

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution T-17314 Revises General Order 153 to reflect revisions to the California LifeLine Program as adopted in Decision 10-11-033

Agenda ID #10483
July 14, 2011 Meeting

Comments Of Cox California Telcom, LLC, dba Cox Communications (U-5684-C)

On Draft Resolution T-17321

Pursuant to the Commission's Rules of Practice and Procedure ("Rules"), Cox California Telcom, L.L.C., *dba* Cox Communications (U-5684-C) ("Cox") submits these timely comments on draft Resolution T-17321 ("Draft Resolution") which includes as Attachment A1, a revised General Order 153 ("Proposed GO 153"). The rules included the Proposed GO 153 will be referred to as "Proposed Rules."

I. Introduction.

Cox commenced operations in 1997 as a competitive local exchange carrier by providing service to both residential and business customers. As a provider of residential telephone service, Cox has participated in the LifeLine program since that time and remains committed to continuing to successfully serve its LifeLine customers.

As a long-term provider of LifeLine service, Cox is well aware of the challenges the Commission faces in implementing changes to the program, as even simple change may have a significant impact on both LifeLine providers and LifeLine subscribers, among other interested parties. The challenges to implement the new LifeLine rules adopted in the D.10-11-033 ("LifeLine Decision") have been substantial and Cox commends staff for their diligent efforts and for working closely with interested parties. Staff conducted two workshops earlier this year which provided interested parties an opportunity to comment on changes required by the LifeLine Decision, as well as changes that would otherwise improve General Order 153. The Proposed GO 153 reflects Staff's hard work and Cox generally supports the Commission adopting Resolution T-17321, subject to it also adopting the proposed revisions below.

Cox specifically requests that the Commission:

- Update Proposed Rule 9.3.13 to reflect all administrative costs in existing GO 153 so that the Commission will consider these when calculating LifeLine Service Provider’s actual expenses for administrative costs as of November 1, 2011; and
- Revise Proposed Rules to correct inadvertent omissions or changes, for clarity and to correct typographical errors.

As set forth below, Cox proposes changes that will assist interested parties in implementing and interpreting GO 153 in the future.

II. Proposed Rule 9.3.13 Should Reflect All Categories Of Administrative Costs Included In Existing GO 153.

Prior to the Commission adopting the LifeLine Decision, carriers could recover for administrative costs incremental to offering and providing LifeLine. The LifeLine Decision revised the reimbursement methodology for administrative costs by capping the amount LifeLine providers could recover. The Commission did not, however, change the categories of administrative costs deemed incremental and that should be considered when calculating carriers’ administrative costs for purposes of reimbursement.

While Cox disagreed with the Commission adopting a cap on administrative costs, it does not contest that decision here. Rather, Cox submits these comments only to identify an error that should be corrected to ensure that all, incremental, administrative costs will continue to be considered. The chart below shows the administrative costs that the Commission recognized as being incremental costs carriers incur when providing LifeLine. In addition, the chart shows that one category of those administrative costs is not included in the Proposed GO 153 and Cox submits that it should be.

Administrative Cost	Existing GO 153	Proposed GO 153
Demonstrably incremental costs should be reported as part of the claims disclosure. These include costs associated with the time spent by utility service reps to (i) notify residential customers about the availability of California LifeLine, (ii) ask residential customers if they are eligible to participate in the California LifeLine program, (iii) obtain verbal indication from	Rule 9.3.10	Proposed Rule 9.3.13.1

residential customers regarding their eligibility to participate in the California LifeLine program, (iv) inform applicants that they must return the signed certification form on or before the deadline date specified on the form, and (v) inform enrolled subscribers of the yearly renewal requirement.		
The incremental costs incurred by a California LifeLine Service Provider to develop, deploy, and operate systems and procedures associated with the provision of a second California LifeLine line to eligible households with a disabled member.	Rule 9.3.10	Proposed Rule 9.3.13.2
Costs associated with processing LifeLine service orders and answering calls from LifeLine customers regarding their bills may be recovered from the LifeLine Fund to the extent that a utility can affirmatively demonstrate that such costs meet all of the criteria in Section 9.2.1.	Rule 9.4.6.1	<i>Incorrectly not included</i>

The LifeLine Decision does not indicate that any category of administrative costs should be eliminated on a going-forward basis,¹ and the Draft Resolution does not explain why one category has been deleted. As part of the workshops earlier this year, Staff distributed proposed revisions to General Order 153 in February and proposed deleting then existing Rule 9.4.6.1. However, in the draft General Order 153 that Staff distributed in April after the first workshop, these costs were added back in.² Including all three categories listed above will not change the cap that the Commission adopted in D.10-11-033, but merely, describe what costs will be considered in the event a California LifeLine Service Provider elects to submit administrative cost information under Proposed Rule 9.3.12.³

To the extent this category of cost was inadvertently deleted in the Proposed GO 153, Cox requests that it be added back in as new Proposed Rule 9.3.13.3. To the extent that it was intentionally

¹ See, Decision 10-11-033, p. 89.

² For example, the draft General Order 153 circulated in April 2011, includes this category of cost in April Proposed Rule 9.3.12.4.

³ For example, under Proposed Rule 9.3.12, a LifeLine Service Provider that does not submit its cost information “will be reimbursed at a rate of the California LifeLine Service Provider with the lowest submitted administrative costs (initially \$0.03 per subscriber).”

omitted from the Proposed GO 153, Cox still recommends it should still be added in because neither the Lifeline Decision, the Draft Resolution nor discussions at the workshops conducted earlier year provide a basis for deleting it.

III. Cox Recommends The Commission Adopt Revisions To Correct Inadvertent Omissions or Changes, For Clarity And Typographical Errors.

Roommate Rule. The Draft Resolution states that the Commission is not changing the current rule that allows multiple LifeLine Subscribers to reside at the same physical address,⁴ provided that they maintain different “Households.”⁵ Cox appreciates the Commission confirming that it is not changing what is referred to as the “Roommate Rule.” To ensure that applicability of the Roommate Rule is documented on a going-forward basis, Cox strongly recommends that a rule be added to Proposed GO 153. Adding text to reflect the Roommate Rule will ensure continuity and reduce potential misinterpretations concerning what LifeLine Service Providers may recover from the California LifeLine Fund. More specifically, Cox understands that eligible telecommunications carriers (“ETCs”) may not recover from the federal LifeLine program for LifeLine services provided to multiple Subscribers residing at the same physical address.⁶ To the extent that the California LifeLine program requires multiple Subscribers at the same address to be served and California LifeLine Service Providers do so, but are not reimbursed from the federal LifeLine fund, they must be allowed to recover those amounts from the California LifeLine Fund.

Accordingly, Cox proposes that the Commission revise the following portions of Proposed Rule 9.3.1 as follows:

9.3 California LifeLine Service Providers may recover the following costs and lost revenues from the California LifeLine Fund:

⁴ Proposed Rule 2.46 defines “Residence,” as follows: That portion of an individual house, building, flat, or apartment (a dwelling unit) occupied entirely by a single household as that term is defined by these rules. A room or portion of a dwelling unit occupied exclusively by a household not sharing equally as a member of the domestic establishment may be considered a separate residence for the application of California LifeLine.”

⁵ Draft Resolution, p. 5. The proposed definition of “Household” is set forth in Proposed Rule 2.29, as follows: “Household” – Any individual or group of individuals who are living together as one economic unit in the same residence.”

⁶ See Draft Resolution, p. 5.

9.3.1 Lost revenues caused by providing subscribers with (i) California LifeLine Service Connection Charges, (ii) California LifeLine Service Conversion Charges, (iii) California LifeLine Measure Rate Service; and (iv) California LifeLine Service where there is more than one Subscriber at a given physical address and support for such additional Subscribers is not recoverable from the federal LifeLine program.

Audit. Proposed Rule 5.7 provides that the Commission or the CA LifeLine Administrator may audit and verify a subscriber's eligibility to participate in the LifeLine program. Proposed Rule 5.7.1 states that subscribers found ineligible will be removed from the California LifeLine program. Proposed Rules 5.7.1.1 and 5.7.1.2 then state that the LifeLine Service Provider must information new applicants (5.7.1.1) and "current LifeLine subscribers" (5.7.1.2) that they may be subject to such audit.

However, these two proposed rules significantly change the existing responsibilities of the California LifeLine Administrator (i.e. Certifying Agent) and LifeLine Service Providers. For example, under the current GO 153, Rules 4.4.1.1.1⁷ and 4.5.1.1.1., the Certifying Agent is required to send out certification and verification forms that inform new applicants and current subscribers that the Commission or the Certifying Agent may audit the customer's participation in the LifeLine program. Importantly, the current rules do not require carriers to provide such notice.

Cox suspects that the text in Proposed Rules 5.7.1.1 and 5.7.1.2 was inadvertently included in these rules as Rule 5 addresses "Eligibility Criteria For Obtaining and Retaining California LifeLine" whereas Rule 4 (where the corresponding text exists in the current GO 153) concerns "Notices, Enrollment, and Forms." Because the current program rules plainly require the Certifying Agent to send

⁷ For example, GO 153, Rule 4.4 states in full as follows: "Customer Certification Form.

4.4.1 A Certification Form is used when customers are applying to enroll in LifeLine.

4.4.1.1 A copy of the Certification form and associated instructions are attached to this General Order as Appendix B.

4.4.1.1.1 The instructions must inform LifeLine customers that the Commission or the Commission's agent may audit the customer's eligibility to participate in the LifeLine program. If the audit establishes that the customer is ineligible, the customer will be removed from the LifeLine program and billed for previous LifeLine discounts that the customer should not have received plus interest equal to the 3-month commercial paper rate.

4.4.1.1.2 The instructions must inform LifeLine customers that submitted income and/or supporting documentation will not be returned to the customers.

4.4.1.2 The Certification form mailed to customers for completion will be partially completed by the CertA based on information provided by utilities."

out certification and verification forms informing customers of the audit function and the LifeLine Decision did not modify this requirement, Cox, accordingly, recommends the Commission revise Proposed Rules 5.7.1.1 and 5.7.1.2 as follows:

5.7.1 Any California LifeLine subscriber who is found to be ineligible to participate in the California LifeLine Program shall be removed from California LifeLine.

5.7.1.1 California LifeLine ~~Administrator~~~~Service Providers~~ must inform new California LifeLine applicants that the Commission or the California LifeLine Administrator may audit the subscriber's eligibility to participate in California LifeLine. The instructions shall also state that if the audit establishes that the subscriber is ineligible, the subscriber will be removed from California LifeLine and billed for previous California LifeLine discounts that the subscriber should not have received plus interest at the Three-month Commercial Paper Rate.

5.7.1.2 California LifeLine ~~Administrator~~~~Service Providers~~ must inform current LifeLine subscribers that the Commission or the California LifeLine Administrator may audit the subscriber's eligibility to participate in the California LifeLine Program. The instructions shall also state that if the audit establishes that the subscriber is ineligible, the subscriber will be removed from California LifeLine and billed for previous California LifeLine discounts that the subscriber should not have received plus interest at the Three-Month Commercial Paper Rate.

Typographical Errors. Cox recommends that the Commission correct the incorrect section references below.

Proposed Rule 9.2.1 includes an incorrect section reference and should read as follows:

9.2.1 A California LifeLine Service Provider may recover from the California LifeLine Fund up to the SSA, California LifeLine non-recurring charges (Service Connection Charges, Service Conversion Charges, and lost revenue from California LifeLine Measured Rate Service), applicable taxes/surcharges, interest (if applicable), one-time Implementation Costs, other amounts expressly delineated, and administrative expenses as set forth in Section 9.3.10, 9.3.12 and 9.3.13 ~~++~~ of this General Order.

Proposed Rule 9.2.1.1 includes an incorrect section reference and should read as follows:

9.2.1.1 From the effective date of D. 10-11-033 and up until December 31, 2012, Non-ETCs may collect amounts as set forth in Sections 9.3.4, 9.3.5 and 9.3.11. ~~9.3.10~~.

In Language Sales. Proposed Rule 4.6.2 addresses California LifeLine Service Providers providing certain materials in the language in which it sells California LifeLine service to Subscribers. The Commission previously adopted D.07-07-043 which includes rules governing carriers that market their telecommunications services in a language other than English. To avoid any confusion about GO 153 adopting in-language requirements different than those included in D.07-07-043, Cox requests that the Proposed Rule 4.6.2 be revised to reference that decision:

With the exception of those sales where the applicant, subscriber or California LifeLine Service Provider requested the use of an outside translation service, any California LifeLine Service Provider that sells California LifeLine in a language other than English, as set forth in D. 07-07-043 (and any subsequent decisions), shall provide those subscribers to whom it sold California LifeLine in a language other than English with the following:

Other Services. Proposed Rule 7.4 states California LifeLine Providers may collect a deposit for Basic Service but must credit such deposit upon a customer being deemed eligible, and thus, a “Subscriber” to California LifeLine. Other text in this proposed rule reflects that providers may collect deposit for “other opt-in services ordered” by the LifeLine Subscriber. Cox supports the proposed rule but requests that the Commission delete the words “opt-in” because it’s not clear if those words are intended to identify or limit the types of “other services” a LifeLine Subscriber may purchase. Cox recommends Proposed Rule 7.4 be revised and adopted as follows:

California LifeLine Service Providers may require customers to post a deposit upon service initiation. However, upon notification of California LifeLine eligibility from the California LifeLine Administrator, California LifeLine Service Providers must credit the deposit for Basic Service on the subscriber’s bill statement (if applicable). California LifeLine Service Providers may require a deposit for other ~~opt-in~~ services ordered by the California LifeLine subscriber.

Similarly, Proposed Rule 8.3 also refers to LifeLine Subscribers purchasing other services and plainly states that GO 153 does not apply to those other services. Cox agrees with Proposed Rule 8.3 but requests that the Commission modify it to provide clarity around LifeLine Service Providers having the flexibility to offer LifeLine Subscribers other services and that such services will be provided to LifeLine Subscribers upon them ordering them:

Optional service features, network services, and equipment are not included in California LifeLine rates and charges, but will be available to subscribers to order, only if requested, at the California LifeLine Service Provider's otherwise applicable rates and charges.

Definition of “Non-Traditional Service Provider” Instead Of “Non-Traditional Carriers.”

Cox supports the proposed definition of “California LifeLine Service Provider” in that it refers to “Carriers” and “Non-Traditional Service Providers” as follows:

“California LifeLine Service Provider” – A carrier (or Non-Traditional Provider, such as a wireless provider) that offers Basic Residential Telephone Service and that offers California LifeLine service as defined by this General Order.⁸

While this definition references a “Non-Traditional Provider,” the Proposed GO 153, includes a definition of a “Non-Traditional *Carrier*” (and not “Non-Traditional *Provider*”) and uses that term throughout the proposed GO. A Non-Traditional Service Provider should reflect both wireless carriers and VoIP service providers. Cox recommends that the Commission adopt and use the term “Non-Traditional *Provider*” as it accurately reflects that entities offering VoIP services are not carriers. For example, Proposed Rule 2.13 defines a “Carrier” as follows:

Any provider of end-user intrastate telecommunications services such as local exchange carriers, competitive local carriers, interexchange carriers, commercial mobile radio service carriers, and paging companies

Adopting Cox’s proposed correction will ensure that defined terms are used consistently in the final GO and that providers are identified in terms of the services they provide.

Accordingly, Definition 2.38 should be updated as follows:

‘Non-Traditional ~~Providers~~Carriers’ – California LifeLine Service Providers that do not hold Certificates of Public Convenience and Necessity (CPCN) from the Commission, including but not limited to wireless and Voice over Internet Protocol (VoIP) services, and voluntarily elect to offer California LifeLine as set forth in this General Order.

Further, all references in Proposed GO 153 to “Non-Traditional Carrier” will need to be changed to “Non-Traditional Provider.”

⁸ Proposed General Order, Rule 2.12.

Definition of Renewal Form. A draft version of GO 153 that Staff distributed to parties for purposes of soliciting input and discussion at a workshop, included definitions for “Renewal Form” and “Renewal Form (With Documentation).” Proposed GO 153 also includes these definitions but they do not reflect revisions that Cox previously suggested and now submits for reconsideration. While it may be obvious to parties reviewing these definitions now, Cox recommends that the definitions be revised to provide a link between these forms and the “Renewal Process.” Specifically, Cox recommends that the definitions be revised as follows:

‘Renewal Form’ – A form sent by the California LifeLine Administrator to existing LifeLine subscribers as part of the Renewal Process that must be completed (either in writing or online) and returned to the California LifeLine Administrator in order to certify ongoing eligibility of California LifeLine benefits.

‘Renewal Form (Documentation Required)’ – A form sent by the California LifeLine Administrator to existing LifeLine subscribers as part of the Renewal Process that must be completed (either in writing or online) and returned to the California LifeLine Administrator in order to certify ongoing eligibility of California LifeLine benefits.

Renewal Process is defined in Proposed Rule 2.45 as the annual process Subscribers must undergo to maintain enrollment in California Lifeline. Linking the forms to the process will provide guidance on when the forms will be utilized.

Definition of Services Start Date. The Proposed GO 153, includes several new definitions pertaining to dates of key events with respect to a customer applying for, being approved for and being billed for LifeLine Service, as well as receiving credits for amounts paid for Basic Service prior to being approved. One of those new definitions is the “Services Start Date.” This date is important in that it defines when a customer first begins receiving telephone service (but not LifeLine service). This date, however, does not necessarily reflect the date back to which discounts will be credited upon the California Lifeline Administrator approving the customer for LifeLine. That date will be the Application Date:

‘Application Date’ – The date a new or existing customer calls his/her California LifeLine Service Provider and requests LifeLine service. The “Application Date” serves as the starting point for LifeLine discount back-credits once the

California LifeLine Administrator determines eligibility and notifies the applicant's California LifeLine Service Provider.

However there is text in the definition of "Services Start Date" regarding applications of credits and it conflicts with the definition of "Application Date." Accordingly, Cox recommends that the definition of Services Start Date be revised as follows:

~~'Service Start Date. – The date a new customer begins receiving phone service and is billed for such service . The customer is billed by the California LifeLine Service Provider from this date. The subscriber receives California LifeLine discounts back to the Service Start Date.~~

Capitalize Defined Terms. The Proposed General Order includes approximately sixty definitions. A number of the defined terms are used throughout the Proposed GO 153, but are often not capitalized. Cox proposes that all defined terms be capitalized throughout the final version of GO 153. If they are not, it will likely be confusing to readers of the General Order who read only a specific section of the GO and do not know that a term is defined because it is not capitalized in that given section. It will also be confusing if a word/phrase is defined but not capitalized in a given rule because the reader will not know if the Commission wished to refer to the defined term but inadvertently forgot to capitalize it or if the Commission wished to use the given word/phrase but did not want to use it as a defined term. To assist future readers of GO 153, Cox respectfully requests that defined terms be capitalized whenever they are used in the document.

IV. Conclusion.

Again, Cox very much appreciates Staffs efforts to implement the Lifeline Decision and developing the Proposed GO 153 which incorporates changes required by that decision, as well as input from parties' solicited earlier this year. Cox respectfully requests that the Commission adopt the proposed revisions herein so that the final version adopted will be accurate and provide clear guidance to interested and affected parties.

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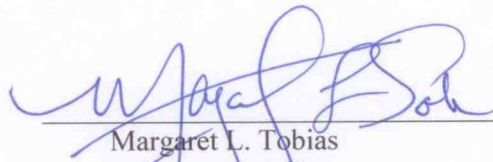
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Dated: June 28, 2011

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