

I. Meeting Packet



State of Florida
Public Service Commission
INTERNAL AFFAIRS AGENDA
Thursday, November 14, 2013
Immediately following Commission Conference
Room 105 - Gerald L. Gunter Building

1. 2013 Annual Lifeline Report Regarding the Number of Customers Subscribing to Lifeline Service and the Effectiveness of Procedures to Promote Participation. Approval is sought. (Attachment 1)
2. Administrative Disposition of Certain Matters. Approval is sought. (Attachment 2)
3. Legislative Update. (No Attachment)
4. Executive Director's Report. (No Attachment)
5. Other Matters. (No Attachment)

BB/mj

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: November 4, 2013

TO: Braulio L. Baez, Executive Director

FROM: James S. Polk, Public Utility Analyst, Office of Telecommunications
Cynthia L. Muir, Director, Office of Consumer Assistance and Outreach
Adam J. Teitzman, Attorney Supervisor, Office of the General Counsel

RE: 2013 Annual Lifeline Report regarding the Number of Customers Subscribing to Lifeline Service and the Effectiveness of Any Procedures to Promote Participation.

Critical Information: ACTION IS NEEDED – November 14, 2013 Internal Affairs. Commission Approval of the Lifeline draft report is sought. The 2013 Lifeline Final Report is due to the Governor, President of the Senate, and Speaker of the House by December 31, 2013.

Staff is seeking approval of the draft 2013 Annual Lifeline Report regarding the number of customers subscribing to Lifeline Service and the effectiveness of any procedures to promote participation. Section 364.10(2)(h), Florida Statutes, requires the FPSC to provide this report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 31 each year. The report details regulatory actions impacting the Lifeline Program and Lifeline Awareness promotions in Florida.

As of June 30, 2013, 918,245 eligible customers participated in the Lifeline program representing an 11.35% decrease over the June 30, 2012, Lifeline subscribers. The attached report has been prepared to fulfill the Florida legislative requirement. Staff seeks approval of the draft of the 2013 Annual Lifeline Report.

JSP

Attachment

FLORIDA
LIFELINE
ASSISTANCE

Number of Customers
Subscribing to Lifeline Service
and the Effectiveness of
Procedures to Promote Participation

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List of Acronyms

CFR	Code of Federal Regulations
CLEC	Competitive Local Exchange Carrier
DCF	Department of Children and Families
DEO	Department of Economic Opportunity Florida
ETC	Eligible Telecommunications Carrier
FCC	Federal Communications Commission
FPSC	Florida Public Service Commission
LAAWG	Lifeline Across America Working Group
ILEC	Incumbent Local Exchange Carrier
NARUC	National Association of Regulatory Utility Commissioners
NASUCA	National Association of State Utility Consumer Advocates
OPC	Office of Public Counsel
SNAP	Supplemental Nutrition Assistance Program (formerly Food Stamps)
THA	Tallahassee Housing Authority
USAC	Universal Service Administrative Company
USF	Universal Service Fund

I. Executive Summary

The Florida Lifeline program is part of the federal Universal Service Program designed to enable low-income households to obtain and maintain basic local telephone service in accordance with Section 364.10, Florida Statutes, (F.S.). The Lifeline program offers qualifying households a minimum \$9.25 discount on their monthly phone bills, or a free Lifeline cell phone and monthly minutes from certain wireless providers.

This report presents Lifeline participation data for the July 2012 through June 2013 program year, and evaluates procedures put in place to strengthen the Lifeline program. As of June 30, 2013, 918,245 eligible customers participated in the Florida Lifeline program. Six companies accounted for 98.5 percent of Florida Lifeline customers.

Lifeline assistance participation includes the involvement of the Florida Public Service Commission (FPSC), the Florida Department of Children and Families (DCF), the Florida Office of Public Counsel (OPC), the Florida Department of Education (DOE) and other state agencies that provide benefits to persons eligible for Lifeline service.¹ According to the U.S. Department of Agriculture Report, "*Supplemental Nutrition Assistance Program: Number Of Households Participating, ending June 30, 2013,*" Florida had the highest number of households in the nation participating in the Supplemental Nutrition Assistance Program (SNAP), with 1,952,890 households. SNAP continues to be the largest qualifying program for Lifeline assistance in Florida. Based upon the growth in SNAP participants, the Lifeline eligible households grew by 4.8 percent compared to 2012 data. The FPSC anticipates that Lifeline enrollment will continue to grow based on the current economic conditions.

Stay Connected, Florida! was the slogan for Florida's 2013 Lifeline Awareness Week, September 9-15. In addition to increasing awareness among eligible citizens, this year's Lifeline Awareness Week also aimed to educate residents on the Federal Communications Commission (FCC) rule changes to limit benefits to one per eligible household and require annual recertification to continue the benefit. FPSC Chairman Ronald A. Brisé kicked off the week by hosting an event with the Tallahassee Housing Authority at the Springfield Community Center. As in past years, the FPSC's Lifeline Awareness Week aimed to increase awareness among citizens who receive assistance from public benefits programs or who are income eligible.

¹ Section 364.10(2)(g)1, Florida Statutes, requires each state agency that provides benefits to persons eligible for Lifeline service to undertake, in cooperation with the Department of Children and Families, the Department of Education, the Florida Public Service Commission, the Office of Public Counsel, and eligible telecommunications carriers providing Lifeline services, the development of procedures to promote Lifeline participation.

II. Background

By December 31 each year, the FPSC is required to report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the number of customers subscribing to Lifeline service and the effectiveness of procedures to promote participation in the program.² This report is prepared pursuant to the requirements contained in Section 364.10, F.S.

The FCC Lifeline Reform Order³ continues to have a major impact in the Florida Lifeline program. The Order requires eligible telecommunication carriers (ETCs) to document the eligibility of those consumers seeking to qualify for Lifeline under program-based criteria. However, if ETCs can access state or federal databases to make determinations about consumer eligibility for Lifeline, the FCC does not require ETCs to obtain a new subscriber's documentation of his or her participation in a qualifying program. The ETC can simply note the name of the state or federal database used to confirm participation.

In Florida, if an applicant uses the electronic Lifeline coordinated enrollment process⁴ to apply for Lifeline, the process will confirm for the ETC whether the applicant is currently participating in the Medicaid, SNAP or Temporary Cash Assistance (TCA)⁵ programs. If a program other than Medicaid, SNAP, or TCA, is used for certification, the customer must provide documentation of participation from the administering agency, which could be the Florida Department of Education (free school lunch program), the Social Security Administration (Supplemental Security Income), a county-level agency (Low-Income Home Energy Assistance Plan or Section Eight Housing), or the Bureau of Indian Affairs for documentation. However, current data shows that over ninety percent of Florida applicants using the Lifeline Coordinated Enrollment Process use Medicaid, SNAP, or TCA for eligibility.

If a Lifeline applicant chooses to apply for Lifeline directly with an ETC, the ETC can access a DCF web services interface⁶ to confirm program participation for Medicaid, SNAP, and TCA. In Florida, certification and verification can be accomplished using this process if the applicant, in the case of certification, or an existing Lifeline customer, in the case of recertification, participates in the Medicaid, SNAP, or TCA programs which are administered by the DCF.

The FCC Lifeline Reform Order also calls for the creation of a national eligibility database for certification and program participation verification of Lifeline applicants.⁷ The database will confirm, at least initially, enrollment in the three most common national programs through which consumers qualify for Lifeline (*i.e.*, Medicaid, SNAP, and Supplemental Security Income).

² Section 364.10(2)(h), F.S.

³ See order FCC 12-11, released February 6, 2012; 27 FCC Rcd at 6714-22, paras. 129-148; 47 C.F.R. § 54.410(f).

⁴ The Lifeline coordinated enrollment process was set up by the FPSC and DCF to allow an applicant for Medicaid, SNAP, or Temporary Cash Assistance (TCA) to request and receive Lifeline assistance after approved for the DCF program.

⁵ Nationally known as Temporary Assistance for Needy Families (TANF).

⁶ The Web services interface allows Florida ETCs a secure gateway into the DCF computer to verify that a Lifeline customer is participating in the SNAP, Medicaid, or TCA programs administered by DCF. The ETC enters the person's first and last name, date of birth, and last four digits of the person's social security number. The DCF computer responds as to whether the person currently participates in one of the DCF programs without identifying the program because of confidentiality.

⁷ A single nationwide database will be deployed and the physical infrastructure, connections, and all related components will be located in a single location (or several locations to establish sufficient redundancy).

III. Program Support and Customer Eligibility

The Florida Lifeline program is part of the federal Universal Service Program designed to enable low-income households to obtain and maintain basic local telephone service as outlined in Section 364.10, F.S. Under the FCC rules, there were previously four tiers of monthly federal Lifeline support until June 1, 2012. In 2012, the FCC Lifeline and Link-Up Reform Order replaced the first three tiers of support with a flat \$9.25 credit per month.⁸ The current \$9.25 maximum reimbursement from the Universal Service Administrative Company (USAC) to a participating Lifeline carrier is for wireline or wireless customers. The remaining tier of support, available only to eligible subscribers living on tribal lands, provides an additional credit up to \$25.00 per month. This amount is limited so that the credit does not bring the basic local residential rate below \$1.00 per month.

Transitional Lifeline Assistance requires that ETCs offer former Lifeline customers a 30 percent discount off the residential basic local service rate. The customers are eligible to receive the discount for one year from the date the customer ceases to be qualified for Lifeline.⁹

Program-Based

Eligibility for Lifeline in Florida can be determined by customer enrollment in any one of the following programs:¹⁰

- Food Assistance (SNAP)
- Medicaid
- Federal Public Housing Assistance (Section 8)
- Supplement Security Income (SSI)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Temporary Cash Assistance (TCA)
- National School Lunch Program (NSLP) - Free Lunch
- Bureau of Indian Affairs Programs: Tribal Temporary Assistance to Needy Families, Head Start Subsidy and National School Lunch Program (NSLP)

Income-Based

In addition to the program-based criteria, customers with annual incomes up to 150 percent of the Federal Poverty Guidelines may be eligible to participate in the Florida Lifeline program. Section 364.10(2)(a), F.S., provides that each local exchange telecommunications company that has more than 1 million access lines and is an ETC shall provide Lifeline applicants, who meet an income eligibility test of up to 150 percent of the Federal Poverty Guidelines with Lifeline service. The U.S. Department of Health and Human Services made a

⁸ The first tier of federal support was a \$6.50 for the federal subscriber line. The second tier was a \$1.75 monthly credit available to all subscribers. The third tier was one-half the amount of additional state support up to a maximum of \$1.75. Because Florida carriers provided a \$3.50 credit, Florida Lifeline subscribers received a total monthly credit of \$13.50.

⁹ Section 364.105, F.S.

¹⁰ Rule 25-4.0665(1) and (2), Florida Administrative Code.

decision to increase the 2013 Federal Poverty Guidelines, as shown in Figure 1 below.¹¹ The OPC certifies customer eligibility under the income test for customers requesting to be enrolled in the Lifeline program for those local exchange telecommunications companies designated as ETCs that have more than one million access lines as described above. The OPC also does income certification for wireless ETCs who have filed a notice of election to do so with the FPSC.¹²

Figure 1 shows the monthly and yearly total household incomes at 150% of the Federal Poverty Guidelines necessary to qualify for Lifeline.

Figure 1. 2013 U.S. Poverty Guidelines

Household size (number persons)	2013 U.S. Poverty Guidelines Total Household Annual Income	150% of U.S. Poverty Guidelines Total Household Monthly Income	150% of U.S. Poverty Guidelines Total Household Annual Income*
1	\$11,490	\$1,436	\$17,235
2	\$15,510	\$1,939	\$23,265
3	\$19,530	\$2,441	\$29,295
4	\$23,550	\$2,944	\$35,325
5	\$27,570	\$3,446	\$41,355
6	\$31,590	\$3,949	\$47,385
7	\$35,610	\$4,451	\$53,415
8	\$39,630	\$4,954	\$59,445

*For families with more than 8 persons, add \$6,030 for each additional person to the yearly amount.

Source: Department of Health and Human Services, Federal Register Notice, January 24, 2013

¹¹ Department of Health and Human Services, Annual Update of the Department of Health and Human Services Poverty Guidelines. See Federal Register Notice, January 24, 2013.

¹² See Section 364.10(2)(a), F.S.

IV. Carrier Eligibility

Section 54.201(b) of the Code of Federal Regulations (CFR) provides that a state commission shall, upon its own motion or upon request, designate a common carrier that meets certain requirements as an ETC¹³ in a non-rural service area. Section 54.201(c) of the CFR provides that a state commission may, as long as the request is consistent with the public interest, convenience, and necessity, designate one or more common carrier(s) as ETC(s) in a rural service area.¹⁴

To qualify as an ETC, a common carrier must offer services that are supported by federal universal service support mechanisms, either using its own facilities or a combination of its own facilities and another carrier's resold service,¹⁵ and the carrier must advertise the availability of such services and charges using mass media. Additionally, a company applying and qualifying for designation as an ETC must demonstrate good management and legitimate business practices to successfully administer the Lifeline program, ensuring that granting them ETC status is in the public interest to the citizens of Florida. In 2011, the FCC took a technology neutral approach and determined that ETCs can use any platform to provide voice service.

As of June 30, 2013, twenty-four companies had ETC status in Florida and participated in the Lifeline Program:

- BellSouth Telecommunications, LLC, d/b/a AT&T Florida (AT&T)
- Budget Prepay, Inc. d/b/a Budget Phone
- Cox Florida Telecom, LP
- dPi Teleconnect, LLC/d/b/a Unity Telecom, LLC
- Embarq Florida, Inc. d/b/a CenturyLink
- Express Phone Service, Inc.
- GTC, Inc. d/b/a FairPoint Communications
- FLATEL, Inc.
- Frontier Communications of the South, LLC
- Global Connection Inc. of America
- i-wireless d/b/a Access Wireless
- ITS Telecommunications Systems, Inc.
- Knology of Florida, Inc., d/b/a WOW
- Northeast Florida Telephone Company d/b/a NEFCOM
- Nexus Communications, Inc. d/b/a Nexus Communications TSI, Inc.
- Smart City Telecommunications LLC, d/b/a Smart City Telecom
- Sun-Tel USA, Inc.

¹³ Florida House Bill 1231, the Florida 2011 Legislature, removed the FPSC authority to designate ETC wireless telecommunication providers. Effective July 1, 2012, wireless providers must directly apply for Florida ETC designation with the FCC.

¹⁴ A state commission also has the authority to rescind the ETC status of any ETC designated by it that does not follow the requirements of the Lifeline Assistance program.

¹⁵ Those services supported by Universal Service include the following: (1) voice grade access to the public switched network or its functional equivalent, (2) minutes of use for local service provided at no additional charge to end users, (3) toll limitation to qualifying low-income consumers, and (4) access to the emergency services 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems.

- Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
- T-Mobile South LLC d/b/a T-Mobile Wireless
- Tele Circuit Network Corporation
- TracFone Wireless, Inc. d/b/a SafeLink Wireless
- Verizon Florida, LLC
- Virgin Mobile USA, L.P. d/b/a Assurance Wireless
- Windstream Florida, Inc.

V. Subscribership and Participation Rates

A. Lifeline

The number of subscribers enrolled in Lifeline was 918,245 as of June 30, 2013, an 11.35 percent decrease from the number of June 30, 2012 subscribers. Figure 2 shows the number of Lifeline subscribers from June 2010 through 2013. In 2013, the 11.35 percent drop in subscribership is largely attributable to new FCC rules requiring annual recertification, with many customers not responding to the ETCs' recertification requests and being removed from the program as a result.

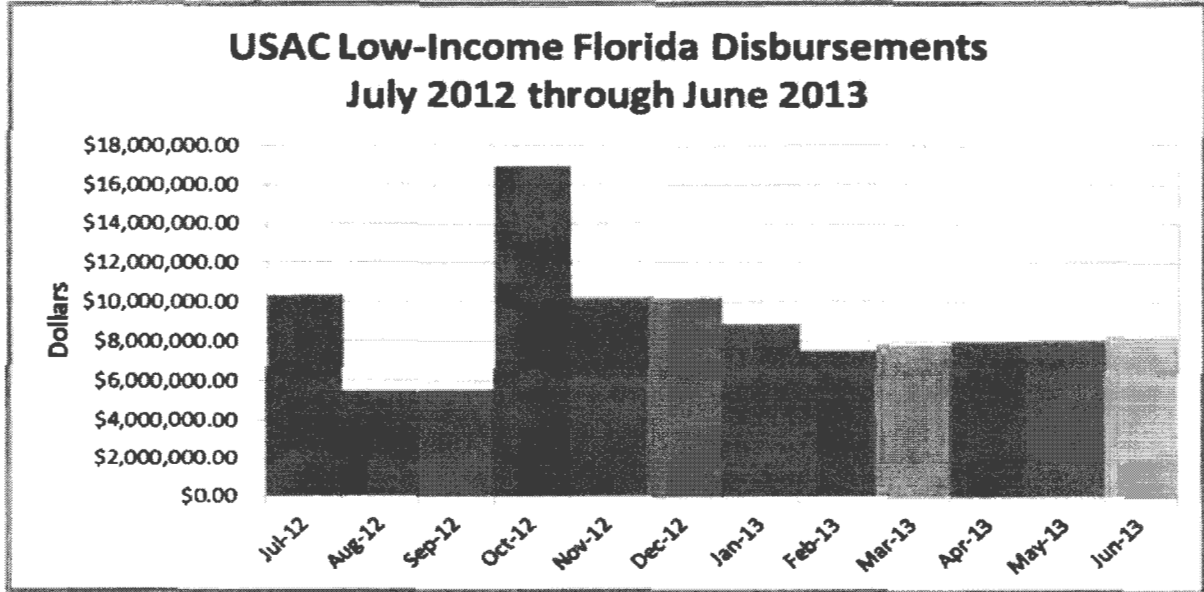
Figure 2. Florida Lifeline Subscribership

	June 2010	June 2011	June 2012	June 2013	% Net Loss 2012-2013
Subscribers	642,129	943,854	1,035,858	918,245	-11.35%

Source: Industry responses to FPSC data requests (2010-13)

Figure 3 reflects the Universal Service Administrative Company (USAC)¹⁶ Lifeline disbursements to Florida for the 12-month period ending June 2013, totaling \$107,537,790, an average of \$8,961,483 per month over the period. These dollars enabled Florida citizens qualifying for Lifeline benefits to receive discounted monthly bills with a current minimum credit of \$9.25, or a free Lifeline wireless phone with up to 250 free monthly minutes from certain wireless providers.

Figure 3. USAC Low Income Florida ETC Disbursements



Source: USAC Disbursements Florida June 2013

¹⁶ The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation designated by the Federal Communications Commission as the administrator of the Universal Service Fund. USAC collects contributions from telecommunications carriers and administers support programs designed to help communities across the country secure access to affordable telecommunications services.

The FCC Lifeline Reform Order required USAC to move low-income disbursements to payments based on actual subscriber counts as opposed to projected payments by October 2012. As of October 31, 2012, all Low Income Program payments are based on actual support rather than based on projections made by USAC. ETCs operating in multiple areas were allowed the opportunity for a phase-in transition to payment on actual support claims earlier than the month the FCC ultimately established as the deadline for payments to be made based only on actual support claims. This approach enabled the carrier to stagger the transition month so that it does not experience an extremely low cash flow in one month. As can be seen in Figure 3, disbursements dropped in September 2012, followed by the actual reimbursements being paid in October 2012, with relatively level disbursements from those months forward.

Figure 4 shows Lifeline participation rates in eligible Florida households from June 2010 through June 2013. As of June 2013, the participation rate was 47 percent, a decrease of 15.5 percent over the previous year. One of the main factors which led to the decrease in participation was the FCC mandated recertification of each Lifeline customer to determine whether he or she still qualified to receive Lifeline benefits. This resulted in de-enrollment in 2013 of 350,817 Florida Lifeline customers, 348,804 of which lost their Lifeline benefit because they failed to respond to the ETCs.

The number of Florida households eligible for Lifeline increased by over 88,000 from 2012 to 2013. Florida was the largest SNAP recipient in the United States in June 2013, with 1,952,890 households receiving SNAP benefits. Since all SNAP recipients are eligible for Lifeline, the number of Lifeline-eligible households in Florida demonstrates the continued need for the Lifeline program.

**Figure 4. Lifeline Participation Rate
In Eligible Florida Households for 2010-2013**

Year	Lifeline Enrollment	Eligible Households	% Participation Rate
June 2010	642,129	1,422,837	45.1%
June 2011	943,854	1,690,512	55.8%
June 2012	1,035,858	1,864,183	55.6%
June 2013	918,245	1,952,890	47.0%

Sources: U.S. Department of Agriculture data figures are as of September 2013

Figure 5 represents the historic and current enrollment figures for the Lifeline program listed by each of the ETCs. As of June 30, 2013, the total Lifeline enrollment in Florida was 918,245 households. Florida had a 11.35 net percentage decrease in enrollment as of June 30, 2013, over the previous year.

Figure 5. Lifeline Net Enrollment and Year-to-Year Net Growth Rate

ETCs	June 2009	June 2010	Net Growth Rate	June 2011	Net Growth Rate	June 2012	Net Growth Rate	June 2013	Net Growth Rate
SafeLink	393,036	396,114	0.80%	447,379	12.90%	430,048	-3.90%	490,828	14.13%
Assurance				286,866		428,830	49.50%	323,014	-24.68%
AT&T	126,090	126,114	0.02%	122,849	-2.60%	102,363	-16.70%	44,796	-56.24%
CenturyLink	39,855	41,593	4.40%	39,524	-5.00%	35,154	-11.10%	22,179	-36.91%
i-wireless/ Access								12,450	100.00%
Verizon	20,916	23,681	13.20%	22,307	-5.80%	18,496	-17.10%	11,327	-38.76%
Windstream	4,807	5,517	14.80%	6,249	13.30%	6,775	8.40%	5,176	-23.60%
FairPoint	2,777	3,093	11.40%	2,446	-20.90%	2,146	-12.30%	1,437	-33.04%
T-Mobile				70		232	231.40%	1,373	491.81%
Global Connection						594	100.00%	789	32.83%
Budget Phone	1,134	3,099	173.30%	2,912	-6.00%	1,399	-52.00%	776	-44.53%
NEFCOM	837	769	-8.10%	795	3.40%	804	1.10%	712	-11.44%
TeleCircuit						1,497	100.00%	637	-57.45%
TDS Telecom	845	920	8.90%	811	-11.80%	728	-10.20%	582	-20.05%
Knology d/b/a WOW	695	959	38.00%	761	-20.60%	751	-1.30%	516	-31.29%
Flatel	2,279	1,888	-17.20%	2,845	50.70%	1,469	-48.40%	304	-79.31%
Frontier	179	159	-11.20%	157	-1.30%	174	10.80%	114	-34.48%
ITS Telecom	124	147	18.50%	178	21.10%	190	6.70%	112	-41.05%
Nexus	1,038	333	-67.92%	201	-39.60%	132	-34.30%	69	-47.73%
Cox Telecom								41	100.00%
Smart City	20	18	-10.00%	23	27.80%	33	43.50%	21	-36.36%
Sun-Tel				434		1,065	145.40%	13	-98.78%
dPi/Unity	588	1,273	116.50%	169	-86.70%	31	-81.70%	0	-100.00%
Express	2,275	3,923	72.40%	1	-100.00%		-100.00%	N/A	N/A
Absolute						89	100.00%	N/A	N/A
Verizon Wireless ¹⁷	66	18	-72.70%	17	-5.60%	26	52.90%	N/A	N/A
Easy Telephone		376		0	-100.00%	4	100.00%	N/A	N/A
American Dial Tone	2,862	18,127	533.40%	1,903	-89.50%		-100.00%	N/A	N/A
Midwestern	107	153	43.00%	16	-89.50%		-100.00%	N/A	N/A
Non-ETC Reseller	18,073	13,664	-24.40%	4,941	-63.80%	2,828	-42.80%	979	-65.38%
Total	618,774	642,129	3.80%	943,854	47.00%	1,035,858	9.70%	918,245	-11.35%

Sources: FPSC data requests (2009-2013). Note: Those companies showing N/A for 2013 no longer are Lifeline Providers in Florida as of 6-30-2013.

Figure 6 shows the six Florida ETCs with the largest number of Lifeline customers in June 2013, which represents 98.5 percent of the total Lifeline customer participation.

Figure 6. Six Florida ETCs with the Largest Number of Lifeline customers in June 2013

Company	June 2013 Customer Participation
SafeLink Wireless	490,828
Assurance Wireless	323,014
AT&T	44,796
CenturyLink	22,179
i-wireless	12,450
Verizon	11,327
Total	904,594

Source: Industry responses to 2013 FPSC data requests

B. Transitional Lifeline

In accordance with Section 364.105, F.S., current Lifeline customers who no longer meet eligibility criteria and are removed from Lifeline service may be eligible to receive a 30 percent discount on the residential basic local service rate for a period of one year after ending Lifeline service. For example, a former Lifeline customer with a phone bill that includes a \$25.00 basic rate would receive a \$7.50 monthly discount for one year. Transitioning from Lifeline service means that the consumer's socio-economic status may have improved, and the customer may have advanced beyond the qualifying eligibility criteria.

Figure 7 presents data on Transitional Lifeline customers for AT&T, Verizon, and CenturyLink for June 2009 through June 2013. The large increase in the number of Transitional Lifeline participants in 2013¹⁸ is attributable to customers being de-enrolled from the Florida Lifeline program due to the FCC requirements to recertify Lifeline customers. These former Lifeline participants may elect to receive Transitional Lifeline benefits up to one year.

Figure 7. AT&T, Verizon, and CenturyLink Transitional Lifeline Participants for June 2009-2013

Year	AT&T, Verizon, and CenturyLink/Embarrq Participants
June 2009	3,996
June 2010	3,710
June 2011	3,118
June 2012	3,566
June 2013	33,294

Source: Industry responses to FPSC data requests (2009-2013)

¹⁸ AT&T reported 32,783; CenturyLink reported 488; and Verizon reported 23.

C. Lifeline Coordinated Enrollment Process

Implementation of the Lifeline coordinated enrollment process has been a major success. The FPSC began formally tracking the number of Lifeline applications filed via the Lifeline coordinated enrollment process in April 1, 2007, and cumulative Lifeline coordinated enrollment applications as of June 30, 2013, totaled 520,461 over the 6 year period.

The coordinated enrollment process requires the DCF client to indicate an interest in receiving the Lifeline discount. The applicant then identifies a telephone service provider from a drop-down box on the application and answers applicable questions. Once determined to be eligible for SNAP, Medicaid, or TCA, DCF forwards the necessary information for Lifeline enrollment which the FPSC places on the FPSC's secure Web site for retrieval by the appropriate ETC. The coordinated enrollment process includes all attestations and certifications from subscribers required by the FCC.

All ETCs are required to enroll the subscriber in the Lifeline program as soon as practicable, but no later than 60 days from the receipt of the FPSC's automatic e-mail notification. In addition, upon completion of initial enrollment, the ETC is required to credit the subscriber's bill for Lifeline service as of the date the ETC received the FPSC's e-mail notification as required in 25-4.0665(10)(b), F.A.C.

ETCs are required to provide the FPSC, within 20 calendar days of receiving the FPSC's e-mail notification, the names, addresses, telephone numbers, and the date of the application for any misdirected applications; any applications for customers currently receiving Lifeline service; or any rejected applicants, including the reason(s) the applicants were rejected as shown in Rule 25-4.0665, Florida Administrative Code (F.A.C). The information filed by the ETCs is confidential and exempt from the public records requirement; however, the information contained in the response is disclosed to the Commission, pursuant to the criteria set forth in Section 364.107(3)(a)(4), F.S.

VI. Regulatory Actions Impacting Florida's Lifeline Program

Key actions by the FPSC, and FCC occurred during the July 1, 2012 through June 30, 2013 period. A discussion of these initiatives is presented below.

A. Federal Communications Commission

1. Lifeline Recertification

In the Lifeline Reform Order, the FCC adopted a set of uniform recertification procedures that all ETCs must perform annually to verify the ongoing eligibility of their Lifeline subscribers.¹⁹ To comply with the annual requirement for 2013, all ETCs and state Lifeline administrators must recertify the eligibility of their Lifeline subscriber base as of June 1, 2013, by the end of 2013, and report the results to USAC by January 31, 2014. Subscribers failing to respond to recertification efforts must be de-enrolled from Lifeline.

ETCs have the option of recertifying subscribers in one of two ways. The first is to verify program or income-based eligibility where an ETC can query the available database to confirm the subscriber's continued eligibility. In the absence of a database, the ETC must recertify the continued eligibility of a subscriber in writing, by phone, by text message, by e-mail, by Interactive Voice Response, or otherwise through the Internet using an electronic signature. If an ETC is unable to recertify a subscriber, the subscriber is offered transitional Lifeline benefits at 70 percent of the local telecommunications service rate for one year.²⁰

2. 2012 Recertification of Florida Lifeline Subscribers

As explained in the requirements for Lifeline recertification, subscribers failing to respond to recertification efforts must be de-enrolled from Lifeline. The following Figure 8 shows the number of subscribers claimed by Florida ETCs in May 2013 was 1,030,390, and the number of subscribers not responding for recertification was 348,804. The number of subscribers who responded that they are no longer eligible for Lifeline benefits was 2,013. As a result of the 2012 recertification process, 350,817 customers or 34.05 percent were de-enrolled from the Florida Lifeline program.²¹

¹⁹ See Lifeline Reform Order, 27 FCC Rcd at 6714-22, paras. 129-148; 47 C.F.R. § 54.410(f).

²⁰ Section 364.105, F.S. Discounted rate for basic service for former Lifeline subscribers.

²¹ Numbers recorded by ETCs on FCC Form 555, November 2012, OMB 3060-0819, Annual Lifeline Eligible Telecommunications Carrier Certification Form.

Figure 8. Recertification of Florida Lifeline Subscribers

Company	Number of Lifeline Subscribers Claimed in May 2012	Number of Lifeline Subscribers Not Responding To Recertification	Number of Subscribers Responding That They Are No Longer Eligible	Number of Subscribers De-Enrolled	Percent of Lifeline Customers De-Enrolled
ILECs					
NEFCOM	794	209	28	237	29.85%
Smart City Telecommunications	32	8	5	13	40.63%
TDS/Quincy	733	253	1	254	34.65%
AT&T	110,035	72,473	N/A	72,473	65.86%
CenturyLink	35,263	21,934	27	21,961	62.28%
ITS Telecommunications	188	126	0	126	67.02%
Frontier	172	128	0	128	74.42%
Verizon	18,747	7,391	0	7,391	39.42%
Windstream	6,730	3,131	0	3,131	46.52%
GTC - Florida	210	108	5	113	53.81%
GTC - St. Joe	1,250	574	20	594	47.52%
GTC - Gulf Telephone	745	440	8	448	60.13%
CLECs					
Knology	750	480	7	487	64.93%
Unity Telecom f/k/a dPi	0	0	0	0	N/A
Absolute Home Phones	0	0	0	0	N/A
Global Connection Inc.	112	21	0	21	18.75%
Telecircuit	759	132	0	132	17.39%
Easy Telephone Services	5	4	0	4	80.00%
Budget Prepay	1,676	222	12	234	13.96%
FLATEL	1,209	547	0	547	45.24%
Sun-Tel USA	1,010	980	0	980	97.03%
Nexus Communications	0	0	0	0	N/A
Express Phone Service	0	0	0	0	N/A
Wireless					
ALLTEL/Verizon Wireless	29	6	0	6	20.69%
T-Mobile	248	60	0	60	24.19%
Assurance Wireless	418,253	185,877	1,900	187,777	44.90%
SafeLink Wireless	431,440	53,700	0	53,700	12.45%
Total	1,030,390	348,804	2,013	350,817	34.05%

3. Duplicate Lifeline Support

The FCC Wireline Competition Bureau provided guidance to eligible ETCs and state administrators regarding compliance with the one-per-household rule adopted in the Lifeline Reform Order, and reminded ETCs of their ongoing duty to prevent and eliminate duplicative

support.²² Eligible consumers can only receive one Lifeline-supported service per household.²³ To comply with the one-per-household rule, each ETC has an ongoing duty to ensure that it provides support to only one subscriber per household.²⁴ An ETC may not serve more than one person at an address without obtaining the required certifications.²⁵ Consistent with the one-per-household rule, once an ETC determines through an examination of its records that it is providing Lifeline supported service to multiple subscribers at a single address, the ETC must provide each subscriber at that address with a one-per-household worksheet. The ETC must also inform the subscriber that he or she has 30 days to respond and provide the requested information, or the subscriber will be de-enrolled.²⁶ The ETC must de-enroll a subscriber that fails to attest that the subscriber is a member of a separate household at the address or fails to return the one-per-household worksheet.²⁷ Similarly, if a prospective subscriber seeks to obtain service at an address where the ETC is already serving a subscriber, the prospective subscriber must attest that it is part of a separate household, prior to the ETC providing Lifeline service to the new subscriber.²⁸ ETCs which have failed to take the necessary steps to prevent and eliminate intra-company duplicates may be subject to administrative action by the USAC and/or enforcement action by the FCC.²⁹

4. ETC Florida Wireless Applications submitted to the FCC and Pending as of August 2013

As of July 1, 2011, the FPSC no longer has authority to designate wireless ETCs in the State of Florida. Wireless ETC applications for Florida are now filed directly with the FCC. As of August 9, 2013, the following 35 Florida ETC Wireless petitions were pending at the FCC:

- Airvoice Wireless, LLC
- American Broadband and Telecommunications Company
- Amerimex Communications Corp.

²² See Lifeline and Link Up Reform and Modernization et al., WC Dkt. Nos. 11-42 et al., CC Dkt. No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012) (Lifeline Reform Order or Order).

²³ See id., 27 FCC Rcd at 6689, para. 74. The one-per-household rule is codified at 47 C.F.R. § 54.409(c). See 47 C.F.R. § 54.409(c). This rule became effective June 1, 2012. See Lifeline Reform Order, 27 FCC Rcd at 6859-60, para. 515; 77 FR 12952 (March 2, 2012), corrected by 77 FR 19125 (Mar. 30, 2012).

²⁴ See Lifeline Reform Order, 27 FCC Rcd at 6691, para. 78 (stating that an ETC must “search its own internal records to ensure that it does not already provide Lifeline-supported service to someone at that residential address”).

²⁵ See id., 27 FCC Rcd at 6719, para. 140.

²⁶ See id., 27 FCC Rcd at 6720, para. 143 (noting that an ETC must provide 30 days notice to a subscriber prior to de-enrollment if the ETC has reason to believe that that subscriber is no longer eligible for Lifeline).

²⁷ See id., 27 FCC Rcd at 6690-91, para. 77; 47 C.F.R. § 54.405(e)(1). The one-per-household worksheet can be found at http://www.usac.org/_res/documents/li/doc/Lifeline-household-worksheet.docx.

²⁸ See Lifeline Reform Order, 27 FCC Rcd at 6691, para. 78. Subscribers must provide a certification at sign up and as part of the recertification process (for those subscribers whose eligibility is not recertified through a database) that the subscriber is compliant with the one-per-household rule. See 47 C.F.R. § 54.410(d)(3); 47 C.F.R. § 54.410(f)(2)(iii); (f)(3)(iii).

²⁹ The FCC expects that the ETCs’ subscriber information transmitted to USAC to begin the National Lifeline Accountability Database “scrubbing process” will be free of intra-company duplicates. See Lifeline Reform Order, 27 FCC Rcd at 6749, para. 215 (“The scrubbing process should begin once the FCC approves USAC’s plan and ETCs have provided their existing subscriber lists and accompanying data to either USAC or the database”).

- Assist Wireless, LLC
- Birch Communications f/k/a Now Communications n/k/a Tempo Telecom LLC
- Blue Jay Wireless, LLC
- Boomerang Wireless, LLC
- Budget PrePay, Inc.
- Cintex Wireless, LLC
- Consumer Cellular
- EZ Reach Mobile, LLC
- FedLink Wireless, LLC
- FLATEL Wireless, Inc. d/b/a ZING PCS
- Free Mobile, Inc.
- Global Connection Inc. of America
- ICON Telecom, Inc.
- Kajeet, Inc.
- Linkup Telecom, Inc.
- LTS of Rocky Mount, Inc.
- Millennium 2000 Inc.
- Nexus Communications, Inc.
- Pinnacle Telecommunications Group, LLC
- Platinum Tel Communications, LLC
- Prepaid Wireless Retail, LLC d/b/a Odin Wireless
- Q Link Wireless LLC
- TAG Mobile LLC (dPi Wireless)
- Talk N Text Wireless, LLC d/b/a TNT Wireless
- TelOps International, Inc. d/b/a AmTel
- Tele Circuit Network Corporation
- Telrite Corporation
- TerraCom
- Total Call Mobile, Inc.
- True Wireless, LLC
- Vast Companies, LLC d/b/a Vast Communications'
- You Talk Mobile – Federal, LLC

5. i-wireless d/b/a Access Wireless ETC Designation by the FCC

i-wireless was granted ETC status by the FCC by Order DA 12-934, released June 13, 2012. The company did not have Lifeline customers prior to July 1, 2012. i-wireless sought limited ETC designation solely for the provision of Lifeline service and ensuring that low-income consumers have access to 911 and enhanced 911 services. The FCC conditioned the i-wireless designation by requiring approval of a compliance plan, outlining the measures that i-wireless would take to provide its Lifeline subscribers with 911 and enhanced 911 services, and implementing certification procedures and processes to prevent waste, fraud and abuse in the Lifeline program.

6. TracFone Florida Smartphone Project

The TracFone Florida Smartphone Project approved by the FCC³⁰ will study the effects of Lifeline discount amounts and discounted hardware. TracFone, in partnership with Technology Goes Home, will test the effect of both discounted price and hardware cost on mobile broadband adoption and retention using four variations in its broadband service plans and one control group randomly assigned over a large, geographically diverse sample. By offering varying combinations of free or discounted hardware and \$10 or \$20 per month service, low-income customers' sensitivity to upfront and ongoing prices can be measured. By comparing the two variations in offers with the control group, which is priced at market rate, TracFone will be able to estimate the take-rate for each price point with 2 GB on data limits. Lifeline support for this project will not exceed \$915,000, with no reimbursement for non-recurring fees.

B. Florida Public Service Commission

The FCC Lifeline Reform Order made major changes to the Florida Lifeline program. The FPSC has been working with the industry and other agencies to implement the FCC changes and to follow the guideline dates that the FCC issued or are still pending.

1. Lifeline Work Group

The Lifeline Work Group was created by Section 364.10(2)(g)3, F.S., and includes the FPSC, the DCF, the OPC, and each Florida ETC offering Lifeline service. Its purpose is to determine how the eligible Lifeline subscriber information will be shared, the obligations of each party with respect to the use of that information, and the procedures to be implemented to increase enrollment and verify eligibility in these programs.

A Lifeline Work Group meeting was held at the FPSC on September 19, 2012, to discuss Initiation of Rulemaking to Amend Rule 25-4.0665, F.A.C., Lifeline Service, and to Repeal Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company. Rule 25-4.0665, F.A.C., would be amended to require ETCs to comply with new FCC subscriber eligibility determination, eliminate Link-Up, update Lifeline application forms, eliminate quarterly reporting requirements, and clarify ETC responsibilities regarding record retention, resale of Lifeline lines, and advertising. The amended rule would also include the requirement that a subscriber's Lifeline local service may not be discontinued because of nonpayment of charges for non-basic services and toll charges which is currently contained in Rule 25-4.113, F.A.C. Consistent with the 2011 changes made to Chapter 364 F.S., Rule 25-4.113, F.A.C., would then be repealed.

2. Cox Florida Telecom LP ETC Designation

By Order PSC-12-0500-PAA-TP, issued September 28, 2012, in Docket No. 120165-TP, and Order PSC 12-0552-PAA-TP, issued October 17, 2012, in Docket No. 120175-TP, the FPSC granted ETC designation to Cox Florida Telecom LP. Cox Florida Telecom LP was approved as

³⁰ See order FCC DA 12-2045, released December 19, 2012.

an ETC for the limited purpose of receiving federal universal service low income support for providing Lifeline service to qualified households in its non-rural and rural service territory in Florida. Cox was previously certificated as a competitive local exchange carrier (CLEC) at the FPSC and has been providing local and long distance telephone service to residential and commercial customers in the State of Florida since 2005. Cox provides service in the Pensacola, Ft. Walton Beach, and Gainesville/Ocala areas. Cox has a choice of different plans in Florida that include local telephone usage, call waiting, voicemail, and long distance.

3. FPSC Continued Actions to Prevent Waste, Fraud and Abuse of the Federal USF

In 2012-2013, Florida continued at the forefront in enforcing safeguards to prevent waste, fraud, and abuse of the USF. Florida's leadership in implementing and administering the National ETC State Coordinating Group to monitor prospective and existing ETCs across the country, has enabled information sharing with all states³¹ on a national basis. Protecting against waste, fraud, and abuse in the Lifeline program is contingent upon developing adequate safeguards to ensure that funds are being disbursed and expended according to state and federal regulations and guidelines. The FPSC monitors monthly federal universal service funds disbursed to Florida ETCs to determine the number of Lifeline participants in Florida by month. The FPSC also monitors pending Florida ETC designations at the FCC.

The FPSC strives to protect the integrity of the Lifeline program in the State of Florida and takes appropriate enforcement action when necessary. The FPSC has statutory authority to grant landline ETC designations, and can also revoke ETC status when warranted. Unlawful and inappropriate federal USF disbursements are inconsistent with public trust and negatively impacts states like Florida, which contributes more into the USF than it receives. Florida continues to be commended by the FCC for its continued and formidable efforts to identify and eliminate fraud in the Lifeline Assistance program and Florida's efforts to end any potential fraud in the Universal Service Fund.

4. Comments filed with the FCC regarding the Lifeline Reform 2.0 Coalition Petition for Rulemaking to Further Reform the Lifeline Program

On June 28, 2013, the Lifeline Reform 2.0 Coalition filed a Petition with the FCC for Rulemaking to Further Reform the Lifeline Program. On July 15, 2013, the FCC issued Public Notice DA 13-1576, seeking comments on the Coalition's Petition.

The Coalition proposes two measures in its reform package that concern the FPSC. The Coalition believes all ETCs should review a government-issued photo identification at the time of enrollment, and retain copies of identification and proof of eligibility documentation. The FPSC believes that review of a valid government-issued photo identification such as proposed by the Coalition is unnecessary in Florida when Florida's Lifeline Electronic Coordinated enrollment process is used. On September 27, 2013, the FPSC submitted comments to the FCC to encourage the FCC to consider the following:

³¹ The ETC State Coordinating group includes state commission members from all fifty states and the District of Columbia.

1. The Coalition should be commended for their efforts to combat waste, fraud and abuse in the Lifeline program. However, the FPSC believes a review of a valid government-issued photo identification such as proposed by the Coalition is burdensome and unnecessary in Florida when Florida's Lifeline Electronic Coordinated Enrollment process is used.
2. ETCs can easily retain the FPSC notification as proof the Lifeline applicant has been verified as eligible for participation in the Lifeline program without the need for retention of a copy of the applicant's government-issued photo identification.

5. FCC Requirement to Provide Hard-Copy Certifications of Lifeline Applicants to ETCs

FCC Order 12-11 states that ETCs must not seek reimbursement from the federal universal service fund unless the ETC has received from the state Lifeline administrator or other state agency, a copy of the Lifeline subscriber's certification form.³² The Order also requires state Lifeline administrators or other state agencies that are responsible for the initial determination of a subscriber's eligibility for Lifeline to provide each ETC with a hard-copy of each of the Lifeline certification forms.³³

The United States Telecom Association (US Telecom) filed for and received three consecutive waivers of this requirement on behalf of states which included Florida through February 1, 2014. The current Waiver Order states that "...if an ETC or state believes that it will be unable to come into compliance and seeks a permanent waiver from the rules, it must provide in its request for permanent relief an explanation for why such relief is appropriate."

Florida has put in place a streamlined, efficient, and verifiable Lifeline Electronic Coordinated Enrollment process that does not have the capability or necessity of printing out a hard-copy Lifeline application. This advanced process involves a computer interface between the FPSC and the DCF for Lifeline applicants who currently participate in the Medicaid, the SNAP, or the TCA program. The Florida process eliminates the need to require or maintain hard-copy Lifeline certification applications. On October 25, 2013, the FPSC filed a petition with the FCC providing a status update and request for a permanent waiver of the requirement to provide hard-copy certifications to ETCs.

³² 47 C.F.R. §54.410(b)(2)(ii), 47 C.F.R. §54.410(c)(2)(ii), and 47 C.F.R. §54.407(d)

³³ 47 C.F.R. §54.410(e)

VII. Lifeline Assistance Promotion, Pursuant to Section 364.10, F.S.

Promotional activities in 2013 featured National Lifeline Awareness Week, National Consumer Protection Week, the Connect Florida Campaign, and ongoing “grass roots” efforts to increase awareness and enrollment in the Lifeline program.

Lifeline Across America. In 2013, the Lifeline Across America Working Group [FCC, NARUC, and National Association of State Utility Consumer Advocates (NASUCA) representatives] concentrated on the fifth annual National Telephone Discount Lifeline Awareness Week. The Group’s national effort is to ensure that low income families and individuals are aware of the Lifeline program and understand the participation requirements, including the requirement that eligible consumers may receive no more than one Lifeline discount. The FCC, continuing to review reforms that will further reduce fraud and abuse in the Lifeline program, worked with its Lifeline Across America Working Group partners and others to increase awareness among low-income consumers about the recent program reforms and participation requirements. The Lifeline Across America Working Group produced an outreach campaign to educate consumers and updated the NARUC outreach toolkit, including an eligibility screening tool, an online tool to help consumers find companies providing Lifeline discounts, a consumer’s guide, and new public service announcements, in English and Spanish). Important messages about the FCC’s program changes—requiring proof of eligibility and annual reapplication—were highlighted by the states during Lifeline Awareness Week. According to NARUC, more than twenty state public utility commissions issued press releases, received gubernatorial proclamations, released radio and television public service announcements, and published letters-to-the-editor to help promote Lifeline. Also, the technical sub-group of Lifeline Across America (FCC, NARUC, USAC, and state commission representatives) held conference calls to discuss special issues related to Lifeline program administration. The FPSC continually shares information about Florida’s Lifeline regulations and procedures, and Florida’s Lifeline Awareness Week events with the Lifeline Across America Working Group.

National Lifeline Awareness Week (September 9-15, 2013). *Stay Connected, Florida!* was the slogan for Florida’s 2013 Lifeline Awareness Week, September 9-15. In addition to increasing awareness among eligible citizens, this year’s Lifeline Awareness Week also aimed to educate residents on the FCC rule changes to limit benefits to one per eligible household and require annual recertification to continue the benefit. FPSC Chairman Ronald A. Brisé kicked off the week by hosting an event with the Tallahassee Housing Authority at the Springfield Community Center. Tallahassee Housing Authority provides for and assists in the procurement of “safe and sanitary housing for low-income families,” and their clients benefit from the Lifeline program. Essential grassroots support from agencies, such as Florida’s housing authorities, is imperative to reaching eligible residents. During the kickoff, Chairman Brisé focused on ways to ensure that consumers know how to enroll in Lifeline and how to reapply each year. Event participants included: State Senator Bill Montford; State Representative Alan Williams; Nick Maddox, Chairman of Leon County Board of County Commissioners; John Marks, Mayor, City of Tallahassee; J.R. Kelly, Public Counsel; Charles Milsted, AARP; and Brenda Williams, Tallahassee Housing Authority Executive Director.

Now in its fifth year, Lifeline Awareness Week events were also held throughout Florida to help seniors and low-income Floridians learn about, and apply for, the Lifeline program. The FPSC visited senior centers in Lake Worth, Palm Beach Gardens, and Lauderhill and partnered with housing authorities in Lakeland and Bartow to help Florida's residents save money on their telephone and utility bills and to share recent Lifeline rule changes. Each Lifeline Awareness Week event offered individual assistance to consumers applying for the Lifeline program. Several telecommunications companies' representatives and the OPC joined the FPSC at the senior centers and housing authority locations, and offered program information and assistance in signing up eligible residents. An FPSC article featuring the Lifeline Assistance program and the importance of Lifeline Awareness Week was featured in a recent edition of the Florida Department of Elder Affairs' *Elder Update*.

Governor Rick Scott wrote a letter supporting the invaluable service of the Florida Lifeline program designed to reach eligible Floridians helping them connect with possible job prospects, emergency and community services, and family and friends. (Governor Scott's letter follows on the next page).



RICK SCOTT
GOVERNOR

September 6, 2013

Dear Friends:

It is my pleasure to welcome all attending the Florida Kick-off of National Lifeline Awareness Week.

The Lifeline program provides an invaluable service to many citizens throughout our state by offering discounts on monthly telephone bills. As of June 2012, more than one million eligible customers participated in the Lifeline program. This year's statewide events are designed to reach eligible Floridians to help them connect with possible job prospects, emergency and community services, and family and friends.

Thank you to the Florida Public Service Commission, the Office of Public Counsel, other state and federal agencies, and telecommunications companies for your dedication to providing access to local telephone services. Your commitment to promote and improve the success of the Lifeline program greatly benefits many families in Florida.

Best wishes for a successful week helping Floridians to Stay Connected!

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott".

Rick Scott
Governor

National Consumer Protection Week and Other Community Events. The FPSC continuously seeks existing community events and new venues and opportunities where Lifeline educational materials can be distributed and discussed with citizens. National Consumer Protection Week, March 3-9, 2013, was a good backdrop for Lifeline outreach activities. National Consumer Protection Week, an annual consumer education campaign, encourages individuals to take advantage of their consumer rights. For this year's event, FPSC Chairman Brisé kicked off the week by hosting a *Love Saving Energy?* Press Conference in February to bring practical, energy saving ideas to consumers. The FPSC highlighted ENERGY STAR appliances at Mays-Munroe, a local Tallahassee appliance store. Event participants included: State Representative Alan Williams; Leon County Commissioner Mary Ann Lindley; Brenda Buchan, Florida State Department of Agricultural and Consumer Services; and Mark Munroe, owner of Mays-Munroe Appliance Store. At the press conference, these state and community leaders shared their energy saving practices, along with additional conservation tips to keep consumer energy costs down. Also during National Consumer Protection Week, the FPSC made presentations to consumers in Pembroke Pines, Hollywood, Orlando, Kissimmee, Sanford, and Belle Glade, showing them how to save money through energy and water conservation and how to sign up for the Lifeline program.

For the second year, the FPSC participated in a national project called Older Americans Month--celebrated each May to honor and recognize older Americans for the contributions they make to their families, communities, and society. *Unleash the Power of Age* was this year's theme, and the FPSC held educational sessions with Florida senior centers in Eustis, Tavares, Groveland, Leesburg, Miami, and Miami Beach. The FPSC's educational sessions showed seniors ways to conserve energy and water and highlighted the Lifeline program. In addition, the FPSC distributed brochures and publications at the Jacksonville Expo, where over 5,000 seniors attended. An FPSC article outlining the importance of Older Americans Month, the Commission's outreach activities, and the Lifeline program was featured in the January 2013 edition of the Florida Department of Elder Affairs' *Elder Update*.

Other events and locations where Lifeline information was shared include:

- Ambassadors for Aging Day
- Active Living Expo; Earth Day at the Capitol
- Technology Lifeline Community event in Chipley
- Leroy Clemons Senior Center
- Maxwell Senior Center
- Orange Park Senior Center
- Middleburg/Wiegel Senior Center
- Florida Forest Festival
- Jacksonville Community Event
- Enoch Senior Center
- Pinellas Park Senior Center
- St. Giles Manor Senior Center
- Marianna Housing Authority
- Jackson County Senior Citizens Organization
- Gadsden County Senior Center

- Chattahoochee Senior Center
- Green Cove Springs Senior Center
- Senior Days in Lake Jackson, Miccosukee, Bradfordville, Ft. Braden, and Woodville
- Florida Department of Elder Affairs and the Big Bend Task Force's Falls Prevention Seminar
- Florida Department of Elder Affairs SAFE Homes Program Workshop
- FAMU Developmental Research School
- Community Days in the cities of Jacksonville, Pembroke Pines and Miami.

Each year the FPSC provides educational packets, including publications and Lifeline brochures and applications in English, Spanish, and Creole, to Florida public libraries across the state for consumer distribution. This year's Library Outreach Campaign increased in number from 333 to 583, to include all state public libraries and branches. Following the Campaign, many additional library requests for extra publications have been filled.

Connect Florida Campaign. The Connect Florida Campaign (Campaign), established by Linking Solutions, Inc., the OPC, and AT&T in 2004, continues to increase consumer awareness and participation in Lifeline. During January 2012-December 2012, the Campaign event locations included Palm Beach County, Putnam County, Seminole County, Orange County, Hernando County, Indian River County, Escambia County, Washington County, Orange County, Miami/Dade County, and Monroe County. In addition to the larger events, campaign activities included smaller training sessions with non-profit organizations, public agencies, faith based groups, community centers, and community activities. Last year, the Campaign held 220 sessions throughout Florida.

Community Services Block Grant Program. The Florida Department of Economic Opportunity includes Lifeline services as an indicator in its work plan, allowing the Community Action Agencies to report on the number of clients they help to receive Lifeline services. During the October 1, 2011-September 30, 2012 reporting period, an estimated 1,592 households were signed up for Lifeline benefits through 17 Community Action Agencies, with \$128,112 in estimated benefits to clients. According to the Department of Economic Opportunity, for the reporting period cited, 17 of the 27 community action agencies provided Lifeline enrollment numbers.

Income-Based Lifeline Applicants. The OPC provides assistance to consumers applying for Lifeline Assistance based upon income level. During the period July 2012-June 2013, the OPC received over 45,000 calls from potential applicants seeking assistance, and processed approximately 45,175 applications. The OPC verifies income eligibility for customers of Assurance Wireless, AT&T Landline, CenturyLink Landline, SafeLink Wireless, T-Mobile Wireless, and Verizon Landline.

Ongoing Lifeline Outreach. Ensuring easily accessible Lifeline information through the agencies and organizations having regular interaction with eligible consumers is crucial to the Lifeline awareness effort. The Lifeline Partners (*listed in the next section*) have continued to develop new partnerships, participate in local community events, offer training sessions, provide updates about program changes, and supply brochures and applications. The information

provided in the 2003 through 2012 *Lifeline Reports* offers a detailed historical perspective and illustrates ongoing outreach efforts. Learn more about the Lifeline Partners and their valuable assistance in promoting Lifeline by visiting the FPSC's website at <http://www.psc.state.fl.us/publications/reports.aspx#tele>.

Lifeline Partners. The following local, state, and federal agencies, organizations, businesses, and telecommunications companies are involved in the collaborative effort to increase awareness and participation in the Lifeline program. Each month, the FPSC sends a cover letter and informational packet to two organizations to encourage continued Lifeline outreach to their eligible clientele. Additionally, the FPSC attends two community events monthly to promote Lifeline.

Lifeline Partners include these local, state, and federal agencies, organizations, and businesses:

- AARP - Florida Chapter (formerly the American Association of Retired Persons)
- Ability Housing of Northeast Florida
- ACCESS Florida Community Network Partners
- Agency for Health Care Administration (AHCA)
- Agency for Persons with Disabilities
- Alliance for Aging, Inc.
- Area Agencies on Aging
- Big Bend 2-1-1 and other 2-1-1 Agencies
- Boley Centers, Inc.
- Braille and Talking Book Library
- Brain Injury Association of Florida, Inc.
- Bureau of Indian Affairs Programs
- Capital Area Community Action Agency, Inc. (CACAA)
- Catholic Charities of Central Florida
- Centers for Drug Free Living
- Centers for Independent Living
- City and County Consumer Assistance Departments
- City and County Housing Authorities
- Communities In Schools Foster Grandparent Program
- Community Partnership Group
- Faith Radio Station and other Florida radio stations
- Federal Social Security Administration (SSA) - Tallahassee District
- Florida Alliance for Information and Referral Services (FLAIRS)
- Florida Assisted Living Association
- Florida Association for Community Action (FACA)
- Florida Association of Community Health Centers
- Florida Association of Counties
- Florida Association of County Human Service Administrators
- Florida Association of Food Banks (FAFB)
- Florida Association of Housing and Redevelopment Officials (FAHRO)
- Florida Coalition for Children

- Florida Coalition for the Homeless
- Florida Council on Aging
- Florida Department of Children and Families (DCF)
- Florida Department of Community Affairs (DCA)
- Florida Department of Economic Opportunity (DEO)
- Florida Department of Education (DOE)
- Florida Department of Elder Affairs (DEA)
- Florida Department of Revenue (DOR)
- Florida Department of Veterans' Affairs (DVA)
- Florida Developmental Disabilities Council
- Florida Elder Care Services
- Florida Home Partnership
- Florida Hospital Association
- Florida Housing Coalition
- Florida Housing Finance Corporation
- Florida League of Cities, Inc.
- Florida Low Income Housing Associates
- Florida Nurses Association
- Florida Office of Public Counsel (OPC)
- Florida Public Libraries
- Florida Public School Districts
- Florida Rural Legal Services, Inc.
- Florida Senior Medicare Patrol
- Florida Senior Program
- Florida Telecommunications Relay, Inc. (FTRI)
- Florida Voters League
- 1000 Friends of Florida, Inc.
- Habitat for Humanity – Florida
- HANDS of Central Florida
- Hemophilia Foundation of Greater Florida
- Leon County School Board
- Linking Solutions, Inc.
- Marion Senior Services
- Mid-Florida Housing Partnership, Inc.
- NAACP (Florida Associations)
- Nursing Homes Administrators
- One-Stop Career Centers (DEO)
- Seminole County Government Community Development
- Senior Resource Alliance
- Refuge House of the Big Bend
- Tallahassee Memorial Hospital (TMH) and other Florida hospitals
- Tallahassee Urban League
- Three Rivers Legal Services, Inc.
- United Way of Florida

- Urban Leagues of Florida
- U.S. Department of Housing and Urban Development (HUD)
- Washington County Council on Aging

As of June 30, 2013, twenty-four telecommunications companies had ETC status in Florida and participated in the Lifeline Program. A complete listing of the Florida ETCs participating in the 2013 Lifeline program is shown on pages 5 and 6 of the report.

VIII. Effectiveness of Procedures to Promote Participation

Efforts to increase Lifeline participation can be separated into two categories, consumer outreach and enrollment process. The FPSC, in cooperation with other state and federal agencies, the OPC, ETCs, and other organizations, remains engaged in extensive outreach efforts. Because most of these efforts run concurrently, measuring the impact of any single activity on Lifeline participation is difficult. Nevertheless, outreach efforts overall are having a positive outcome and should be continued. Outreach efforts are also being expanded to include more CLEC and wireless ETCs.

The Commission continues to focus on enrollment process issues as a means of increasing participation. As previously discussed in this report, specific enrollment process initiatives include the following:

- FPSC Lifeline Coordinated Online Application Process
- FPSC/DCF Coordinated Lifeline Enrollment
- Annual Recertification Procedures
- DCF Certification/Verification Web Services Interface
- Lifeline Rulemaking Workshops
- Lifeline Work Group Meetings

IX. Conclusion

As of June 30, 2013, 918,245 eligible customers participated in the Florida Lifeline program. The success of the Florida Lifeline program can be attributed to the continued partnership between the Florida Public Service Commission, the Florida Department of Children and Families, the Florida Office of Public Counsel, and agencies around the state that assist Florida low-income families.

The ETC designation of successful prepaid wireless providers, such as SafeLink Wireless and Assurance Wireless, which provide a free phone and free monthly minutes to the customer, has been a major growth factor in the Florida Lifeline program the last several years. As a result of Florida Lifeline participation, USAC Low Income disbursements for Florida ETCs for the 12-month period ending June 2013, totaled over \$107 million. These dollars enabled Florida citizens qualifying for Lifeline benefits to receive discounted monthly bills with a current credit of at least \$9.25, or a free Lifeline wireless phone with 250 free monthly minutes.

The FPSC will continue to identify and find solutions to barriers that may prevent Lifeline from achieving greater success for the benefit of Florida's low-income consumers. The FPSC will also continue its work on streamlining the Lifeline enrollment process and refining the FPSC/DCF Lifeline coordinated application procedure in Florida so that applying for the Lifeline program is easier and faster than in previous years.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 31, 2013
TO: Braulio L. Baez, Executive Director
FROM: Lisa S. Harvey, Deputy Executive Director *LSH*
Mary Anne Helton, Deputy General Counsel *MAH*
RE: Modification to APM 2.07 Administrative Disposition of Certain Matters.

Critical Information: Please place on the November 14, 2013 Internal Affairs.
Approval is sought.

Below are suggested modifications to APM 2.07 Administrative Disposition of Certain Matters. These suggested modifications (presented in type-and-strike) reflect several matters that the Commission could authorize staff to dispose of administratively. Other minor edits have been included which reflect necessary changes due to clarity or consistency. Staff is requesting Commission approval on the attached APM draft.

There are only two substantive changes in this document. Page 5, 207.C.5.a.(6), modifies language to include administrative approval for late payment and insufficient fund surcharges for water and wastewater utilities when amounts are cost justified and similar to charges approved for other utilities. Page 10, 207.C.5.k, adds new language granting staff administrative approval of administrative changes to program standards for electric utility conservation programs.

cc: Curt Kiser (GCL)

2.07 ADMINISTRATIVE DISPOSITION OF CERTAIN MATTERS (OPR:CLK)

A. PURPOSE

To list those matters which the Commission has authorized staff to dispose of administratively.

B. POLICIES

1. Except as otherwise stated, the director of the division which is designated Office of Primary Responsibility (OPR) is responsible for processing and disposing of the matters listed below. Such actions by the OPR are to be taken in coordination with the Offices of Collateral Responsibility (OCRs) and, in particular, with the Office of General Counsel (GCL). If GCL is the OPR, it is to coordinate the appropriate action with the division(s).
2. Any party to matters processed under this section may, upon written request, have the matter considered by the Commission.

C. MATTERS FOR ADMINISTRATIVE DISPOSITION

1. Legal Matters

The GCL may grant motions or Petitions for Intervention if it is clear that the petitioner has standing under [Agrico Chemical Company v. Department of Environmental Regulation](#), 406 So. 2d 478, (Fla. 2nd DCA, 1981), and no response in opposition has been filed. Recommendations to deny motions or Petitions for Intervention are to be forwarded by the GCL to the Commissioner assigned to rule on motions and procedural matters for the case.

2. Administrative Matters

- a. Changes of names and corporate reorganizations of regulated utilities, where no change of ownership or control or transfer of assets is involved, may be approved by the Director of the appropriate technical division and GCL by notifying the Office of Commission Clerk (CLK). Cases involving changes in ownership or control, or asset transfer, or other reason to withhold acknowledgment, are to be referred to the Commission **if the Commission has jurisdiction over the change in ownership or asset transfer.**
- b. The OPR and the attorney assigned may grant written requests for withdrawal of pay telephone certificate applications filed by a company by notifying CLK and the applicant.
- c. CLK may close a staff-assisted rate case docket 30 days after the utility is notified of the denial by the Chairman unless a written protest is filed.

d. CLK may administratively close dockets as described below upon the joint recommendation of the OPR division and GCL. By the fifth workday of the following month, CLK will prepare a monthly report of such actions and electronically notify the Office of the Chairman; the Executive Director (EXE); the Deputy Executive Director-Technical (DET); the Docket Manager; the GCL; and the Commission Clerk that the report of Dockets Closed Administratively is available on line, providing access to the link.

- (1) Dockets which were erroneously opened.
- (2) Dockets which were opened to resolve objections relating to notices or applications for certificates, amendments, or transfers in which the objection was subsequently withdrawn.
- (3) Dockets opened to address requests for confidential classification when the subject request is withdrawn prior to a ruling on the confidentiality of the information or when staff determines that it does not need the information and directs that it be returned to its source prior to a ruling on confidentiality.
- (4) Other dockets initiated by the filing of a petition, application, notice, complaint or other request in which the applicant, petitioner or complainant seeks to withdraw its initial pleading and staff has determined that there are no pending issues that need to be addressed by the Commission regarding the filing and no request for refund of filing fee has been made.

e. The Director of the Division of Accounting & Finance (AFD) may grant written requests for withdrawal of pass-through or price index rate adjustment applications.

f. Requests may be granted for increases in bonds, letters of credit and corporate underwritings, which are submitted due to an order by the Commission or pursuant to appropriate statutes, when the originals are deemed inadequate to fulfill the purpose for which they were filed.

3. Accounting Records

The relevant division, with the concurrence of the EXE or designee, may provide comments to federal agencies concerning audit reports or findings proposed by the staff of federal agencies. ~~The Intergovernmental Attorney in~~ GCL shall be copied with the draft comments prior to their transmittal to the federal agencies.

4. Jurisdictional Water and Wastewater Systems

a. Requests may be granted for the keeping of records and record books outside of the office or place of business of companies within this state (private

homes, independent accounting offices or other record keeping offices) if the Commission will have free access to such records and books of record.

- b. Requests may be granted for the keeping of records and record books outside of the state if the company agrees to reimburse the Commission for the reasonable travel expenses of the Commission's representative during any out-of-state audits or investigations.
- c. GCL and AFD are directed not to initiate a show cause proceeding when staff initially discovers that a water and/or wastewater utility's books and records are not maintained in accordance with the NARUC UsaA, in apparent violation of Rule 25-30.115, F.A.C. Staff is also directed to **request that require** the utility to bring its accounts and records into conformance with the NARUC UsaA in accordance with Rule 25-30.115, F.A.C., and to require the utility to submit a statement from its accountant with its next annual report indicating that it has done so. If a utility remains out of compliance, staff should then bring a show cause issue to the Commission for disposition.
- d. Applications for the sale or transfer of water and wastewater facilities from private entities to governmental authorities may be granted when they are filed and processed in accordance with Section 367.071(4)(a), Florida Statutes. Governmental transfers shall be brought to the Commission for consideration if it appears to the staff to be controversial or unique in nature. A memorandum shall be provided to notify the EXE, GCL, and all Commissioners at least two weeks prior to the administrative approval of any governmental transfers.
- e. Notices of abandonment, appointment of receivers, and cancellation of certificates may be administratively acknowledged when they are filed in accordance with Section 367.165, Florida Statutes, and a governmental authority has been appointed as receiver for such abandoned utilities pursuant to Section 367.156 (2), Florida Statutes. Notices of abandonment, appointment of governmental entity receivers, and cancellation of associated certificates shall be brought to the Commission for consideration if they appear to the staff to be controversial or unique in nature. A memorandum shall be provided to notify the EXE, GCL, and all Commissioners at least two weeks prior to the administrative approval of such abandonments.
- f. Written requests for Regulatory Assessment Fee (RAF) payment plans may be approved if:
 - (1) The utility has not defaulted on a prior or current payment plan, and
 - (2) The utility does not have any outstanding Regulatory Assessment Fees for any period not covered by a prior payment plan other than for the current request.

If the Division of Accounting & Finance and the Office of GCL agree the request for a payment plan should be approved, a joint memorandum shall be submitted to the Division of Administrative and Information Technology Services (AIT) indicating approval and specifying the terms of the payment plan. Staff will bring to the Commission for resolution any requests that appear unusual or controversial, or any recommendations to deny a requested RAF payment plan. A memorandum shall be provided to notify the EXE, GCL, and all Commissioners at least two weeks prior to the administrative approval of a request for a RAF payment plan.

g. Rule 25-30.036(2), F.A.C., states that applications to expand the service territory of an existing water or wastewater certificate shall be granted if the following conditions are met:

- (1) the proposed new territory includes a maximum of 25 equivalent residential connections at the time the territory is at build out,
- (2) there is no timely objection to the application,
- (3) there is no other utility in the area of the proposed territory that is willing and capable of providing service to the new territory, and
- (4) the person(s) or business(es) requesting water or wastewater service have demonstrated to the utility that service is necessary because:
 - (a) a private well has been contaminated or gone dry,
 - (b) a septic tank has failed, or
 - (c) service is otherwise not available

Requests to grant service territory expansion and amendment of an existing certificate filed pursuant to Rule 25-30.036(2), F.A.C., shall be administratively approved by Staff. Such requests shall be brought to the Commission for consideration if they appear to the staff to be controversial or unique in nature. A memorandum shall be provided to notify the EXE, GCL, and all Commissioners at least two weeks prior to the administrative approval of such certificate amendments.

5. Miscellaneous

- a. Investor-owned utility (company) tariff filings, when they propose to do the following things, may be approved administratively. ~~Proposals to make obsolete or eliminate non-obsolete tariff offerings shall be presented to the Commission. In addition, a~~ Any proposal falling in the following categories shall be brought to the Commission for consideration if it appears to the staff to be controversial or unique in nature.

- (1) To approve tariffs filed in response to a Commission rule, order or vote unless the Commission has requested to see the tariffs filed before approval. These tariffs may go into effect upon staff approval.
 - (2) To correct typographical errors.
 - (3) To clarify text or to reorganize or modify the tariff as long as such changes simplify or clarify use of the tariff and do not alter the application of charges or services offered or the original Commission intent or understanding.
 - (4) To remove obsolete tariff offerings once all customers have discontinued service.
 - ~~(5) To offer new services or equipment which are not presently available to existing customers as long as that proposal does not contain new pricing concepts and does not limit service or affect rates to existing customers.~~
 - ~~(6)~~ (5) To change municipally owned electric and rural electric cooperative rates and charges as long as (1) there is no change in the rate structure previously approved for that utility, (2) the change results in the rate relationships moving closer to those approved for the investor-owned electric utilities or, (3) the proposal does not contain new pricing concepts.
 - ~~(7)~~ (6) To approve miscellaneous service charges (including initial connection, normal and violation reconnection and premises visit charges), **late payment charges and non sufficient fund surcharges** for a water and/or wastewater utility as long as the amounts and conditions ~~are the same as recent Commission decisions.~~ **are cost justified and the service charge requested does not exceed a similar charge in effect for another utility.**
 - ~~(8)~~ (7) Pass-through rate adjustments for water and wastewater utilities may be allowed to go into effect 45 days after filing, except that a pass-through application from any utility which reports unaccounted-for water exceeding ten percent is to be placed before the Commission.
 - ~~(9)~~ (8) Price index rate adjustments for water and wastewater utilities may be allowed to go into effect 60 days after filing except that, when material staff adjustments are made and/or possible overearnings are evident, these two exceptions are to be placed before the Commission.
- b. The Office of Telecommunications (TEL) and GCL may administratively dispose of an unopposed request by a telecommunications carrier to adopt an Interconnection Agreement between carriers that was previously approved by the Commission or allowed to go into effect by operation of law. The

docket shall be closed after 90 days upon filing of an acknowledgment memorandum to the docket file.

- c. TEL and GCL may dispose of a request for voluntary cancellation of a pay telephone certificate initiated by the pay telephone company. The docket shall be closed upon issuance of the administrative order.
- d. TEL and GCL may administratively dispose of a request for approval of a negotiated Interconnection Agreement, subject to the following conditions, by allowing an agreement to go into effect by operation of law;
 - (1) The party entering into the agreement with the incumbent local exchange telecommunications company is registered with the Secretary of State's Office to conduct business in Florida and, if certificated as a competitive local exchange telecommunications company, the certificated name of the party is used in the agreement.
 - ~~(2) The agreement contains a provision for 911 access, which meets the requirements of Rule 25-24.840, F.A.C.~~
 - (2) There is no basis for rejection under Section 252(e)(2), ~~F.S.~~, of the Telecommunications Act of 1996.
 - (3) The agreement appears to comply with state law, to the extent provided for in Section 252(e)(3), ~~F.S.~~, of the Telecommunications Act of 1996.

The docket shall be closed upon filing an acknowledgment memorandum to the docket file.

- e. TEL will review a telecommunications carrier's request to review and overturn the North American Numbering Plan Administration's (NANPA) central official code (NXX), or the Pooling Administrator's thousand-block (NXX-X) code denials using the following steps:
 - (1) Day 1: Upon NANPA's ten thousand-block code denial, or the Pooling Administrator's one thousand-block code denial (Part 3), the carrier shall file a petition with the Commission requesting review of the code denial.

Subsequent to the filing of its petition, the carrier must, within three business days, file with this Commission:

 - (a) The customer's name, address, and telephone number.
 - (b) The utilization threshold for every switch in that particular rate center where additional numbering resources are sought.

- (c) The Months-to-Exhaust (MTE) for every switch in that particular rate center where additional numbering resources are sought.

To the extent necessary, companies may seek confidential treatment of the information provided, pursuant to Rule 25-22.006, F.A.C., and Section 364.183, F.S.

- (2) Day 7: Upon review and evaluation, the Commission staff assigned as OPR shall ensure that the following three criteria have been met:
 - (a) The carrier has demonstrated that it has customers in need of immediate numbering resources, or has a switch in a multi-switch rate center which has an MTE of less than six months;
 - (b) The carrier has shown that it is unable to provide services to a potential customer because of NANPA's or the Pooling Administrator's denial of the numbering resources, or it will be unable to provide services to customers from a switch in a multi-switch rate center because its supply of numbers is less than six months;
 - (c) A potential customer cannot obtain service from the provider of his/her choice because the carrier does not have the numbers available, or customers will not be able to have a choice of providers because a provider will run out of numbers for that switch in a multi-switch rate center within six months; and
- (3) Day 10: The following conditions apply:
 - (a) If these three criteria are met, the OPR will submit a memorandum to GCL for the docket file, stating that the identified criteria have been met; thereafter, an administrative Proposed Agency Action (PAA) Order will be issued within seven business days of receipt of the memorandum. If a protest is filed, this docket will remain open to address the protest.
 - (b) If these three criteria are not met, or Commission staff believes that the complexity of the case warrants a more thorough analysis in a recommendation to be considered on the regular agenda schedule, Commission staff will contact the company to discuss the matter. If discussions with the company do not resolve the concerns, Commission staff will prepare a recommendation to address the matter before the full Commission.
- (4) The TEL director or the director's designee has provisional authority to approve or deny carrier requests to NeuStar to engage in Local Number Portability (LNP) or issue numbering resources during times of emergency, using the procedures set forth in (a) and (b) below.

- (a) Request by NeuStar for Authority to Engage in LNP in times of emergency.
- i) When NeuStar contacts one of the designated staff identified above, staff will seek information from NeuStar to determine whether the LNP request is a result of the emergency situation.
 - ii) If the LNP request is a direct result of an emergency situation and if implementation of the LNP request would promote the expeditious recovery of telecommunication service, staff will approve NeuStar's request. Staff will provide a decision verbally to NeuStar within 20 minutes of the request.
 - iii) Designated staff will submit correspondence to NeuStar confirming the verbal approval. Should the Commission facilities be uninhabitable, staff will submit correspondence as soon as practical.
 - iv) Staff will not approve a request for porting that occurs as part of normal business operations.
 - v) Staff will advise Commissioners as soon as practicable that emergency LNP procedures were used and provide an estimate of how long these emergency numbering procedures will remain in place.
- (b) Requests by carriers to NeuStar to Issue Numbering Resources in times of emergency.
- i) When contacted by NeuStar, the designated staff member will obtain the following information:
 - Name and contact information of the requesting carrier.
 - Amount of numbers requested by rate center.
 - Justification for the request.
 - ii) Staff will make a determination whether the numbering request results from the emergency situation and determine whether such request will benefit the consumers of the State of Florida. In making its decision, staff will consider whether the request will facilitate the restoration of telecommunication service, assist in the maintaining public health, safety, and welfare issues such as for law enforcement, fire and medical emergency services, hospitals, distribution of food or other essential supplies, or aid in recovery efforts through FEMA or insurance companies.

- iii) Within one hour of the request, staff will inform NeuStar whether the request is approved or denied.
 - iv) Designated staff will submit correspondence to NeuStar confirming the verbal approval. Should the Commission facilities be uninhabitable, staff will submit correspondence as soon as practical.
 - v) Staff will advise Commissioners as soon as practicable that emergency numbering procedures were used and provide an estimate of how long these emergency numbering procedures will remain in place.
- f. TEL and GCL may deny an application to provide pay telephone service, or obtain a certificate of authority to provide local service if staff finds the application is incomplete or inaccurate, subject to the following conditions:
- (1) Staff shall send a certified letter to the applicant requesting completion and/or correction of the application.
 - (2) The applicant does not respond within 15 days.
- The docket shall be closed upon issuance of an administrative order.
- g. TEL and GCL may administratively process a request for cancellation of a telecommunications company's certificate if the company has paid all previous years' regulatory assessment fees and any applicable penalties and interest. Additionally, the company is subject to the regulatory assessment fee for the final year or portion thereof as a certificated company. If the entity commences operations in Florida, a new certificate of authority must be granted. The docket shall be closed upon the filing of an acknowledgment memorandum to the docket file with a copy to the company.
- h. Requests for approval of a depreciation rate for an electric or gas utility's new account or subaccount classification may be administratively approved if a similar account and associated rate has been previously approved for another electric or gas utility. Any proposal shall be brought to the Commission for consideration if it appears to the staff to be new, unique, or controversial in nature.
- i. Commission staff may approve changes to electric utility plans for long-term energy emergencies as long as the changes are technical, non-substantive, or involve formatting changes and the overall procedures remain consistent with the requirements of Rule 25-6.0185, F.A.C.
- j. Commission staff may approve non-tariffed charges to be assessed to a customer who seeks to interconnect customer-owned renewable energy

facilities, if the charges are agreed to by the investor-owned utility and the customer, and are cost-based as contemplated by Rule 25-6.065(4)(h), F.A.C. The investor-owned utility shall provide staff with documentation on the charges and from the customer attesting to their agreement to the proposed charges.

- k. Commission staff may approve the original and any subsequent changes to program standards that are administrative in nature (such as rebate processing times, vendor qualifications, etc.) associated with investor-owned electric utility conservation programs as long as the overall program standards remain consistent with the Commission's Order approving the program. Any proposal shall be brought to the Commission for consideration if it appears to the staff to be new, unique, or controversial in nature.

[History: Revised IA 11/15/82; IA 3/16/83; IA 3/29/83; IA 8/1/83; IA 8/30/83; IA 4/17/84; IA 4/1/85; IA 4/30/85; IA 10/15/85; IA 10/6/86; IA 9/29/87; IA 11/22/88; 2/7/89; Agenda 4/4/89; IA 8/1/89; ED 4/13/90; Agenda 2/91; IA 4/30/91; ED 5/3/91; 2/11/92; APM Reformatted and Reissued 7/1/94; IA 2/6/96; ED 2/22/96; ED 2/27/96 (originally approved at IA 12/4/95); ED 2/97; IA 6/1/99; IA 5/16/2000; ED 6/15/2000; IA 2/6/01; IA 5/14/01; Agenda Conference 5/29/01; ED 10/01; ED 3/02; ED 4/02; ED 9/29/03; ED 11/07/03; APM Reformatted and Reissued 12/01/04; ED 5/6/05; IA 9/19/05; IA 8/15/06; ED 12/7/06 (IA 9/18/06); ED 4/2/10; ED 7/9/10; DED 9/22/11; ED 10/23/12; ED 2/15/13]

II. Outside Persons Who Wish to Address the Commission at Internal Affairs

The records reflect that no outside persons addressed the Commission at this Internal Affairs meeting.

III. Supplemental Materials Provided During Internal Affairs

The records reflect that there were no supplemental materials provided to the Commission during this Internal Affairs meeting.

IV. Transcript

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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PROCEEDINGS: INTERNAL AFFAIRS

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Thursday, November 14, 2013

TIME: Commenced at 11:11 a.m.
Concluded at 11:33 a.m.

PLACE: Gerald L. Gunter Building
Room 105
2540 Shumard Oak Boulevard
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

P R O C E E D I N G S

1
2 **CHAIRMAN BRISÉ:** At this time we are going to
3 call to order our Internal Affairs meeting for today,
4 Thursday, November 14th. And we'll go ahead and take up
5 Item Number 1.

6 **MR. POLK:** Good morning, again, Commissioners.
7 Jim Polk on behalf of staff.

8 Item Number 1 this morning addresses the draft
9 2013 Annual Lifeline Report, which was prepared in
10 accordance with requirements of Section 346.10, Florida
11 Statutes. By December 31 each year, the Commission is
12 required to report to the Governor, President of the
13 Senate, and Speaker of the House of Representatives on
14 the number of customers subscribing to Lifeline service
15 and the effectiveness and procedures to promote
16 participation in the program.

17 As of June 30th this year, 918,245 households
18 participated in Florida's Lifeline program, representing
19 a 45 percent participation rate of eligible households
20 in Florida. Staff is requesting the Commissioners
21 approval to submit this report and is prepared to answer
22 any questions you may have.

23 **CHAIRMAN BRISÉ:** Thank you.

24 Commissioner Brown.

25 **COMMISSIONER BROWN:** Thank you, Mr. Chairman.

1 And thank you for compiling the report. It
2 looks like that although the eligibility has increased
3 in Florida due to SNAP, participation levels have
4 declined. And the question that I'm curious about is do
5 you think that this trend is going to continue to move
6 forward. And if so, also, what impact does that have on
7 the Lifeline program going forward?

8 **MR. POLK:** Commissioner, the drop in the
9 eligible households this year actually originated from
10 the new FCC recertification and certification procedures
11 which went into effect. What we do, and you have it on
12 Page 7, disbursements, which is a good indication of
13 exactly how many, based it on that particular month that
14 USAC disbursed to the eligible low-income ETCs in
15 Florida, for the last -- this particular chart goes up
16 to June. Staff every single month stays on top --

17 **COMMISSIONER BROWN:** I'm sorry, did you say
18 eligible or did you say actual participants?

19 **MR. POLK:** Participants.

20 **COMMISSIONER BROWN:** Okay. Thank you.

21 **MR. POLK:** Okay. I'm sorry. And staff
22 continues to monitor USAC disbursements. As of the most
23 recent disbursements, which just came out October of
24 2013, eligible participants in the program that are
25 receiving Lifeline went up to 980,000. There has been

1 an increase in the last nine months every single month
2 in Lifeline participation in the program. So what we
3 are seeing, based on the question you asked me, we are
4 seeing a continual rise. And that's why we expect
5 Lifeline to continue to grow in the coming year.

6 **COMMISSIONER BROWN:** Okay. Thank you. I was
7 a little confused by that. I thought there was actually
8 a drop, a decrease in participation in the program.

9 **MR. POLK:** There was from the previous year
10 from 2012 to 2013. What has happened since then, due to
11 the recertification and so forth, is Florida lost a
12 number of customers that didn't recertify. And since
13 that point in time, the last nine months, there has been
14 an upsurge every single month in people qualifying and
15 participating in Lifeline.

16 **COMMISSIONER BROWN:** And so you think that
17 trend is going to continue to increase participation?

18 **MR. POLK:** Yes, staff believes that that is a
19 trend that will continue.

20 **COMMISSIONER BROWN:** Excellent. Thank you for
21 your thoughts.

22 **MR. POLK:** You're welcome.

23 **CHAIRMAN BRISÉ:** Okay. Any further comments
24 or questions on this item?

25 I want to thank you all for the report. And I

1 want to thank particularly Miss Thelma for the hard work
2 that goes into ensuring that people are aware of the
3 program. I had the opportunity of participating in at
4 least one event here in Tallahassee to help people
5 understand the eligibility requirements and that the
6 program is available.

7 In serving on the USAC board, one of the
8 things that the board is very cognizant of and concerned
9 about is ensuring that the appropriate people are the
10 ones that are receiving the service, and that as many
11 people as possible receive the service, as well. So
12 thank you all for your efforts.

13 **MS. CRUMP:** Thank you, Commissioner.

14 **COMMISSIONER BROWN:** Mr. Chairman, I move
15 approval.

16 **CHAIRMAN BRISÉ:** All right. It has been moved
17 and seconded. Any further discussion or questions?

18 Seeing none, all in favor say aye.

19 (Vote taken.)

20 **CHAIRMAN BRISÉ:** Going on to Number 2.

21 **MR. BAEZ:** Thanks, Chairman.

22 Commissioners, Item 2 is -- you have been
23 provided with suggested modifications to the APM on
24 specifically the section that grants administrative
25 authority to staff on certain matters. Most of the

1 changes you have been provided type-and-strike.

2 Most of the changes are minor edits and
3 renumbering and so forth, but there are two substantive
4 changes. The first is to add -- or rather include
5 language that provides for administrative approval for
6 late payments and insufficient fund surcharges for water
7 and wastewater utilities subject to conditions. And the
8 second change, the second substantive change adds new
9 language granting staff administrative approval for
10 administrative changes to program standards for electric
11 utility conservation programs.

12 **CHAIRMAN BRISÉ:** All right.

13 Commissioners, questions, comments?

14 Commissioner Brown.

15 **COMMISSIONER BROWN:** Thank you.

16 And thank you, Braulio, for bringing this to
17 our attention. I have questions on Page 4 and 5
18 regarding those substantive changes, and more of a
19 clarification. First, at the bottom of Page 4, staff's
20 proposal to delete that area under 5.a., "Proposals to
21 make obsolete or eliminate nonobsolete tariff offerings
22 shall be presented to the Commission." Can you provide
23 some reasoning for striking that and taking that out of
24 our authority?

25 **MR. BAEZ:** Well, you had already given us

1 administrative authority to approve certain changes to
2 tariffs, and we just figured that -- or we believed that
3 eliminating obsolete was so non -- it's almost, it's not
4 even nonsubstantive, it's almost negatively substantive.
5 It's not something -- it's more than nonsubstantive.

6 **COMMISSIONER BROWN:** Well, on a subsequent
7 page under 4 it says remove obsolete tariff offerings
8 once all customers have discontinued service. So I just
9 didn't know why you also --

10 **MR. BAEZ:** I'm sorry, I'm not seeing the
11 reference.

12 **COMMISSIONER BROWN:** On Page 5, Subparagraph
13 4, it was to remove obsolete tariff offerings once all
14 customers have discontinued service.

15 **MR. BAEZ:** I think the two refer to different
16 drivers for it.

17 Jim, do you want to -- Jim's signaling.

18 **MR. DEAN:** Jim Dean on behalf of staff.

19 Commissioners, the first one that you referred
20 to, proposals to make obsolete or eliminate nonobsolete
21 tariffs, nonobsolete tariffs are defined as tariffs
22 where there are active customers still on them. So we
23 could not do that anyway. So that's something that we
24 would only bring to your attention for a vote if we are
25 going to eliminate a tariff where there's customers on

1 it. So that we would do anyway. This is just
2 unnecessary duplicative language of what we already do.

3 **COMMISSIONER BROWN:** Great.

4 **MR. DEAN:** Now, go to the next page. An
5 obsolete tariff is one that there are no customers
6 serving on it. So if the utility now has the discretion
7 to close that out, we would not bring that to your
8 attention because there's no customers affected.

9 **COMMISSIONER BROWN:** That makes sense.

10 **MR. DEAN:** So they are consistent.

11 **COMMISSIONER BROWN:** Okay. Thank you. That
12 makes sense. Thank you for your clarification.

13 Can I follow up on one more? The substantive
14 provisions, including late payment charges and
15 non-sufficient fund surcharges, as long as those costs
16 do not exceed a similar charge in effect for another
17 utility -- I'm happy, Braulio, that you said that these
18 are for water and wastewater utilities. But I didn't
19 know that it was specific to any particular industry, it
20 just said any other utility. And I also wanted to know
21 would it be a similarly-sized utility or just any
22 utility? Because the way -- first of all, I didn't know
23 it applied to just wastewater and water.

24 **MR. DEAN:** Yes, ma'am. This is just for
25 wastewater. And we took out the language as based on

1 recent Commission decisions, because that's kind of
2 ambiguous. How long is recent? And so there is a
3 benchmark that you can't do above, higher than any
4 existing tariffs, and they have to be cost justified,
5 too. So they can't just -- if their cost is not as high
6 as the highest one, they can't get the highest charge.
7 They have to show the cost basis.

8 **COMMISSIONER BROWN:** That makes sense. But,
9 again, I didn't know that that just was with regard -- I
10 don't see anywhere in that subparagraph that it applies
11 just to water and wastewater.

12 **MR. DEAN:** The fourth sentence, the fourth
13 line down under 6, for a water or wastewater --

14 **COMMISSIONER BROWN:** There you go. Thank you.
15 I didn't see it. The other thing is --

16 **MR. BAEZ:** It's not in red.

17 **COMMISSIONER BROWN:** -- which does not exceed
18 a similar charge in effect for another utility, is your
19 intent for any size, Class A, B, or C?

20 **MR. DEAN:** No, ma'am, I don't think it's
21 applicable to any size utility. It can apply to A, B,
22 or C, subject to check. I think it's across the board.

23 **COMMISSIONER BROWN:** Across the board. So it
24 doesn't matter -- if a Class A charges a late payment, a
25 Class C can charge that as long as the costs are

1 justified?

2 **MR. DEAN:** Yes, ma'am. Right. It's not based
3 on a similarly situated size or class utility.

4 **COMMISSIONER BROWN:** Okay. What's the intent
5 behind that?

6 **MR. DEAN:** The non-sufficient funds charge is
7 permitted in the statute, and so there's some language
8 in there that defines those limits. I can't remember,
9 to be honest, the late payment charge.

10 **MR. BAEZ:** Commissioners, I think the way the
11 language functions is since the intent is always to
12 bring -- to bring you controversial items, I think you
13 see a lot of that in the language. Whenever you are
14 doing something new, i.e., a charge that is higher than
15 anyone else is charging, that almost qualifies as such.
16 You're doing something new and different.

17 The administrative authority has always been
18 to do the routine things, the things that are
19 noncontroversial. And we saw the language as
20 functioning as sort of a trigger. Yes, it has to be
21 cost justified, but it should remain in your hands
22 whether you want to approve a charge -- whether you're
23 breaking new ground on a charge. And in that way we
24 kind of guard against what I would call charge creep.
25 You know, you get rid of the argument that, you know

1 what, everybody else is changing it. And it kind of
2 builds on itself, so you don't find yourself one day
3 just having to approve higher charges because everyone
4 else is doing it. So you have got the binary, you've
5 got two safeguards there. They have to be cost-based,
6 but also it should be in your final decision whether you
7 are going to let the overall charge grow to something
8 that has never been seen before.

9 **COMMISSIONER BROWN:** Thank you.

10 And, Mr. Dean, thank you for clarity, too.

11 **MR. DEAN:** Yes, ma'am.

12 **COMMISSIONER BROWN:** Thanks.

13 **CHAIRMAN BRISÉ:** Commissioner Balbis.

14 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

15 Just to follow up, I know recently, I believe
16 it was for an electric utility, the late payment charge
17 was a significant issue. And I'm not sure I'm
18 comfortable with delegating that authority to staff on
19 specifically those two items. I'm okay with the
20 strikeout of the are the same as recent Commission
21 decisions, and then the additional protections of cost
22 justified and doesn't exceed, but I'm not comfortable
23 with adding late payment charges and non-sufficient fund
24 charges. And so I would request that to be stricken
25 out.

1 I don't know if my other Commissioners agree.
2 I think that's something that has been an issue with
3 electric utilities. I know this is water and
4 wastewater, but I don't see any harm in bringing that to
5 us just for an additional check.

6 **CHAIRMAN BRISÉ:** Okay. Commissioners?
7 Commissioner Graham.

8 **COMMISSIONER GRAHAM:** It's one of those
9 things, so as far as I'm concerned, I was fine with
10 staff's recommendation. But if it means something, I
11 don't have any reason to stop it. I'm sorry, if it
12 means something to Commissioner Balbis, I have no reason
13 to stop it coming to us.

14 **MR. BAEZ:** And clearly, Commissioners, these
15 are just suggestions. And I think the point is for you
16 all to have a level of comfort. It doesn't affect the
17 process going forward. I mean, if you feel more
18 comfortable deciding those, that's perfectly fine.

19 **CHAIRMAN BRISÉ:** All right. Commissioners,
20 any further comments on that particular language with
21 respect to late payment charges and non-sufficient fund
22 surcharges?

23 **MS. CRAWFORD:** If it's of any reassurance,
24 Commissioners, there are a number of fairly standardized
25 miscellaneous service charges which staff has already

1 been endowed with administrative authority over. And I
2 would align these types of charges, especially
3 non-sufficient fees, which are statutorily based, and
4 there's typically not really any discretion involved
5 there.

6 And I certainly welcome staff's thoughts, but
7 in my experience with water and wastewater you tend to
8 see a greater uniformity in the amount of the late
9 payment charge. I don't know with electric how uniform
10 it may be utility to utility, but typically that is a
11 fairly standardized charge, as well. But if it is the
12 Commission's preference to leave those two charges out,
13 certainly it has the discretion to do so.

14 **CHAIRMAN BRISÉ:** All right. I think we have
15 had good discussion.

16 Commissioner Balbis.

17 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

18 If we're in the proper posture for a motion, I
19 would move to approve the revisions to the
20 administrative procedures manual with the words late
21 payment charges and non-sufficient fund surcharges
22 stricken from Paragraph 6 on Page 5.

23 **COMMISSIONER BROWN:** Second.

24 **CHAIRMAN BRISÉ:** Okay. It has been moved and
25 seconded. Any further comments?

1 All right. Seeing none, all in favor say aye.

2 (Vote taken.)

3 **CHAIRMAN BRISÉ:** All right. Thank you very
4 much.

5 **MR. BAEZ:** Thank you, Commissioners.

6 **CHAIRMAN BRISÉ:** Anything else with respect to
7 this item?

8 **MR. BAEZ:** No.

9 **CHAIRMAN BRISÉ:** All right. Thank you.
10 Moving on to Number 3, legislative update.

11 **MS. PENNINGTON:** Good morning, Commissioners.
12 Just a couple of updates this morning.

13 The next scheduled round of legislative
14 committee meetings is the week of December 9th, I
15 believe, one week after the Thanksgiving holidays. We
16 do not have schedules yet, but we will let you all know
17 just as soon as we do.

18 The other thing I wanted to mention is the
19 bill that I talked to you about at the last Internal
20 Affairs meeting, Senate Bill 272 by Senator Simpson,
21 which has to do with the rates that an investor-owned
22 water or wastewater utility charges as opposed to what
23 the local government may charge in the same county, we
24 have yesterday sent that bill analysis to the senate,
25 and we copied you all on it. So that one -- we have

1 finished our staff analysis on that bill, if there are
2 any questions.

3 **CHAIRMAN BRISÉ:** All right. Thank you.

4 Any questions? All right. Seeing none, thank
5 you very much.

6 Mr. Baez.

7 **MR. BAEZ:** No report.

8 **CHAIRMAN BRISÉ:** Okay. Anything on other
9 matters for today?

10 All right. Seeing none, we stand adjourned
11 for Internal Affairs.

12 (Internal Affairs concluded at 11:33 a.m.)

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 22nd day of November, 2013.



JANE FAUROT, RPR
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