

Bond Case Briefs

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PUBLIC UTILITIES - CALIFORNIA

TC Telephone v. Public Utilities Commission

Court of Appeal, Fourth District, Division 3, California - September 28, 2026 - Cal.Rptr.3d - 2026 WL 2905303

Carrier, which had purchased telephone service from other carriers and resold it to low-income customers under a measured-rate plan, filed a petition for writ of review of a decision of the Public Utilities Commission (PUC) ordering carrier to repay millions of dollars in allegedly improper per-minute reimbursements, and of the Commission's decision denying its rehearing petition.

The Court of Appeal issued the writ and allowed the parties to submit supplemental briefs.

The Court of Appeal held that reimbursement orders violated due process because applicable rules failed to provide carrier with fair notice that it could not seek per-minute reimbursement.

Public Utilities Commission (PUC) failed to provide carrier with fair notice, through written guidance, regulations, or other activity, that seeking per-minute reimbursement, as opposed to per-call reimbursement, for expenses incurred in reselling measured rate discounted telephone service was prohibited, prior to PUC's issuance of a clarifying resolution, and thus, PUC's punishment of carrier, a regulated entity, by ordering it to repay millions of dollars received in allegedly improper reimbursements, violated due process; prior to resolution, PUC's reimbursement rules were broadly worded and vague, and even PUC's staff did not know whether per-minute reimbursement was allowed, as they instructed carrier to continue submitting per-minute claims until the issue was resolved.