



GARY HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

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To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Manager, Telecommunications

Re: Lifeline Verification Update and Request for Scheduling Conference; Docket 10-2528-01

This memorandum provides the Commission an update on discussions concerning Lifeline verification processes that have occurred since the Division's memorandum filed on May 10, 2013, suggesting changes to Lifeline rules. Additionally, the Division recommends a scheduling conference be held to establish a schedule for parties to provide input on potential changes to the Commission's Lifeline administrative rules.

As the Commission is aware, after the Division's May 10 comments, the Department of Workforce Services (DWS) provided notice of its intent to terminate its contract with the Commission to provide eligibility verification services. That termination is to be effective at the end of August, 2013. Since that time various interested parties have held discussions concerning current-year eligibility determinations and verifications, long-term processes, and the potential for updated Commission rules for eligibility determinations and verifications.

The Division has been assured by the DWS that it will not, in fact, terminate the existing contract and will provide continued support while the Commission considers long-term verification procedures. Further, the DWS expects to provide information during future Commission proceedings concerning the various services it could provide with cost estimates for each discrete component of those services. This should enable the Commission to determine the most cost effective method of complying with recertification requirements. It is expected that other interested parties would also participate in such proceedings. Those entities' comments, coupled with detailed cost estimates from the DWS, should allow the Commission to determine the best ongoing course of action for Lifeline eligibility and recertification practices. Administrative rules should be rewritten to reflect those updated practices.

Given the progress of discussions with various parties, the Division recommends the Commission convene a scheduling conference to establish a schedule for receiving information and comments concerning an effective and cost-effective process for verifying and recertifying eligibility for state Lifeline funds. The Division expects that such a proceeding will provide the Commission with useful information and argument, allowing it to formulate an improved process.

While the envisioned proceedings are ongoing, the Division anticipates the Commission, the DWS, and other parties including the relevant companies can complete ongoing eligibility and recertification processes in largely the same manner as occurred for the 2012 recertification and is currently occurring for new applications.

Cc: Service List