

A.05-02-020 ALJ/TOM/hl2

## ATTACHMENT A

### SETTLEMENT AGREEMENT

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BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Application of GLOBAL VALLEY NETWORKS  
(U-1008-C) pursuant to Public Utilities Code  
Sections 851 through 854 for authority to sell an  
office building and related land.

A. 05-02-020

**SETTLEMENT AGREEMENT**

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San Francisco, CA. 94102  
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email: gonzo@cpuc.ca.gov

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**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into as of June 8, 2005, by and among Global Valley Networks, Inc. ("GVN") and the Office of Ratepayer Advocates ("ORA").

**RECITALS**

WHEREAS, on February 16, 2005, GVN filed an application with the Commission ("Application"); and

WHEREAS, the Application seeks Commission authority to sell an office building and related land located in the City of Turlock to David A. Woods and Randall E. Woods for a price of \$2,800,000 ("Transaction"); and

WHEREAS, on March 28, 2005, ORA filed a protest of the Application; and

WHEREAS, on April 4, 2005, GVN filed a reply to ORA's protest; and

WHEREAS, the Commission held a prehearing conference on May 19, 2005; and

WHEREAS, GVN and ORA have arrived at an agreement which is reasonable in light of the facts, is consistent with the law of the State of California, and is in the public interest.

**AGREEMENT**

NOW, THEREFORE, based upon the mutual agreement reflected in this Settlement Agreement, GVN and ORA agree that the Commission should grant the Application, thereby authorizing the Transaction, subject to the following:

1           1.       The sale price for the land and building identified in the Application is \$2,800,000.  
2       The net book values of the land and building are \$1,245,816 and \$1,859,634, respectively. There is  
3       no gain on sale associated with the Transaction.

4           2.       For a period of two years from the date of the Transaction, GVN shall cap at  
5       \$3,100,000 the ratebase amount associated with the acquisition of land and building to replace the  
6       land and building located in Turlock for California ratemaking purposes. If GVN files a general rate  
7       case application for test year 2007 or earlier, GVN shall assume no more than \$3,100,000 in rate base  
8       associated with the land and building acquired to replace the land and building located in Turlock.  
9       The \$3,100,000 rate base cap shall be reduced by the associated accumulated depreciation adopted in  
10      GVN's last general rate case (Resolution T-16720) for California ratemaking purposes.

11          3.       For purposes of regulatory accounting, GVN shall book any loss associated with the  
12      Transaction below the line.

13          4.       For purposes of regulatory accounting, GVN shall cap moving expenses associated  
14      with the move from Turlock to Patterson at \$100,000.

15          5.       The provisions of this Settlement Agreement are not severable and shall only become  
16      effective after the Commission has entered an order approving this Settlement Agreement without  
17      modification. In the event this Settlement Agreement is not accepted in its entirety by the  
18      Commission, it shall be deemed to be withdrawn, without prejudice to any claims, positions or  
19      contentions which may have been made or are made in this proceeding by any party and shall not be  
20      admissible in evidence or in any way described in any proceedings hereinafter. In the event the  
21      Commission rejects or modifies the terms of this Settlement Agreement, GVN and ORA agree that  
22      the Commission should set a procedural schedule for the service of testimony and the holding of  
23      hearings. The provisions of this Settlement Agreement shall not be construed as or deemed to be a  
24      precedent by any party or the Commission with respect to any issue, principle, or interpretation or  
25      application of law and regulations, for any purpose or in connection with any proceeding before a  
26      court of law or any state or federal government regulatory body.

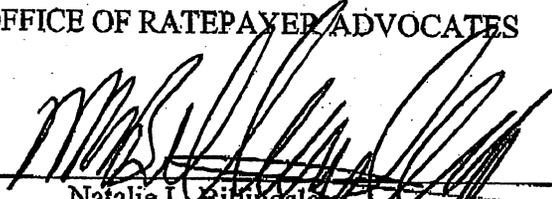
27          6.       This Settlement Agreement entirely resolves the issues raised by the Application. A  
28      Commission decision adopting this Settlement Agreement shall also close this proceeding.

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OFFICE OF RATEPAYER ADVOCATES

Dated: 6/20/05

By:

  
\_\_\_\_\_  
Natalie L. Billingsley  
Program & Project Supervisor  
Office of Ratepayer Advocates

GLOBAL VALLEY NETWORKS, INC.

Dated: \_\_\_\_\_

By:

\_\_\_\_\_  
Sean P. Beatty  
Counsel to Global Valley Networks, Inc.

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OFFICE OF RATEPAYER ADVOCATES

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Natalie L. Billingsley  
Program & Projects Supervisor  
Office of Ratepayer Advocates

GLOBAL VALLEY NETWORKS, INC.

Dated: 6/20/05

By: 

Sean P. Beatty  
Counsel to Global Valley Networks, Inc.

1 CERTIFICATE OF SERVICE BY MAIL

2 I, Sean P. Beatty, declare:

3 I am a resident of the State of California, over the age of eighteen years, and not a party to the  
4 within action. My business address is COOPER, WHITE & COOPER LLP, 201 California Street,  
5 17th Floor, San Francisco, CA 94111.

6 On June 20, 2005, I served the following:

7 **MOTION TO ACCEPT SETTLEMENT AGREEMENT;**

8 **SETTLEMENT AGREEMENT ATTACHED**

9 by placing a true and correct copy thereof with the firm's mailing room personnel for mailing in  
10 accordance with the firm's ordinary practices to the following:

11 Thomas A. Doub  
12 Office of Ratepayer Advocates  
13 California Public Utilities Commission  
14 505 Van Ness Avenue  
15 San Francisco, CA 94102

16 Marion Peleo  
17 Staff Counsel for the Office of Ratepayer Advocates  
18 California Public Utilities Commission  
19 505 Van Ness Avenue  
20 San Francisco, CA 94102

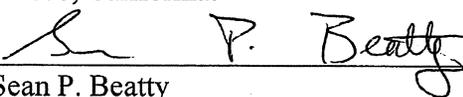
21 Myra J. Prestidge  
22 Administrative Law Judge  
23 California Public Utilities Commission  
24 505 Van Ness Avenue  
25 San Francisco, CA 94102

26 Timothy J. Sullivan  
27 California Public Utilities Commission  
28 505 Van Ness Avenue  
San Francisco, CA 94102

A true and correct copy was also e-mailed to the parties who provided an e-mail address.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 20, 2005 at San Francisco, California.

  
Sean P. Beatty