

Decision \_\_\_\_\_

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

Application of GoDaddy.com, LLC for  
Registration as an Interexchange Carrier  
Telephone Corporation pursuant to the  
Provisions of Public Utilities Code Section 1013.

Application 16-08-005  
(Filed August 5, 2016)

**DECISION GRANTING GODADDY.COM, LLC A CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE RESOLD  
INTEREXCHANGE TELECOMMUNICATION SERVICES**

**Summary**

Pursuant to Public Utilities Code § 1001, we grant GoDaddy.com, LLC a Certificate of Public Convenience And Necessity to provide resold interexchange telecommunication services throughout the state of California subject to the terms and conditions set forth in the Ordering Paragraphs.<sup>1</sup>

This proceeding is closed.

**1. Background**

On August 5<sup>th</sup>, 2016, GoDaddy.com, LLC, a Delaware limited liability corporation authorized to do business in California, filed an application for registration as an interexchange carrier telephone corporation in California. On

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<sup>1</sup> While this application was filed pursuant to Pub. Util. Code § 1013, an expedited and ministerial registration process, the determination it did not qualify for this registration process and resulting assignment to an administrative law judge removed it from the registration track. It has therefore been evaluated as a certificate of public convenience and necessity under § 1001.

March 17, 2017, the Commission's Communications Division (CD) determined that the application did not meet the criteria for simplified registration through CD. On March 21, 2017 the application was reassigned to Commissioner Liane M. Randolph and Administrative Law Judge Eric Wildgrube to be evaluated as an application for a certificate of public convenience and necessity (CPCN) to provide resold interexchange telecommunication services throughout the state of California.

Applicant proposes to provide resold interexchange telecommunication services throughout the state of California. Applicant will purchase, on a wholesale basis, toll-free telephone numbers and associated interexchange services and resell those numbers as part of a virtual office service. Small business customers can use those numbers to access Applicant's integrated suite of additional enhanced services and functionality, including auto attendant, call forwarding/distribution, call queuing, call screening, Internet fax/fax back, and enhanced voicemail capabilities such as voice-to-text and email delivery. Applicant will use a proprietary interactive voice response (IVR) and unified messaging platform.

GoDaddy.com, LLC's principal place of business is located at 14455 N. Hayden Road, Scottsdale, Arizona 85260.

### **3. Jurisdiction**

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

GoDaddy.com, LLC proposes to provide resold interexchange telecommunications services throughout the state of California.

GoDaddy.com, LLC is a telephone corporation and a public utility subject to our jurisdiction.

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

Pursuant to the California Environmental Quality Act (CEQA)<sup>2</sup> and Rule 2.4, the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to our approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since GoDaddy.com, LLC states that it does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, GoDaddy.com, LLC must file for additional authority, and submit to any necessary CEQA review.

## **3. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide resold interexchange telecommunication services must demonstrate that it has a minimum of \$25,000 cash or cash equivalent, reasonably liquid and readily available 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

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<sup>2</sup> Public Resources Code § 21000 *et seq.*

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

required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.<sup>4</sup> In the application, GoDaddy.com, LLC provided a Form 10-K with an audited balance sheet for the most recent fiscal year and Form 10-Q with an unaudited balance sheet for the previous quarter showing that \$25,000 would be available to GoDaddy.com, LLC for one year following certification. Since GoDaddy.com, LLC has provided documentation that it possesses a minimum of \$25,000 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. GoDaddy.com, LLC's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

GoDaddy.com, LLC has stated that no deposit is required by any local exchange carriers or interexchange carriers to provide its proposed services. Therefore, no additional resources are required at this time to cover deposits.

#### **4. Technical Qualifications**

To be granted a CPCN for authority to provide resold interexchange telecommunication services, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>5</sup> GoDaddy.com, LLC supplied biographical information on its management in

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<sup>4</sup> The requirement for Competitive Local Carrier (CLC) applicants 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.

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

Attachment 3 to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its application, GoDaddy.com, LLC verified under penalty of perjury that, to the best of its knowledge and except as provided, that no one associated with or employed by GoDaddy.com, LLC as an affiliate, officer, director, partner, or owner of more than 10 percent of GoDaddy.com, LLC: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500, *et seq.*, of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the

Federal Communications Commission (FCC) or any law enforcement or regulatory agency for failure to comply with any law, rule or order.<sup>6</sup>

The Applicant has disclosed by its application that GoDaddy.com, LLC's parent, GoDaddy Inc., has entered into four confidential settlements of claims alleging failure to disclose or misrepresentations to consumers. It was also disclosed that the Chairman of the Board of GoDaddy, Inc., is a board member of Model N, Inc. and a party to a settlement in 2015 of a lawsuit alleging misrepresentations and omissions of fact in connection with disclosures made during an initial public stock offering. Each of these actions has been resolved by the parties to them, and the record does not reflect Applicant or its management teams are implicated in a course of conduct or activity which would preclude granting a CPCN.

The Applicant has verified under penalty of perjury that, to the best of Applicant's knowledge, neither Applicant, any affiliate, officer, director, partner, nor owner of more than ten percent of Applicant, nor any person acting in such capacity whether or not formally appointed, is being or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

There is nothing in the record which contradicts these assertions. Therefore, we find that the Applicant has demonstrated sufficient financial strength, and managerial and technical expertise to satisfy Commission requirements for granting of a CPCN.

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<sup>6</sup> These certifications are required by D.13-05-035, Ordering Paragraph 14.

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

**5. Tariffs**

GoDaddy.com, LLC has requested detariffed status and may be exempt from the requirement to file tariffs provided that GoDaddy.com, LLC complies with the consumer protection rules identified in D.98-08-031.

GoDaddy.com, LLC does not seek to provide basic local access or special access services. Based on the limited forms of service that GoDaddy.com, LLC is seeking to offer, GoDaddy.com, LLC is not required to file tariffs as a condition of offering telecommunications services.

**6. Expected Customer Base**

GoDaddy.com, LLC provided its estimated customer base for the first and fifth years of operation in its Supplement to its application. Therefore, GoDaddy.com, LLC has complied with this requirement.

**7. Request for Treatment as a Non-dominant Carrier**

Applicant requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and § 851 concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Applicant's request for

non-dominant interexchange carrier status, provided that it follows all rules detailed in the above referenced decisions.<sup>7</sup>

## **8. Safety Considerations**

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. We feel satisfied that GoDaddy.com, LLC will meet the Commission's minimum safety goals and expectations of a reseller of interexchange services because: (1) GoDaddy.com, LLC has taken steps to meet the financial requirements as set forth in this decision, and (2) GoDaddy.com, LLC is a public utility that is required pursuant to Pub. Util. Code § 451 to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

## **9. Conclusion**

We conclude that the application conforms to our rules for certification as an interexchange carrier. Accordingly, we grant GoDaddy.com, LLC a CPCN to provide resold interexchange telecommunication services throughout the state of California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

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<sup>7</sup> While the Commission has granted exemption from §§ 816 – 830 to others, exemption from §§ 851 – 854 has not been granted previously and is not granted here.

The CPCN granted by this decision provides benefits to GoDaddy.com, LLC and corresponding obligations. GoDaddy.com, LLC receives authority to operate throughout the state of California, and this authority enables GoDaddy.com, LLC, pursuant to section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. 251) , to interconnect with telecommunications carriers.<sup>8</sup> This authority also enables GoDaddy.com, LLC to obtain access to public rights-of-way in California as set forth in Decision 98-10-058, subject to the CEQA requirements set forth in this decision.

In return, GoDaddy.com, LLC is obligated to comply with all Public Utilities Code provisions, Commission rules, General Orders, and decisions applicable to telephone corporations providing approved services. The applicable statutes, rules, General Orders, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, GoDaddy.com, LLC 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 § 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 § 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

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<sup>8</sup> The California Public Utilities Code uses the term "telephone corporation." Its counterpart in federal law is a "telecommunications carrier."

**10. Request to File Under Seal**

Pursuant to Decision (D.) 97-09-035, GoDaddy.com, LLC has submitted Attachment 7A to the application as confidential materials under seal. GoDaddy.com, LLC represents that the information is sensitive, and disclosure could place GoDaddy.com, LLC at an unfair business disadvantage. We have granted similar requests in the past and do so here.

**11. Categorization and Need for Hearings**

In Resolution ALJ 176-3382, dated August 18, 2016, 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.

**12. Comments on Draft Decision**

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

**13. Assignment of Proceeding**

Liane M. Randolph is the assigned Commissioner and Eric Wildgrube is the assigned ALJ in this proceeding.

**Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on August 12, 2016. No protests have been filed. A hearing is not required.
2. GoDaddy.com, LLC is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).

3. GoDaddy.com, LLC has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

4. GoDaddy.com, LLC's proposed services do not require deposits with other telephone corporations.

5. GoDaddy.com, LLC's management possesses sufficient experience, knowledge, and technical expertise to provide interexchange services to the public.

6. Except as disclosed, no one associated with or employed by GoDaddy.com, LLC as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of GoDaddy.com, LLC: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, *et seq.*, §§ 17200, *et seq.*, or §§ 17500, *et seq.*, of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal

Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

7. GoDaddy.com, LLC's parent company, GoDaddy Inc., has entered into four confidential settlements of claims alleging failure to disclose or misrepresentations to consumers. It was also disclosed that the Chairman of the Board of GoDaddy, Inc., is a board member of Model N, Inc. and a party to a settlement in 2015 of a lawsuit alleging misrepresentations and omissions of fact in connection with disclosures made during an initial public stock offering. Each of these actions has been resolved by the parties to them, and the record does not reflect Applicant or its management teams are implicated in a course of conduct or activity which would preclude granting a CPCN.

8. GoDaddy.com, LLC requested and is eligible for exemption from tariffing requirements and must observe the consumer protection rules adopted in D.98-08-031.

9. GoDaddy.com, LLC provided an estimate of its customer base for the first and fifth year of operation.

10. Pursuant to D.97-09-035, GoDaddy.com, LLC has submitted confidential materials under seal, Attachment 7A to its registration application.

### **Conclusions of Law**

1. GoDaddy.com, LLC should be granted a CPCN to provide resold interexchange telecommunication services throughout the state of California, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. GoDaddy.com, LLC, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

3. GoDaddy.com, LLC should be granted an exemption from the requirement to file tariffs.

4. GoDaddy.com, LLC's application to file under seal its Attachment 7A to the application should be granted for one year.

5. GoDaddy.com, LLC should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

## O R D E R

### IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to GoDaddy.com, LLC to provide resold interexchange telecommunication services throughout the state of California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to GoDaddy.com, LLC, U-7329-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. GoDaddy.com, LLC must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this decision. Written acceptance filed in this docket does not reopen the proceeding.

4. The certificate granted by this decision will expire if not exercised within 12 months of the effective date of this decision.

5. GoDaddy.com, LLC 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, GoDaddy.com, LLC must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

6. GoDaddy.com, LLC 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.

7. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, GoDaddy.com, LLC is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

8. GoDaddy.com, LLC must pay the public purpose surcharges specified in Attachment B, and the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

9. GoDaddy.com, LLC must pay an annual minimum user fee of \$100 or 0.23 percent 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.

10. Prior to initiating service, GoDaddy.com, LLC must provide the Commission's Consumer Affairs Branch with the name(s), address(es), and telephone number(s) of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name(s), address(es), or telephone number(s) change, or at least annually.

11. Prior to initiating service, GoDaddy.com, LLC must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) of its designated regulatory/official contact person(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

12. GoDaddy.com, LLC must submit an affiliate transaction report to the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

13. GoDaddy.com, LLC must submit an annual report to the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

14. GoDaddy.com, LLC's submittal under seal its Attachment 7A is granted for a period of one year after the date of this decision. During this one year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If GoDaddy.com, LLC believes that it is necessary for this information to remain under seal for longer than one year, GoDaddy.com, LLC may file a new motion showing good cause

for extending this order by no later than 30 days before the expiration of this order.

15. Application 16-08-005 is closed.

This decision is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**ATTACHMENT A**

This Attachment is Intentionally Left Blank

**(END OF ATTACHMENT A)**

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

1. Applicant must file, in this docket with reference to this decision number,<sup>9</sup> a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months of the date of this decision.

3. 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).

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<sup>9</sup> Written acceptance filed in this docket does not reopen the proceeding.

- 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 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/General.aspx?id=1124>.

- i. 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/General.aspx?id=1010>. 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).
- ii. Carriers must file and pay the PUC User Fee (see Item 3.g above) upon receiving the User Fee statement sent by the Commission. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

4. If Applicant is a competitive local exchange carrier (CLC), 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).

5. If Applicant is a non-dominant interexchange carrier (NDIEC), the effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in Item 3 above.

7. Applicant 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, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

8. Applicant 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.

9. Applicants providing local exchange service must submit to the Director of the Communications Division a service area map as part of their initial tariff.

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

11. In addition, Applicant must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) 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/communications>. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually.

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

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

14. 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.

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

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

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

18. 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.

19. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #3 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.

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

21. Applicant is exempt from Pub. Util. Code §§ 816-830.

22. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

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

24. 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 B)**

**ATTACHMENT C****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 C)**

**ATTACHMENT D****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 D)**