

Decision \_\_\_\_\_

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

Application of Matrix Telecom, Inc. for a Certificate of Public Convenience and Necessity to Provide Limited Facilities-Based Competitive Local Exchange Service in the State of California.

Application 06-12-033  
(Filed December 27, 2006)

**OPINION GRANTING APPLICANT A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

**1. Summary**

Matrix Telecom, Inc., d/b/a Matrix Business Technologies (Applicant) seeks a certificate of public convenience and necessity (CPCN) under Pub. Util. Code § 1001 for authority to provide limited facilities-based local exchange services. By this decision, we grant the requested authority subject to the terms and conditions set forth below. This proceeding is closed.

**2. Background**

In prior decisions, we authorized the provision of competitive interexchange services by carriers meeting specified criteria. In addition, we authorized the provision of competitive local exchange service, by carriers meeting specified criteria, within the service territories of Pacific Bell Telephone Company (Pacific), Verizon California Inc. (Verizon), SureWest Telephone

Company (SureWest),<sup>1</sup> and Citizens Telecommunications Company of California, Inc. (Citizens).

Applicant, a Texas corporation, currently holds authority to provide intrastate interexchange telecommunications services in California and non-facilities based, resold local exchange telecommunications services within the service territories of Pacific, Verizon, SureWest, and Citizens.<sup>2</sup> Applicant now seeks to expand its authority to provide limited facilities-based local exchange services as a competitive local carrier (CLC) within the service territories of Pacific, Verizon, SureWest, and Citizens.

Applicant's principal place of business is located at 7171 Forest Lane, Suite 700, Dallas, Texas.

### **3. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide facilities-based and resold local exchange and/or interexchange services must demonstrate that it has a minimum of \$100,000 of 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 (LECs) and/or interexchange carriers (IECs) in order to provide the

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<sup>1</sup> SureWest was previously known as Roseville Telephone Company.

<sup>2</sup> Applicant was authorized to provide competitive interexchange services by Decision (D.) 90-12-062. D.05-11-006 granted Applicant a CPCN to provide non-facilities based, resold local exchange telecommunications services within the service territories of Pacific, Verizon, SureWest, and Citizens.

<sup>3</sup> The financial requirement for CLCs is contained in D.95-12-056, Appendix C. The financial requirement for NDIECs is contained in D.91-10-041.

proposed service.<sup>4</sup> Applicant has provided financial documentation that demonstrates that it has sufficient cash to satisfy the financial requirement plus any required deposits.

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

Applicants for CLC authority are required to make a reasonable showing of technical expertise in telecommunications or a related business. Applicant submitted biographical information on its management that demonstrates that it possesses sufficient experience and knowledge to operate as a telecommunications provider.

Applicant acknowledges it was previously sanctioned by this Commission and admonished by the Federal Communications Commission (FCC).<sup>5</sup>

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<sup>4</sup> The requirement for CLC applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying LECs 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> In September 1996, the Commission fined Matrix \$13,500 for switching the long distance service of a northern California couple and for failing to respond to a formal complaint that the couple filed, and ordered Matrix to pay the couple's litigation expenses, \$700.20 for service charges they paid and for unauthorized excessive rates." (D.96-09-090.)

Applicant states it was admonished by the FCC on August 9, 1993 and entered into a Consent Decree adopted December 12, 1996 for alleged violations of rules concerning primary interexchange carrier conversions (aka, "slamming"). Matrix made a voluntary contribution of \$30,000 to the U.S. Treasury. (FCC File No. ENF-96-02.) Applicant states its current management does not condone slamming, cramming, or any other unethical business practices.

Applicant also states prior to becoming CEO of Matrix, Russell Lambert was hired by Supra Telecom (Supra) to lead Supra through Chapter 11 reorganization, with Supra successfully emerging from bankruptcy protection in 2005. Applicant further states Matrix's former Sr. VP of Technology (Paul Bird) was employed by NextiraOne from

*Footnote continued on next page*

However, Applicant represents that no one presently associated with or employed by Applicant as an affiliate, officer, director, partner, or owner of more than 10% of Applicant has been sanctioned by the FCC or any state regulatory agency for failure to comply with any regulatory statute, rule, or order. We note that no charges of slamming or other violations appear of record since 1996.

## **5. Tariffs**

Commission staff reviewed Applicant's draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A to this decision. Applicant shall correct these deficiencies in its tariff compliance filing as a condition of our approval of its tariffs.

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

CEQA requires the Commission as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Applicant will not be constructing any facilities, other than equipment to be installed in existing buildings or structures, for the purpose of providing interexchange or local exchange services.

Therefore, it can be seen with certainty that there is no possibility that granting this application will have an adverse effect upon the environment. Applicant must file for additional authority and submit to any required CEQA review before it can construct facilities other than equipment to be installed in existing buildings or structures.

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1993 to 2006, that NextiraOne pled guilty to charges of wire fraud for over billing the United States Government for services provided to native-American tribes, and that Mr. Bird is no longer employed by Matrix.

**7. Requests to File Under Seal**

Applicant requests that the financial information and customer projections submitted in these applications be kept under seal. The financial information consists of balance sheets, income statements, statement of cash flows and statement of shareholder's deficit. Applicant represents that the financial and customer information is proprietary and sensitive. The information, if revealed, would place Applicant at an unfair business disadvantage. We have granted similar requests in the past and will do so here.

**8. Conclusion**

We conclude that the application conforms to our rules for authority to provide competitive local exchange and interexchange telecommunications services. Accordingly, we shall approve the application subject to the terms and conditions set forth herein.

**9. Categorization and Need for Hearings**

In Resolution ALJ 176-3185, dated January 11, 2007, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. There is no reason why the application should not be granted. A public hearing is not necessary, and it is not necessary to modify the preliminary determinations.

**10. Comments on Draft Decision**

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

## **11. Assignment of Proceeding**

Rachelle B. Chong is the assigned Commissioner and Richard Smith is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. Notice of the application appeared in the Daily Calendar on January 3, 2007.
2. No protests have been filed.
3. A hearing is not required.
4. In prior decisions, the Commission authorized competition, by carriers meeting specified criteria, in providing local exchange telecommunications services within the service territories of Pacific, Verizon, SureWest, and Citizens.
5. Applicant has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
6. Applicant has sufficient additional cash or cash equivalent to cover any deposits that may be required by other telecommunications carriers in order to provide the proposed service.
7. Applicant possesses sufficient experience and knowledge to provide telecommunications services.
8. As part of its application, Applicant submitted a draft of its initial tariff that contained the deficiencies identified in Attachment A to this decision. Except for those deficiencies, its draft tariffs complied with the Commission's requirements.
9. Applicant will not be constructing facilities, other than equipment to be installed in existing buildings or structures.
10. Public disclosure of the financial information filed under seal would place Applicant at an unfair business disadvantage.

**Conclusions of Law**

1. Applicant has the financial ability to provide the proposed service.
2. Applicant has sufficient technical expertise to operate as a telecommunications carrier.
3. Public convenience and necessity require that Applicant's competitive local exchange and interexchange services be subject to the terms and conditions set forth herein.
4. Since Applicant will not be constructing any facilities, other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there will be no significant effect on the environment.
5. The application should be granted to the extent set forth below.
6. Applicant, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.
7. Applicant's initial tariff filing should correct the deficiencies in its draft tariffs as indicated in Attachment A to this decision.
8. Because of the public interest in competitive local exchange and interexchange services, the following order should be effective immediately.
9. Applicant's request to file its financial information under seal should be granted for two years.

**O R D E R**

**IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to Matrix Telecom, Inc., d/b/a Matrix Business Technologies (Applicant) to operate as a

limited facilities-based provider of competitive local exchange services, subject to the terms and conditions set forth below.

2. Applicant is authorized to provide limited facilities-based local exchange service in the service territories of Pacific Bell Telephone Company, Verizon California Inc., SureWest Telephone Company, and Citizens Telecommunications Company of California, Inc., and may provide interexchange services statewide.

3. Applicant is authorized to file tariff schedules for the provision of competitive local exchange and interexchange services with the deficiencies noted in Attachment A corrected. Applicant may not offer services until tariffs are on file. Applicant's initial filing shall be made in accordance with General Order (GO) 96-A, excluding Sections IV, V, and VI. The tariffs shall be effective not less than one day after tariff approval by the Commission's Communications Division. Applicant shall comply with its tariffs.

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

5. The corporate identification number assigned to Applicant, U-5227-C, shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

6. Applicant shall comply with all applicable rules adopted in the Local Exchange Competition proceeding (Rulemaking 95-04-043/Investigation 95-04-044), as well as all other applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities, subject to the exemptions granted in this decision.

7. Applicant shall comply with the requirements applicable to competitive local exchange carriers included in Attachments B, C and D to this decision.

8. Applicant is not authorized to construct facilities, other than equipment to be installed in existing buildings or structures.

9. Applicant's request to have the financial information filed with this application kept under seal is granted for two years from the effective date of this decision. During that period, the information shall not be made accessible or disclosed to anyone other than the Commission staff except on the further order or ruling of the Commission, the assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.

10. If Applicant believes that further protection of the information kept under seal is needed, it may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission's rules may then provide. This motion shall be filed no later than one month before the expiration date.

11. Application 06-12-033 is closed.

This order is effective today.

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

**ATTACHMENT A**

List of deficiencies in tariffs filed by Matrix Telecom Inc. in A.06-12-033 to be corrected in its tariff compliance filing.

Table of Contents	Revise tariff so sheet numbers listed in Table of Contents correspond to actual sheet numbers.
	Revise tariff to add resale provisions required by D.95-12-056, Appendix C, Rule 4.F.6. Facilities-based CLCs are required to make all telecommunications service offerings available for resale, only within the same class of service, on a nondiscriminatory basis.
17	Revise tariff Rule 2 for consistency with facilities-based CLCs' obligation to serve within 300ft of facilities as required by D.95-12-056, Appendix C, Rule 4.F.2.
21	Revise tariff to add the rule that during initial contact residential customers must be given the information regarding the availability of Universal Lifeline program in compliance with D.95-07-074, Appendix B Rule 2.
22	Revise tariff to reconcile inconsistency between Cancellation Policy (1.3.2 on Sheet 22) with Cancellation of Application for Service (2.10.3 on Sheet 65)
23	Revise tariff Rule 4 (Establishment of Credit) to comply with D.95-07-054, Appendix B, Rule 4.
24	Revise tariff Section 1.5.2.A (Deposits - Requirement) to comply with D.95-07-054, Appendix B, Rules 4 and 5.
26	Revise tariff Section 1.6.1 (Notice by the Company) to comply with D.95-07-054, Appendix B, Rule 2.7 & 6.D re: "date of presentation."
27	Revise tariff Section 1.6.4 (Request for Information by the Company) to read "Request for Information from the Company."
28	Revise tariff Section 1.6.5.D (Miscellaneous Notice Information) for consistency with Rule 1.6.1 (Sheet 26) re: date of presentation.
28	Revise tariff Section 1.6.5.D (Miscellaneous Notice Information) to comply with D.02-01-038 re Notice before Transfer of Ownership.
28	Revise tariff Section 1.7.1 (Prorating of Bills) and Section 2.9.3 (Disputed Bills - Sheet 62) to be consistent with each other.
28	Revise tariff Section 1.8.1 (Disputed Bills) to comply with D.95-07-054,

**ATTACHMENT A**

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	Appendix B, Rule 8.A.
29	Revise tariff Section 1.8.1 (Disputed Bills) to include text required by D.95-07-054, Appendix B, Rule 8.C.
29	Revise tariff Section 1.9.1 (Rendering and payment of Bills) to comply with “date of presentation” requirement in D.95-07-054, Appendix B, Rule 2.7, Rule 9.
29	Revise tariff Section 1.9.1 (Rendering and payment of Bills) and Section 2.9.2.B (Bills and Collection of Charges, Sheet 60) to be consistent with each other.
31	Revise tariff Section 1.10.1 (Discontinuance by Customer) and Section 2.10.2 (Sheet 65) to be consistent with each other.
31	Revise tariff Section 1.10.2 (Discontinuance by Company) and Section 2.10.1 (Discontinuance of Service, Sheet 63) to be consistent with each other.
46	Revise tariff Section 2.1 (Undertaking of Company) to comply with resale requirement in D.95-12-056, Appendix C, Rule 4.F.6.
46	Universal Lifeline Telephone Service – Revise Rule to be consistent with eligibility and certification requirements in D.05-04-026, D.05-12-013 and Resolution T-16996, March 2, 2006.
51	Revise tariff Section 2.5.2 (Local Loop Demarcation Point) to comply with D.95-12-056, Appendix C, Rule 4.F.2 (300 ft rule).
60	Revise tariff Section 2.9.2.B (Bills & Collection of Charges, Sheet 60) and Section 1.9.1 (Rendering and payment of Bills, Sheet 29) to be consistent with each other and to comply with D.95-07-054, Appendix B, Rule 9
62	Revise tariff Section 2.9.3.A (Disputed Bills) and Section 1.8.1 (Rule 8 – Disputed Bills, Sheet 28) to be consistent with each other.
63	Revise tariff Section 2.10.1 (Discontinuance of Service) and Section 1.10.1 (Discontinuance by Customer, Sheet 31) to be consistent with each other.
65	Revise tariff Section 2.10.2 (Discontinuance of Service by Customer) and Section 1.10.1 (Discontinuance by Customer, Sheet 31) to be consistent with each other and to comply with D.95-07-054, Appendix B, Rule 6.B.1
65	Revise tariff Section 2.10.3 (Cancellation of Application for Service) and

**ATTACHMENT A**

List of deficiencies in tariffs filed by Matrix Telecom Inc. in A.06-12-033 to be corrected in its tariff compliance filing.

	Section 1.3.2 (Cancellation of Application for Service, Sheet 22) to be consistent with each other and to comply with D.95-07-054, Appendix B, Rule 6.B.1
66	Revise tariff Section 2.13.C (Notice & Communications) to comply with D.95-07-054, Appendix B, Rule 6.D re date of presentation.
66	Notice & Communications (2.13) appears to restate 1.6 (Sheet 26). Revise tariff to remove one of them.
69/71	Continuous Redial (3.2.1.B) is duplication of 3.2.1.L (Sheet 71). Revise tariff to remove one of them.
72	Revise tariff Section 3.3.1 (Directory Listings - Description) to correct reference to Section 1.6 (Sheet 1.6 - Notices). Reference should be to Section "2.6 - Directory Listings" (Sheet 55).
77-87	Revise tariff Section 4, 5 and/or 6 (Price Lists) to include the "Activation Fee" described in Section 1.10.4 (Restoration of Service, Sheet 32) and its associated rate.
88	Revise Sample Forms - Disconnection Notice (Sheet 88) so information on it corresponds to the information as listed in 1.6.5.C (Sheet 27), and to comply with D.95-07-054, Appendix B, Rule 6.B.2
	Revise tariff to include sample Deposits Receipt form required by GO 96-A, II.C.5, and D.95-07-054, Appendix B, Rule 3.B
89	Revise tariff, Sample Forms - Final Demand Notice (Sheet 89) to comply to D.95-07-054, Appendix B, Rule 6.B.2/
90	Revise tariff, Sample Forms - Sample Invoice/Bill form to comply with D.95-07-054, Appendix B, Rule 3 (3.A.2, 3.A.3).
	Revise tariff to include sample forms of any other forms normally used in connection with customer's service required by GO 96-A, II.C.5 and D.95-07-054, Appendix B, Rule 3.B.

**(END OF ATTACHMENT A)**

**ATTACHMENT A**

List of deficiencies in tariffs filed by Matrix Telecom Inc. in A.06-12-033 to be corrected in its tariff compliance filing.

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

1. Applicant shall file, in this docket, 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 fee and surcharges that must be regularly remitted per the instructions in Appendix E to Decision (D.) 00-10-028. The Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is zero.
  - a. The current 1.15% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879; Resolution T-17071, dated March 1, 2007, effective April 1, 2007);
  - b. The current 0.37% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073 and Resolution T-17072, dated March 1, 2007, effective April 1, 2007);
  - c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.11% of gross intrastate revenue (Resolution M-4816); dated March 15, 2006, effective April 1, 2006.
  - d. The current 0.21% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-16963, dated December 1, 2005, effective January 1, 2006);
  - e. The current 1.30% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B

- (D.96-10-066, p. 191, App. B, Rule 6.F., Resolution T-17078, dated March 1, 2007, effective April 1, 2007); and
- f. The current 0.13% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G, Resolution T-16888, dated December 1, 2005, effective January 1, 2006).

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant should check the joint tariff for surcharges and fees filed by Pacific Bell (dba SBC California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised.

3. Applicant is a competitive local exchange carrier (CLC). The effectiveness of its future tariffs is subject to the schedules set forth in Appendix C, Section 4.E of D.95-12-056:

E. CLCs shall be subject to the following tariff and contract filing, revision and service pricing standards:

- (1) Uniform rate reductions for existing tariff services shall become effective on five working days' notice. Customer notification is not required for rate decreases.
- (2) Uniform major rate increases for existing tariff services shall become effective on 30 days' notice to the Commission, and shall require bill inserts, or first class mail notice to customers at least 30 days in advance of the pending rate increase.
- (3) Uniform minor rate increases, as defined in D.90-11-029, shall become effective on not less than five working days' notice to the Commission. Customer notification is not required for such minor rate increases.
- (4) Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates

or relocations of text in the tariff schedules, shall become effective on 40 days' notice.

- '(5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate or charge shall become effective on not less than five days' notice to the Commission.
- '(6) Contracts shall be subject to GO 96-A rules for NDIECS, except interconnection contracts.
- '(7) CLCs shall file tariffs in accordance with PU Code § 876.'

4. Applicant is a nondominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the schedules set forth in Ordering Paragraph 5 of D.90-08-032 (37 CPUC2d 130 at 158), as modified by D.91-12-013 (42 CPUC2d 220 at 231) and D.92-06-034 (44 CPUC2d 617 at 618):

"5. All NDIECs are hereby placed on notice that their California tariff filings will be processed in accordance with the following effectiveness schedule:

- a. Inclusion of FCC-approved rates for interstate services in California public utilities tariff schedules shall become effective on one day's notice.
- b. Uniform rate reductions for existing services shall become effective on five days' notice.
- c. Uniform rate increases, except for minor rate increases, for existing services shall become effective on 30 days' notice, and shall require bill inserts, a message on the bill itself, or first class mail notice to customers of the pending increased rates.
- d. Uniform minor rate increases, as defined in D.90-11-029, for existing services shall become effective on not less than five working days' notice. Customer notification is not required for such minor rate increases.

- e. Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on 40 days' notice.
- f. Advice letter filings merely revising the text or location of text material which do not cause an increase in any rate or charge shall become effective on not less than five days' notice.

5. Applicant may deviate from the following provisions of GO 96-A:

(a) paragraph II.C.(1)(b), which requires consecutive sheet numbering and prohibits the reuse of sheet numbers; and (b) paragraph II.C.(4), which requires that "a separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of the Commission's Communications Division. Tariff filings shall reflect all fees and surcharges to which Applicant is subject, as reflected in 2 above.

6. Applicant shall file a service area map as part of its initial tariff.

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

8. Applicant shall 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.

9. Applicant shall notify the Director of the Communications Division in writing of the date interLATA service is first rendered to the public within

five days after service begins, and again within five days after intraLATA service begins.<sup>1</sup>

10. Applicant shall keep its books and records in accordance with the Generally Accepted Accounting Principles.

11. In the event Applicant's books and records are required for inspection by the Commission or its staff, it shall 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.

12. Applicant shall 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 C to this decision.

13. Applicant shall 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 D.

14. Applicant shall ensure that its employees comply with the provisions of Public Utilities (Pub. Util.) Code § 2889.5 regarding solicitation of customers.

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

16. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in 2 above, the Communications Division

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<sup>1</sup> California is divided into ten Local Access and Transport Areas (LATAs), each containing numerous local telephone exchanges. InterLATA describes services, revenues and functions relating to telecommunications originating within one LATA and terminating in another LATA. IntraLATA describes services, revenues and functions relating to telecommunications originating within a single LATA.

shall prepare for Commission consideration a resolution that revokes Applicant's CPCN unless it has received written permission from the Communications Division to file or remit late.

17. Applicant is exempt from GO 96-A, subsections III.G(1) and (2), and Commission Rule of Practice and Procedure 18(b).

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

19. 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.

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

21. Applicant shall send a copy of this decision to concerned local permitting agencies not later than 30 days from the date of this order.

**(END OF ATTACHMENT B)**

**ATTACHMENT C**  
**ANNUAL REPORT**

An original and two copies shall be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31<sup>st</sup> 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 §§ 2107 and 2108 of the Public Utilities Code.

Required information:

1. Exact legal name and U # of 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. The number and date of the Commission decision granting the Utility's CPCN.
  7. Date operations were begun.
  8. Description of other business activities in which the utility is engaged.
  9. A list of all affiliated companies and their relationship to the utility.  
State if affiliate is:
    - 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.

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

**(END OF ATTACHMENT C)**

**ATTACHMENT D**  
**CALENDAR YEAR AFFILIATE TRANSACTION REPORT**

1. Each utility shall 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;
- Corporate officers.

2. The utility shall 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 should 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 should 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 tariffed 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)**