

Decision 14-12-041 December 18, 2014

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of LightSpeed Networks, Inc. (dba LSN), for a certificate of public convenience and necessity to provide:  
(i) Full facilities-based and resold competitive local exchange service throughout the service territories of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc.; and (ii) Full facilities-based and resold interexchange service statewide.

Application 14-09-011  
(Filed September 11, 2014)

**DECISION GRANTING LIGHTSPEED NETWORKS, INC. A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE FULL FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICE AND INTEREXCHANGE SERVICE**

**Summary**

Pursuant to Public Utilities Code Section 1001, we grant LightSpeed Networks, Inc. a certificate of public convenience and necessity to provide full facilities-based and resold competitive local exchange telecommunications service and interexchange service subject to the terms and conditions set forth in the Ordering Paragraphs.

**1. Background**

On September 11, 2014, LightSpeed Networks, Inc. (LightSpeed or Applicant), a corporation authorized to do business in California filed an application for a certificate of public convenience and necessity (CPCN) to provide full facilities-based and resold competitive local exchange service

throughout the service territories of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc., and interexchange service in California.

Applicant proposes to provide a variety of fiber-based dedicated network and point-to-point services which may be utilized for transmission of either voice or data communications. Applicant will serve educational institutions, municipal government agencies, healthcare and financial institutions, small to enterprise-size businesses and other customers. Applicant will not provide residential local exchange.

Applicant's principal place of business is located at 921 SW Washington St., Suite 370, Portland, Oregon, 97205.

On November 6, 2014, the assigned Administrative Law Judge (ALJ) issued an e-mail ruling directing Applicant to provide additional information which Applicant provided on November 7, 2014.

## **2. Jurisdiction**

Public Utilities Code Section 216(a) defines the term "Public utility" to include a "telephone corporation," which in turn is defined in Public Utilities Code Section 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state."

LightSpeed proposes to provide a variety of fiber-based dedicated network and point-to-point services which may be utilized for transmission of either voice or data communications. Therefore, LightSpeed is a telephone corporation and a public utility subject to our jurisdiction.

### **3. California Environmental Quality Act (CEQA)**

Pursuant to CEQA and Rule 2.4<sup>1</sup> of the Commission's Rules of Practice and Procedure, the Commission examines projects to determine any potential environmental impacts in order that adverse effects are avoided and environmental quality is restored or enhanced to the fullest extent possible under CEQA.

In the Proponent's Environmental Assessment and Response, LightSpeed states that it intends to install its facilities, such as fiber optic cable and related equipment, primarily in existing conduits and existing buildings and infrastructure. Such activities have no material adverse environmental impact because no external construction will be involved.

However, LightSpeed specifies that it may need to undertake outside plant construction activities in locations where there are no existing conduits or if there is inadequate space in existing conduits. LightSpeed asserts that such construction activities may include trenching for the installation of underground conduit and the installation of new poles, equipment, shelters, or other above-ground support structures.

LightSpeed expects that such construction would be small in scale, consisting of construction of short conduit extensions or stubs and installations of a limited number of poles or other above-ground facilities. Construction would generally occur in existing roadways or other previously-developed and disturbed rights of way.

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<sup>1</sup> Unless otherwise noted, items labeled "Rule" are from the Commissions Rules of Practice and Procedure.

LightSpeed asserts that it expects that any such construction projects described above would fall within one or more categorical exemptions under CEQA. LightSpeed requests approval to utilize a procedure for expedited review of its projects once it is aware of a specific site(s) in which it plans construction. LightSpeed requests that the grant of full facilities-based construction authority be subject to compliance with the expedited 21-day environmental review process that has been adopted for similarly situated carriers as follows:

1. Applicant shall provide the Commission's Energy Division (ED) with:
  - a. A detailed description of the proposed project, including:
    - Customer(s) to be served;
    - i. The precise location of the proposed construction project; and
    - ii. Regional and local site maps.
  - b. A description of the environmental setting, to include at a minimum:
    - i. Cultural, historical, and paleontological resources;
    - ii. Biological resources; and
    - iii. Current land use and zoning.
  - c. A construction work-plan, to include:
    - i. Commission Preconstruction Survey Checklist – Archaeological Resources;
    - ii. Commission Preconstruction Survey Checklist – Biological Resources;
    - iii. A detailed schedule of construction activities, including site restoration activities;
    - iv. A description of construction/installation techniques;

- v. A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
  - vi. A list of permits required for the proposed project.
  - d. A statement of the CEQA exemption(s) applicable to the proposed project; and
  - e. Documentation and factual evidence sufficient to support a finding that the claimed exemption(s) is (are) applicable.
2. The Commission's ED shall then review the submittal and shall notify Applicant of either its approval or its denial of Applicant's claim for exemption from CEQA review within 21 days from the time that Applicant's submittal is complete.
  3. If the Commission's ED approves Applicant's claimed CEQA exemption(s), the staff shall prepare a Notice to Proceed (NTP) and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.
  4. If the Commission's ED disapproves Applicant's claimed CEQA exemption(s), the staff shall issue Applicant a letter which states the specific reasons that the claimed CEQA exemption(s) do not apply to the proposed project.
  5. If the Commission's ED disapproves Applicant's claimed CEQA exemption(s) and Applicant wishes to pursue the project, Applicant shall either re-design the specific project and facilities and then reapply for a finding of exemption for CEQA, or file a formal application with the Commission.<sup>2</sup>

Based on the description of the proposed construction, it is possible that the construction projects described by Applicant may fall within one or more of the categorical exemptions under CEQA for which neither an Environmental Impact Report nor a Negative Declaration is required.

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<sup>2</sup> See Application at 3-4.

1. Class 1 Exemption: Operation, repair, maintenance, leasing or minor alteration of existing public or private structures and facilities, with negligible or no expansion of an existing use. This includes existing facilities used to provide public utility services. (14 CCR § 15301.)
2. Class 3 Exemption: Construction including water main, sewage, electrical, gas and *other utility extensions of reasonable length* to serve such construction. This includes the construction of limited numbers of new small facilities or utility extensions. (14 CCR § 15303.)

Furthermore, the proposed procedure by LightSpeed tracks the expedited review procedure that we have approved for other carriers. Such a process will expedite CEQA review and is appropriate for the type of construction described above, which may be categorically exempt.

By establishing this expedited review process, the Commission is able to review the information on a specific project to confirm that it is categorically exempt from CEQA or to explain why further environmental review is required. At the same time, the proposed CEQA review process will enable LightSpeed to undertake construction of its projects in an efficient manner without experiencing delays caused by an unnecessarily protracted CEQA review.

The Commission has approved a similar procedure for other carriers to obtain Commission approval of claimed CEQA exemptions for proposed construction projects.

The Commission therefore approves LightSpeed's proposed process for Commission review of claimed CEQA exemptions for construction projects undertaken pursuant to LightSpeed's full facilities-based authority, based on the specific facts of this case.

LightSpeed shall not perform any full facilities-based construction activities without first obtaining an NTP from the ED or authorization by the Commission after the requisite environmental review.

The Commission has previously determined that the public convenience and necessity require that competition be allowed in the provision of competitive local exchange service, Rulemaking 95-04-043/Investigation 95-04-044. Granting this application will benefit the public interest by expanding the availability of technologically advanced telecommunications services within the state.

#### **4. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide full facilities-based and resold local exchange and interexchange services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent to meet the firm's start-up expenses.<sup>3</sup> An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.<sup>4</sup>

In the application, LightSpeed provided audited financial statements as of its most recent fiscal year-end, demonstrating that it has \$100,000 available for one year following certification to meet the firm's start-up expenses and an additional \$25,000 to cover all deposits that may be required by other carriers in order to provide LightSpeed's proposed services.

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<sup>3</sup> The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in Decision (D.) 95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

<sup>4</sup> The requirement for CLC applicants is to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers (LEC) and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

Since LightSpeed has provided documentation that it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

At this time, LightSpeed is unable to ascertain the specific vendor carriers that it will interconnect with and the specific deposit amounts that will be required in order to conduct its services. LightSpeed, however, does not expect that the total amount of deposits will exceed \$25,000. As stated above, LightSpeed has provided documentation that it has the funds available for deposits that may be required.

## **5. Technical Qualifications**

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>5</sup> LightSpeed supplied biographical information on its management in Exhibit D to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

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<sup>5</sup> D.95-12-056 at Appendix C, Rule 4.A.



In its application, LightSpeed verified that no one associated with or employed by LightSpeed as an affiliate, officer, director, partner, or owner of more than 10% of LightSpeed was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission (FCC) or any state regulatory agency for failure to comply with any regulatory statute, rule, or order, or has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

For the above reasons, we find that LightSpeed is in compliance with the requirements of D.95-12-056.

## **6. Tariffs**

LightSpeed does not expect to provide any services under tariffs. In its Response dated November 7, 2014, LightSpeed provided that it will not provide residential local exchange service and may thus be granted a CPCN on a de-tariffed basis.

## **7. Map of Service Territory**

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.<sup>6</sup> In its application, LightSpeed provided a map of the location of its proposed service territory, in compliance with this requirement.

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<sup>6</sup> D.95-12-056 at Appendix C, Rule 4.E.

**8. Rule 3.1(i) Statement (Include for Full Facilities Only)**

Rule 3.1(i) sets forth the requirement that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding General Order (GO) 104-A, Section 2. LightSpeed states that it is not aware of any reportable matters pursuant to GO 104-A, Section 2. LightSpeed, therefore, has nothing to report under this rule.

On a going forward basis, though, LightSpeed must file all reports required of a public utility under Commission jurisdiction.

**9. Expected Customer Base**

LightSpeed provided its estimated customer base for the first and fifth years of operation in its application and has complied with this requirement.

**10. Conclusion**

The Commission concludes that the application conforms to its rules for certification as a competitive local exchange and interexchange carrier. Accordingly, the Commission grants LightSpeed a CPCN to provide full facilities-based and resold local exchange telecommunications service in the service territory of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc., and interexchange service in California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to LightSpeed and corresponding obligations. LightSpeed receives authority to operate in the prescribed service territory, it can request interconnection with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and it receives access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements

set forth in this decision. In return, LightSpeed is obligated to comply with all applicable Public Utilities Codes and Commission Rules, GOs, and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, etc. include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, LightSpeed is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code Section 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

#### **11. Request to File Under Seal**

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, LightSpeed filed a motion for leave to file under seal Exhibit F of the application. Exhibit F contains LightSpeed's audited financial statements.

The Commission grants the request to file under seal Exhibit F of LightSpeed's application containing its audited financial statements. The audited financial statements contain private and proprietary information and public disclosure thereof could place LightSpeed at an unfair business disadvantage. The Commission has granted similar requests in the past and does so here.

#### **12. Categorization and Need for Hearings**

In Resolution ALJ 176-3343, dated October 2, 2014, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received.

There is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

**13. Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

**14. Assignment of Proceeding**

Carla J. Peterman is the assigned Commissioner and Rafael L. Lirag is the assigned ALJ in this proceeding.

**Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on September 17, 2014. No protests have been filed. A hearing is not required.
2. LightSpeed is a telephone corporation and a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).
3. The Commission is the Lead Agency for this project under CEQA.
4. LightSpeed's proposed construction activity may fall within one or more CEQA categorical exemptions.
5. LightSpeed requested a grant of full facilities-based authority subject to compliance with the expedited 21-day review process.
6. LightSpeed will not provide residential local exchange services.
7. LightSpeed does not expect to provide any services under tariffs.
8. LightSpeed has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

9. LightSpeed has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.

10. LightSpeed's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.

11. No one associated with or employed by LightSpeed as an affiliate, officer, director, partner, or owner of more than 10% of LightSpeed was: previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the FCC or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; or was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

12. LightSpeed provided a map of the location of its proposed service territory.

13. LightSpeed has no information to report under Rule 3.1(i), which requires that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding compliance with GO 104 A, Section 2.

14. LightSpeed provided an estimate of its customer base for the first and fifth years of operation.

15. Pursuant to Rule 11.4, LightSpeed filed motions for leave to file confidential materials under seal, including Exhibit F to the application containing its audited financial statements.

**Conclusions of Law**

1. LightSpeed should be granted a CPCN to provide full facilities-based and resold local exchange telecommunications service in the service territories of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc., and interexchange service in California, subject to the terms and conditions set forth in the OPs.

2. LightSpeed should be allowed to use the ED's 21-day CEQA exemption process.

3. LightSpeed, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California Public Utilities.

4. LightSpeed should be allowed to operate on a de-tariffed basis.

5. LightSpeed's motion to file under seal its Exhibit F of the application, which contains LightSpeed's audited financial statements, should be granted for three years.

**O R D E R**

**IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to LightSpeed Networks, Inc. to provide full facilities-based and resold local exchange telecommunications service in the territories of Pacific Bell Telephone Company, Verizon California, Inc., SureWest Telephone, and Citizens Telecommunications Company of California, Inc., and interexchange service in California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to LightSpeed Networks, Inc. U-7274-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

3. LightSpeed Networks, Inc. must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, LightSpeed Networks, Inc. must submit a Tier-1 Advice Letter (AL) to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 AL annually, but not later than March 31, with a copy of the executed bond.

4. LightSpeed Networks, Inc. must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

5. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments A, B, and C to this decision, LightSpeed Networks, Inc. is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable Commission rules, decisions, GOs, and statutes that pertain to California Public Utilities.

6. LightSpeed Networks, Inc. must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

7. LightSpeed Networks, Inc. must annually pay the user fee and public purpose surcharges specified in Attachment A. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0. Applicant must pay a minimum user fee of \$100 or 0.18% of gross intrastate revenue, whichever is greater. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

8. Prior to initiating service, LightSpeed Networks, Inc. must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

9. Prior to initiating service, LightSpeed Networks, Inc. must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at

<http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/>

10. This information must be updated if the name or telephone number changes, or at least annually.



11. LightSpeed Networks, Inc. must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

12. LightSpeed Networks, Inc. must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment C.

13. LightSpeed Networks, Inc. must file an annual report with the Director of the Communications Division, in compliance with General Order 104 A, on a calendar year basis with the information contained in Attachment B to this decision.

14. The staff of the Commission's Energy Division is authorized to review, process, and act upon LightSpeed Networks, Inc.'s requests for a determination that its full facilities-based construction activities are exempt from the requirements of the California Environmental Quality Act.

15. If LightSpeed Networks, Inc. wishes to engage in full facilities-based construction activities and believes that these activities are exempt from California Environmental Quality Act (CEQA), LightSpeed Networks, Inc. shall first apply to the Commission's Energy Division staff for a determination of exemption from CEQA using the following procedure set forth in Ordering Paragraph 15.

16. LightSpeed Networks, Inc. (LightSpeed Networks) will provide the Commission's Energy Division with:

- a. A detailed description of the proposed project, including:
  - i. Customer(s) to be served;
  - ii. The precise location of the proposed construction project; and

- iii. Regional and local site maps.
- b. A description of the environmental setting, including at a minimum:
  - i. Cultural, historical, and paleontological resources;
  - ii. Biological resources; and
  - iii. Current land use and zoning.
- c. A construction work-plan, including:
  - i. Commission Preconstruction Survey Checklist – Archaeological Resources;
  - ii. Commission Preconstruction Survey Checklist – Biological Resources;
  - iii. A detailed schedule of construction activities, including site restoration activities;
  - iv. A description of construction/installation techniques;
  - v. A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
  - vi. A list of permits required for the proposed project.
- d. A statement of the California Environmental Quality Act (CEQA) exemption(s) claimed to apply to the proposed project; and
- e. Documentation supporting the finding of exemption from CEQA.
- f. The Energy Division will then review the submittal and notify LightSpeed Networks, of either its approval or its denial of LightSpeed Networks, claim for exemption from CEQA review within 21 days from the time that LightSpeed Networks, submittal is complete.
- g. If the Energy Division approves LightSpeed Networks, claimed CEQA exemption(s), the staff will prepare a Notice to Proceed and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.

- h. If the Energy Division disapproves LightSpeed Networks, claimed CEQA exemptions, the staff will issue to LightSpeed Networks a letter which states the specific reasons that the claimed CEQA exemptions do not apply to the proposed project.
- i. If the Energy Division disapproves LightSpeed Networks, claimed CEQA exemption(s), LightSpeed Networks, shall either redesign the specific project and facilities and then reapply for a finding of exemption from CEQA, or file a formal application with the Commission seeking the requisite approval and full CEQA review, before commencing any full facilities-based construction activities.

17. LightSpeed Networks, Inc.'s (LightSpeed Networks) motion to file under seal its Exhibit F of its application is granted for a period of three years after the date of this order. During this three year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If LightSpeed Networks believes that it is necessary for this information to remain under seal for longer than three years, may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

18. Application 14-09-011 is closed.

This order is effective today.

Dated December 18, 2014, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
CARLA J. PETERMAN  
MICHAEL PICKER  
Commissioners

**ATTACHMENT A**

**REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS**

1. Applicant must file, in this docket with reference to this decision number,<sup>1</sup> a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066 at 88, App. B, Rule 8.G).
- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in D.13-05-035.

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must check the joint tariff for surcharges and fees filed by Pacific Bell

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<sup>1</sup> Written acceptance filed in this docket does not reopen the proceeding.

Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised. Current and historical surcharge rates can be found at

<http://www.cpuc.ca.gov/PUC/Telco/Consumer+Information/surcharges.htm>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/Surcharge+Remittance.htm>. To request a user ID and password for TUFFS online filing and for questions, please e-mail [Telco\\_surcharges@cpuc.ca.gov](mailto:Telco_surcharges@cpuc.ca.gov).
- Carriers must file and pay the PUC User Fee (*see* above item 2g) upon receiving the User Fee statement sent by the Commission. User Fees cannot be reported or paid online. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/userfee.htm>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

3. Applicant is a competitive local exchange carrier (CLEC). The effectiveness of its future tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

4. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. In addition, Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at

<http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/>. This information must be updated if the name or telephone number changes, or at least annually.

5. Applicant must notify the Director of the Communications Division in writing of the date local service is first rendered to the public within five days after service begins.

6. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

7. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

8. Applicant must file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment B to this decision.

9. Applicant must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment C.

10. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

11. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

12. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #2 above, and has not received written permission from the Communications Division to file or remit late, the

Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

13. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure.

14. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

15. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

**(END OF ATTACHMENT A)**

## ATTACHMENT B

### ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).  
If incorporated, specify:
  - a. Date of filing articles of incorporation with the Secretary of State.
  - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
  - a. Regulated public utility.
  - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.



11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31<sup>st</sup> of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

**(END OF ATTACHMENT B)**

## ATTACHMENT C

### CALENDAR YEAR AFFILIATE TRANSACTION REPORT

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

**(END OF ATTACHMENT C)**