

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 29, 2016

To: California LifeLine Service Providers

**Subject: Reimbursements of California LifeLine Program Connection/Activation  
Charges to California LifeLine Wireless Service Providers**

This letter serves to inform all California LifeLine Wireless Service Providers of the various steps the Communications Division and the California LifeLine Administrator are undertaking to implement the reimbursement for California LifeLine Program connection/activation charges.

**Background**

On December 24, 2015, the assigned Commissioner, Catherine J.K. Sandoval, issued an Amended Scoping Memorandum and Ruling (Amended Scoping Memo) setting forth the scope and procedural schedule for Phase II of Rulemaking 11-03-013. Specifically, the Amended Scoping Memo provided that service connection/activation/conversion (also known as non-recurring charges) support and reimbursements shall be permitted no more than two times annually per eligible California LifeLine household at the rate of \$39.00 per eligible reimbursement through December 2016 or until the California Public Utilities Commission's (Commission) adoption of a decision which otherwise addresses this issue, whichever comes first. Subsequent to the release of the Amended Scoping Memo, service providers requested clarification of the interim rules, particularly the effective date of connection/activation charge support.

On March 8, 2016, Commissioner Sandoval issued a subsequent Ruling. Among the issues addressed, the Ruling clarified that (1) the effective start date of the connection/activation support shall be from December 24, 2015, through December 23, 2016, or until the Commission adopts a decision regarding these non-recurring charges, whichever comes first; (2) the connection/activation support is up to \$39.00, with a limit of two per year per eligible California LifeLine household; and (3) the reinstatement of reimbursement of service connection charges for California LifeLine wireless telephone services is limited to the following activities:

- 1) Initial establishment of California LifeLine service from a consumer who has never been on the California LifeLine Program; and
- 2) Switching California LifeLine wireless service from one California LifeLine wireless service provider to another.

## **Implementation**

The Communications Division and the California LifeLine Administrator are undertaking the following steps to facilitate the implementation of California LifeLine connection/activation charges reimbursements to California LifeLine wireless service providers.

- 1) Communications Division staff are currently working with the California LifeLine Administrator to develop a new monthly reporting mechanism to track the total number of California LifeLine participants who are eligible for reimbursement of connection/activation charges (monthly connection report) for California LifeLine wireless service providers. The California LifeLine Administrator will share a draft monthly connection report with the service providers and Working Group. As soon as the monthly connection report is finalized, the California LifeLine Administrator will provide it to service providers.
- 2) Once the monthly connection report is developed, California LifeLine wireless service providers will be allowed to file amended claim forms for the months of December 2015 and January 2016 (if filed previously and if not, follow step 3) for the connection/activation charges only. Communications Division staff have already processed the initial claims (without connection/activation charges) for December 2015 and January 2016 filed claims. When filing California LifeLine amended claims, wireless service providers must adhere to the following steps:
  - a. Label the top of the California LifeLine claim summary form "Amended" for each claim month;
  - b. Amend the California LifeLine claim summary form for each month to display three columns: Original Claim Amount (amount initially filed for the claim month), Amended Amount (input the connection/activation amount for the month), and Difference (original claim amount less amended amount); and
  - c. Submit a revised detailed spreadsheet reflecting the total connection/activation counts eligible for reimbursements from the California LifeLine Administrator with the amended claim summary form.
- 3) For subsequent claim months commencing with the February 2016 claim month, wireless service providers will be expected to file their California LifeLine claim forms that include the total connection/activation charges and counts eligible for reimbursements that are reported by the California LifeLine Administrator in the monthly connection report. However, service providers that have already submitted their claims for the month of February 2016 will be expected to amend their claim form to include connection/activation charges as the claims for these months are still in queue to be processed.
- 4) The California LifeLine Administrator will provide the monthly connection reports to California LifeLine wireless service providers for December 2015, January 2016, February 2016, and March 2016 claim months, by April 15, 2016.

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- 5) On a going forward basis, the California LifeLine Administrator will provide the monthly connection report with the weighted average report to all service providers by the 3<sup>rd</sup> business day of the month following the claim month, starting with the April 2016 claim month.

Note that Ordering Paragraph 4 of the Ruling provides that claims for the non-recurring charges from the effective date (December 24, 2015) shall be remitted when the conforming Tier 2 advice letter is approved by the Communications Division. Accordingly, Communications Division staff will review and process the California LifeLine claims reimbursements for the connection charges for December 2015 and January 2016 claim months as expeditiously as possible, and February and March 2016 claim months in accordance with General Order 153 payment rule, upon approval of the wireless service providers' Tier 2 advice letter filings complying with the interim rules set forth in the December 24, 2015, Amended Scoping Memo and the March 8, 2016 Assigned Commissioner Ruling.

In the event, however, the monthly connection report is not finalized before April 15, 2016, Communications Division staff will supplement this administrative letter to adjust the timeframe for activities mentioned above to ensure prompt processing and payment of connection/activation charge reimbursements to California LifeLine wireless service providers.

If you have any questions regarding this matter, please do not hesitate to contact Tina Lee at (415) 703-2285 or via e-mail at [tina.lee@cpuc.ca.gov](mailto:tina.lee@cpuc.ca.gov).

Sincerely,



Michael Amato  
Acting Director  
Communications Division