not technically a “pre-application,” the sentence must be qualified to acknowledge the circumstance of existing LifeLine customers.

Second, the statement that there can be no “pre-application” may be too limiting in light of the major changes to the LifeLine program currently being considered by the Commission. Joint Consumers believe the Commission should keep an open mind about the potential for a pre-certification process in the future. Should the Lifeline program shift to a uniform discount resulting in a profound range of phone rates and possibly communication technologies, consumers would benefit from first securing their Lifeline benefit status before entering the marketplace to shop around and apply their discount. Without pre-certification, consumers would have to take a chance on a particular phone plan and possibly communications technology before knowing if they are even eligible for the Lifeline discount. Although Joint Consumers have raised this issue in previous phases of R.04-12-001, we understand that the development of a pre-certification process is not at issue in this resolution. Nonetheless, we are taking this opportunity to emphasize the importance of a carrier-neutral LifeLine program in light of prequalification and future changes to the program.

Other Revisions

Finally, although Joint Consumers did not attempt a detailed line edit of the draft General Order, we note two very minor changes that should be made. First, the term “Application Date” is not capitalized in all instances. Second, in Section 13.9, the term “re-certification” in the second sentence should be changed to “verification”.

Respectfully submitted,

/s/
Christine Mailloux

On behalf of the National Consumer Law Center, Disability Rights Advocates and Utility Reform Network.