

Decision 18-07-030 July 26, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Vesta Solutions, Inc. for a certificate of public convenience and necessity to provide: (i) resold and partial facilities-based competitive local exchange service within the service territories of Pacific Bell Telephone Company, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California, Inc.; and (ii) resold and partial facilities-based interexchange services on a statewide basis.

Application 18-03-013

DECISION GRANTING VESTA SOLUTIONS, INC. A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE COMPETITIVE PARTIAL FACILITIES-BASED LOCAL EXCHANGE SERVICE AND RESOLD COMPETITIVE LOCAL EXCHANGE SERVICE AND INTEREXCHANGE SERVICE ON A STATEWIDE BASIS

Summary

Pursuant to Public Utilities Code Section 1001, we grant Vesta Solutions, Inc. a Certificate of Public Convenience and Necessity to provide competitive partial facilities-based and resold competitive local exchange telecommunications services and interexchange service in California subject to the terms and conditions set forth in the Ordering Paragraphs.

This proceeding is closed.

1. Background

On March 27, 2018, Vesta Solutions Inc. (Vesta or Applicant),¹ a California corporation, filed an application for a Certificate of Public Convenience and Necessity (CPCN) to provide (i) resold and partial facilities-based competitive local exchange service within the service territories of Pacific Bell Telephone Company, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California Inc. and resold and partial facilities-based interexchange services on a statewide basis.²

Notice of the application appeared on the Commission's daily calendar on March 30, 2018. No protests or responses to the application were filed. A prehearing conference (PHC) was held on June 13, 2018. The only attendees at the PHC were representatives of Vesta. The Scoping Memo and Ruling (Scoping Memo) was issued on July 2, 2018.

Vesta intends to offer 911 emergency services (E-911) to government and quasi-government Public Safety Answering Points (PSAPs) and may also provide other local exchange telecommunications services and interexchange telecommunications services including, but not limited to, business resold and limited facilities-based local, interexchange, bundled interexchange, and

¹ Vesta was incorporated in the State of California on September 9, 1968. Applicant was formerly known as Airbus DS Communications (Airbus). On March 7, 2018, Motorola Solutions Inc. (Motorola) acquired Plant Holdings Inc., (Plant) which is Vesta's parent company. On the same day, Applicant filed a Certificate of Amendment of Articles of Incorporation with the California Secretary of State, changing its name to Vesta Solutions Inc.

² On May 25, 2017, Decision (D.) 17-05-022 granted Airbus a Certificate of Public Convenience and Necessity (CPCN) to provide precisely the same services for which Vesta seeks in this application. Airbus never commenced public utility service and relinquished the CPCN pursuant to Advice Letter Number 4, date March 6, 2018.

wholesale or carrier-to-carrier Next Generation 911 services,³ including bundles of data, voice and/or wireless services in support of Next Generation 911 service. Vesta will not provide residential telecommunications services.

Vesta's principal place of business is located at 42505 Rio Nedo, Temecula, California 92590.

2. Jurisdiction

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

Vesta will utilize the facilities of incumbent local exchange carriers and other facilities-based carriers. As such, Vesta will not be constructing or extending any facilities. Vesta will provide an E-911 routing and location identification service that is an important component of the E-911 system. Vesta's solution permits landline, mobile, and voice over internet protocol service providers to transmit call routing and caller location information to PSAPs in an efficient and reliable manner. This solution is a critical link in ensuring that customers who use current and future landline, mobile and internet protocol based services obtain reliable E-911 services. Vesta is a telephone corporation and a public utility subject to our jurisdiction.

Vesta provided certification that it is a Common Carrier as defined by § 153 of the 1934 Communications Act, as amended by the 1996

³ Next Generation 9-1-1 refers to efforts aimed at updating the 9-1-1 service infrastructure to improve public emergency communications in a growingly wireless mobile society.

Telecommunications Act (47 U.S.C. 251) (Act) eligible to interconnect with the public switched telephone network pursuant to § 251 and § 252 of the Act, and that if granted a CPCN, it will operate as a telephone corporation under Pub. Util. Code § 234(a), and comply with the Pub. Util. Code and all Commission rules, decisions, and orders applicable to telephone corporations operating in California.

3. Limited versus Full Facilities-Based CPCN

The treatment of Application 18-03-013 as a request for a partial facilities-based CPCN does not preclude Vesta from filing an application at a later date to pursue a full facilities-based CPCN. Vesta must not begin construction of facilities beyond those authorized by this decision until further approval is granted.

4. California Environmental Quality Act (CEQA)

Pursuant to the California Environmental Quality Act (CEQA)⁴ and Rule 2.4 of the Commission's Rules of Practice and Procedure, 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 Vesta 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

⁴ Public Resources Code § 21000 *et seq.*

buildings or structures, Vesta must file for additional authority, and submit to any necessary CEQA review.

Vesta shall not perform any full facilities-based construction activities without first obtaining a Notice to Proceed from the Commission's Energy Division or authorization by the Commission after the requisite environmental review.

We have previously determined that the public convenience and necessity require that competition be allowed in the provision of competitive local exchange service.⁵ Granting this application will benefit the public interest by expanding the availability of technologically advanced telecommunications services within the state.

5. Financial Qualifications

To be granted a CPCN to provide competitive limited-facilities based and resold local exchange and interexchange services, an applicant must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.⁶ 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.⁷ In the application, Vesta provided the requisite

⁵ Rulemaking 95-04-043/Investigation 95-04-044.

⁶ 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.

⁷ 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.

documentation that \$100,000 would be available to Vesta for one year following certification.⁸ Since Vesta 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. Vesta's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

Vesta provided documentation to establish that it is financially sound and capable of financing its proposed operations and although the application did not specify if any deposits would be required to other carriers, Vesta contends that it can meet any deposits that may be required to other carriers. Therefore, no additional resources are required at this time to cover deposits.

6. Technical Qualifications

To be granted a CPCN for authority to provide competitive local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁹ Vesta supplied biographical information on its management in Exhibit E to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its application, Vesta verified that no one associated with or employed by Vesta as an affiliate, officer, director, partner, or owner of more than ten percent of Vesta has: (a) held one of these positions with a company that

⁸ Vesta is a wholly owned subsidiary of Motorola Solutions, which is traded on the New York Stock Exchange as MSI. Vesta provided a letter guarantee from its parent company.

⁹ D. 95-12-056 at Appendix C, Rule 4.A.

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 or any law enforcement or regulatory agency for failure to comply with any law, rule or order.¹⁰

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

7. Tariffs

Commission staff reviewed Vesta's draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A

¹⁰ These certifications are required by D.13-05-035, Ordering Paragraph 14.

to this decision. In its compliance tariff submission, Vesta shall correct these deficiencies as a condition of our approval of the application.

8. Map of Service Territory

To be granted a CPCN for authority to provide competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.¹¹ In its application, Vesta provided a map of the location of its proposed service territory, in compliance with this requirement.

9. Rule 3.1(i) Statement

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. Vesta states that it is not aware of any reportable matters pursuant to GO 104-A, Section 2 and that it therefore, has nothing to report under this rule.

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

10. Expected Customer Base

Vesta provided its estimated customer base for the first and fifth years of operation in Part 13 of its application. Therefore, Vesta has complied with this requirement.

11. 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

¹¹ D.95-12-056 at Appendix C, Rule 4.E.

have considered the potential safety implications here. We are satisfied that Vesta will meet the Commission's minimum safety goals and expectations of CLECs because: (1) Vesta has taken steps to meet the financial requirements as set forth in this decision for a partial facilities-based CLEC, and (2) Vesta 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."

12. Conclusion

We conclude that Vesta's application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant Vesta a CPCN to provide competitive partial facilities-based and resold competitive local exchange telecommunications service in the service territories of Pacific Bell Telephone Company, Frontier of California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California and resold and partial facilities-based interexchange services on a statewide basis.

The CPCN granted by this decision provides benefits to Vesta and corresponding obligations. Vesta receives authority to operate in the prescribed service territory, and this authority enables Vesta, pursuant to § 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act

(47 U.S.C. 251), to interconnect with telecommunications carriers.¹² This authority also enables Vesta to obtain 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, Vesta 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, GOs, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Vesta is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in 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.”

Vesta must obtain a performance bond of at least \$25,000 in accordance with D.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 CPCN authority, Vesta must submit a Tier-1 advice letter to the Communications

¹² The California Public Utilities Code uses the term “telephone corporation.” Its counterpart in federal law is a “telecommunications carrier.”

Division, containing a copy of the executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

Vesta must not allow its performance bond to lapse during any period of its operation. Pursuant to D.13-05-035, the Commission may revoke a CPCN if Vesta is more than 120 days late in providing the Communications Division a copy of its executed performance bond and has not been granted an extension of time by the Director of the Communications Division.

The corporate identification number assigned to Vesta, U-7348-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.

13. Categorization and Need for Hearings

In Resolution ALJ 176-3415 dated April 26, 2018, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were necessary. No protests were received. Since no protests were filed, it was determined that hearings were not necessary. This change to the preliminary determination was made in the Scoping Memo, issued on July 2, 2018, and is affirmed herein.

14. 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.

15. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Gerald F. Kelly is the assigned ALJ.

Findings of Fact

1. Notice of the application appeared on the Commission's Daily Calendar on March 30, 2018. No protests have been filed. A hearing is not required.

2. Vesta is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).

3. Vesta will not construct any facilities other than equipment to be installed in existing buildings or structures.

4. Vesta has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

5. Vesta has sufficient additional cash or cash equivalent to cover deposits that may be required by other telephone corporations in order to provide the proposed service.

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

7. No one associated with or employed by Vesta as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of Vesta has: (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) been or is being investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

8. Except for the deficiencies identified in Attachment A to this decision, Vesta's draft tariffs comply with the Commission's requirements.

9. Vesta provided a map of the location of its proposed service territory.

10. Vesta provided an estimate of its customer base for the first and fifth year of operation.

Conclusions of Law

1. Vesta should be granted a CPCN to provide competitive partial facilities-based and resold competitive local exchange telecommunications service in the service territories of Pacific Bell Telephone Company, Frontier California, Consolidated Communications of California Company and Citizens Telecommunications Company of California, and resold and partial facilities-based interexchange service in California, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. Vesta should be granted competitive limited facilities-based authority and may not construct any facilities other than equipment to be installed in existing buildings or structures.

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

4. Vesta's initial tariff filing should correct the tariff deficiencies shown in Attachment A to this decision.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Vesta Solutions, Inc. to provide competitive partial facilities-based and resold competitive local exchange telecommunications services in the territories of Pacific Bell Telephone Company, Frontier California, Consolidated Communications of California Company and Citizens Telecommunications Company of California and interexchange service in California, subject to the terms and conditions set forth below.

2. The utility identification number assigned to Vesta Solutions, Inc., U7348C, 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. Vesta Solutions, Inc.'s initial tariff filing shall correct the tariff deficiencies shown in Attachment A to this decision.

4. Vesta Solutions, 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 decision. Written acceptance filed in this docket does not reopen the proceeding.

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

6. Vesta Solutions, Inc. must notify the Director of the Communications Division in writing at cdcompliance@cpuc.c.gov of the date that local exchange

service is first rendered to the public, no later than five days after service first begins

7. Vesta Solutions, Inc. must submit to the Communications Division through an Advice Letter tariff within 12 months of the effective date of this decision, or its certificate will be cancelled.

8. Vesta Solutions, Inc. (Vesta) 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, Vesta must submit a Tier-1 advice letter to the Communications Division, 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.

9. Vesta Solutions, 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 Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Director of the Communications Division.

10. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachment B, C, and D to this decision, Vesta Solutions, Inc. 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.

11. Vesta Solutions, Inc. 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.

12. Vesta must pay an annual minimum user fee of \$100 or 0.33 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.

13. Prior to initiating service, Vesta Solutions, Inc. 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.

14. Prior to initiating service, Vesta Solutions, Inc. 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.

15. Vesta Solutions, Inc. must submit an affiliate transaction report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

16. Vesta Solutions, Inc. must submit an annual report to the Director of the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

17. Vesta Solutions, Inc. must not construct any facilities other than equipment installed in existing buildings or structures.

18. Application 18-03-013 is closed.

This order is effective today.

Dated July 26, 2018, at Sacramento, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

ATTACHMENT A

List of deficiencies in tariff filed by Vesta Solutions. (U-7348-C) in A.18-03-013 to be corrected in its tariff compliance filing.

1. General Order 96-B Section 9.1.3 requires “A utility that serves California customers under tariffs shall provide a telephone number at which a caller may (1) ask questions regarding the utility's tariffs, (2) order copies of the tariffs, and (3) find out times and places at which the caller may inspect or copy the tariffs”. No company phone number listed; revise tariff to include contact phone number.
2. General Order 96-B Section 9.5.1 requires identifying “U” number of the utility. Revise tariff to include U-number.
3. General Order 96-B Section 9.5.6 states “if a utility has no such contract or other deviation then in effect, a statement of this fact shall be provided instead of this list.” Revise tariff to include either a list of contracts/deviations or a statement indicating there are none.
4. General Order 96-B Section 9.5.7 (4) statement “when a contract will be required for service” is missing. Revise tariff to include statement compatible with General Order 96-B Section 9.5.7 (4).
5. General Order 96-B Section 9.5.7 (6) “Establishment and Re-establishment of Credit” is missing. Revise tariff to include statement compatible with General Order 96-B Section 9.5.7 (6).
6. General Order. 96-B Sect. 9.5.7 (11) “Discontinuance and Restoration of Service”. Information is incomplete in tariff, revise the tariff to include requirements of General Order 96-B Sec 9.5.7 Rule 11 and include information compliant with D.95-07-054 App B, Rule 6 B 2.
7. General Order. 96-B Sect. 9.5.7 (12) requires “Information on Services and Promotional Offerings - How to get information on services (including types of services, rate plans, conditions on eligibility, other terms and conditions) and promotional offerings available from the utility. Rule shall include office hours, telephone number, and (if applicable) e-mail address for contacting utility with requests for such information”. Information is incomplete in tariff, revise the tariff to include requirements of General Order 96-B Sec 9.5.7 Rule 12.

8. D.95-07-054, App B, Rule 1 “CLC information required to be provided to applicant upon request”. Information is missing, revise tariff to include information compliant with D.95-07-054, App B, Rule 1.
9. D.95-07-054, App B, Rule 2, Initiation of Service must include “information regarding the Universal Lifeline program and its availability”. Revise tariff to include information compliant with D.95-07-054, App B, Rule 2.
10. D.95-07-054, App B, Rule 4 (credit establishment) is missing. Revise the tariff to include language compliant with D.95-07-054, App B, Rule 4.
11. D.95-07-054, App B, Rule 5 (deposits and interest on deposits). CLC tariff says that company does not collect deposits. Revise tariff to be compliant with D.95-07-054, App B, Rule 5.
12. D.95-07-054, App B, Rule 9 requires that the tariff include language regarding bills past due. Revise the tariff to include language compliant with D.95-07-054, App B, Rule 9.
13. D.95-07-054, App B, Rule 10 requires that the tariff include language regarding discontinuance of service. Revise the tariff to include language compliant with D.95-07-054, App B, Rule 10.
14. D.95-07-054, App B, Rule 10C states that for “residence services disconnected for nonpayment, the CLC must continue to provide access to 911 services to the customer”. Revise the tariff to include language compliant with D.95-07-054, App B, Rule 10C.
15. D.95-07-054, App B, Rule 12 refers to rules regarding establishment of credit or payment of deposit; information is missing from tariff. Revise the tariff to include language compliant with D.95-07-054, App B, Rule 12.
16. D.95-12-057 OP 16 Liability of CLC - CLC must adopt either Pacific/ATT or GTEC/Verizon language. Maximum liability of \$10K. This is missing from tariff, revise tariff to include this information.
17. D.96-10-066 App B. 4.B.10 & 11 require both a free directory listing and free copy of white pages directory. Tariff is missing the “directory listing” component. Revise tariff to comply with section 10 of D.96-10-066 App B. 4.B.

18. Non-published service is referenced in the Definitions section (1.4.38) but is not included as a tariff item. Revise tariff to include non-published number information in compliance with D.96-02-072 Appendix E.8.J.
19. General Order 153 Section 3.3 requires that the tariff contain language regarding filings of Universal Lifeline Telephone Service (ULTS) Offerings. Revise tariff to include language compliant with G.O. 153 Section. 3.3.
20. D.95-07-054 App A, Section E.7 requires that CLCs file tariffs in accordance with PU Code 876 (file a schedule of rates and charges providing a class of lifeline telephone service). Revise tariff to include language compliant with D. 95-07-054 App. A Section E.7.
21. Resolution T-16901 requires that the tariff contain language regarding surcharges and taxes. Revise the tariff to reflect current surcharge and user fee information listed on the CPUC's website (<http://www.cpuc.ca.gov/General.aspx?id=1124>).

(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,¹³ 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).

¹³ 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.
- ii. Carriers must submit and pay the PUC User Fee (see Item 3.g above) upon receiving the User Fee statement sent by the Commission. Instructions for reporting and 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 Communications Division, 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 Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Director of the Communications Division.

9. Applicants providing local exchange service must submit to 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 name or telephone number changes, 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 at cdcompliance@cpuc.ca.gov, 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 at cdcompliance@cpuc.ca.gov, 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 at cdcompliance@cpuc.ca.gov, 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 at cdcompliance@cpuc.c.gov of its compliance.

19. If Applicant is 90 days or more late in submitting 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 submitted to 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 submit 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 31st 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 submitted to 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 submit, 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)