

Decision 09-07-043 July 30, 2009

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Public Wireless, Inc. for a Certificate of Public Convenience and Necessity in Order to Provide Full Facilities-Based and Resold Competitive Local Exchange, Access, and Interexchange Service.

Application 09-02-014
(Filed February 20, 2009;
amended June 2, 2009)

DECISION GRANTING THE APPLICATION OF PUBLIC WIRELESS, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE FULL FACILITIES-BASED AND RESOLD COMPETITIVE LOCAL EXCHANGE, ACCESS, AND INTEREXCHANGE SERVICE

1. Summary

Public Wireless, Inc. seeks a certificate of public convenience and necessity in order to provide full facilities-based and resold competitive local exchange, access, and nondominant interexchange services. Public Wireless requests authority to operate as a full facilities-based local exchange carrier in the territories currently served by Pacific Bell Telephone Company dba AT&T California, Verizon California Inc., SureWest Telephone, and Citizens Telephone Company, and as a nondominant interexchange carrier in the entire State of California. Applicant is a Delaware corporation authorized to transact business in California with its principal place of business at 1325 McCandless Drive, Building A, Milpitas, California 95035.

2. Background¹

Public Wireless, Inc. (Public Wireless or Applicant) seeks authority to provide full facilities-based and resold local exchange and access services to business customers in the service territories of Pacific Bell Telephone Company dba AT&T California (AT&T), Verizon California Inc. (Verizon), SureWest Telephone (SureWest), and Citizens Telephone Company (Citizens), as well as full facilities-based and resold interexchange services to such customers throughout California. Public Wireless expects to provide competitive local transport services, access, and nondominant interexchange services (Services). Specifically, Public Wireless expects to provide “gap” coverage for wireless providers, and intends to design and build alternative wireless siting solutions for placement in areas where traditional development costs and/or zoning and permitting processes have made deployment prohibitive. Public Wireless deploys such networks by purchasing from cable companies, and reselling to wireless carriers, the right to install equipment on cable strands owned or controlled by cable providers. Public Wireless also installs and operates equipment to support backhaul services for wireless voice service providers.

¹ Public Wireless filed its original application for a certificate of public convenience and necessity (CPCN) to provide limited facilities-based and resold competitive local exchange access and non-dominant interexchange services. The caption of the original application requested limited services. On June 2, 2009, it filed an amendment to its application in order to change the scope of the authority requested from limited facilities-based authority to full facilities-based authority. Pursuant to its amended application, applicant requests that the caption of this proceeding be modified to read as follows: APPLICATION OF PUBLIC WIRELESS, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE FULL FACILITIES-BASED AND RESOLD COMPETITIVE LOCAL EXCHANGE, ACCESS AND INTEREXCHANGE SERVICE. Because we are granting full facilities-based service we grant the request to modify the caption of this application.

Public Wireless will provide its service using backhaul linked by fiber optic cables with conversion equipment attached to poles, wires, fiber termination equipment, and other structures.

Pursuant to the full facilities-based authority requested, Public Wireless will undertake relatively minor construction activities, which will primarily take place in existing, well-used rights-of-way and utility easements in developed areas. Public Wireless will operate by installing equipment in or on existing streetlights, poles, towers, buildings, fiber, conduits, ducts, rights-of-way, trenches, and other facilities and structures of other entities, and will not need to construct any buildings, towers, conduits, poles, or trenches in California to provide the services for which it seeks authority.

The above-mentioned activities fall within several classes of projects that are exempt from review under the California Environmental Quality Act (CEQA) and for which neither an Environmental Impact Report (EIR) nor a Negative Declaration is required. Occasionally, a portion of this activity will take place on private property in existing easements.

3. Discussion

3.1. CEQA Compliance

Pursuant to CEQA and Commission Rule 2.4, the Commission examines projects to determine any potential environmental impacts in order that adverse effects are avoided and environmental quality is restored or enhanced to the fullest extent possible under CEQA. In Rule 2.4(b), the Commission recognizes that the Secretary for Resources has exempted certain classes of projects from CEQA. In cases where such exemptions apply, we are not required to issue an EIR or Negative Declaration.

3.2. Public Wireless' Proposed CEQA Review Process

As discussed above and in Proponent's Environmental Assessment (Application Exhibit B), Public Wireless' proposed construction activities include installation of communications equipment on previously existing utility poles and other structures. These activities are expected to be relatively minor in scope and take place primarily in existing, well-used rights-of-way and utility easements in developed areas. In addition, individual undertakings expect to be geographically dispersed such that these activities will not be heavily concentrated in particular areas. For these reasons, and by their very nature, Public Wireless asserts, these activities fall within the following classes of projects that are exempt from CEQA and for which neither an EIR nor a Negative Declaration is required.

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

Public Wireless' proposed activities involve construction of reasonably short utility extensions (Class 3). In order to provide its service, Public Wireless also intends to utilize the existing conduits, poles, and other facilities of local cable operators (Class 1). Exemption of these activities is consistent with Commission precedent. Public Wireless' proposed new construction activities are similar to those undertaken by other carriers that we have decided are

categorically exempt from CEQA. *See, e.g., D.06-04-063 (ClearLinx Network Corporation); D.06-04-067 (CA-CLEC LLC).*

Public Wireless says that it does not know at this time all of the specific areas where it may have to undertake construction. Public Wireless therefore requests approval to utilize a procedure for expedited review of Public Wireless' projects once Public Wireless is aware of a specific site(s) in which it plans construction. The proposed procedure, described in Application Exhibit B, tracks the expedited review procedure that we have approved for ClearLinx, CA-CLEC, and other carriers. Such a process will expedite CEQA review and is appropriate for the type of construction outlined here, which will be categorically exempt. By establishing this expedited review process, we are able to review the information on a specific project to confirm that it is categorically exempt from CEQA or explain why further environmental review is required. At the same time, the proposed CEQA review process will enable Public Wireless to undertake construction of its projects in an efficient manner without experiencing delays caused by an unnecessarily protracted CEQA review.

Similar to the procedure approved for ClearLinx, CA-CLEC, and other carriers, the following procedure will be used to obtain Commission approval of applicant's claimed CEQA exemptions for proposed construction projects:

- Applicant will provide the Commission's Energy Division with:
 - A detailed description of the proposed project, including:
 - Customer(s) to be served;
 - The precise location of the proposed construction project; and
 - Regional and local site maps.

- A description of the environmental setting, to include at a minimum:
 - Cultural, historical, and paleontologic resources;
 - Biological resources; and
 - Current land use and zoning.
- A construction workplan, to include:
 - Commission Preconstruction Survey Checklist – Archaeological Resources;
 - Commission Preconstruction Survey Checklist – Biological Resources;
 - A detailed schedule of construction activities, including site restoration activities;
 - A description of construction/installation techniques;
 - A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
 - A list of permits required for the proposed project.
- A statement of the CEQA exemption(s) applicable to the proposed project; and
- Documentation and factual evidence sufficient to support a finding that the claimed exemption(s) is (are) applicable.
- The Energy Division will review applicant's submission for the proposed project to confirm that the claimed exemption(s) from CEQA are applicable.
- Within 21 days from the date of applicant's submittal, the Energy Division will issue either:
 - A Notice to Proceed (NTP) and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research, or

- A letter of denial stating the specific reasons why the claimed exemption(s) are not applicable to the proposed project.

We have reviewed the application and Supplement and find that:

- Applicant's proposed facilities-based project activities are very limited;
- These activities would in almost all circumstances be very likely to qualify for an exemption from CEQA; and
- The proposed process for reviewing the applicability of CEQA exemptions to applicant's facilities-based projects is not only adequate for the Commission's purposes as CEQA Lead Agency, but is also in the public interest because it enables Applicant to respond in a timely manner to requests for service without the delay or burden of a full CEQA review when such review is unnecessary.

We therefore approve applicant's proposed process for Commission review of claimed CEQA exemptions for construction projects undertaken pursuant to applicant's full facilities-based authority, based on the specific facts of this case with the following modifications related to the Commission's Energy Division review and approval or disapproval of the proposed exemptions.

- If the Energy Division disapproves applicant's claimed CEQA exemption(s), and issues a letter of denial to applicant, applicant shall either re-design the specific project and facilities and then reapply for a finding of exemption from CEQA, or file a formal application with the Commission seeking the requisite approval and full CEQA review, before commencing any construction activities.

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

Public Wireless seeks authority to provide its services in those exchanges where the Commission has authorized local competition. At present, competitive local exchange service may be provided in the geographic areas of California serviced by AT&T, Verizon, Citizens, and SureWest. In addition, Public Wireless seeks inter-Local Access and Transport Area (interLATA) and intraLATA authority on a statewide basis.

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

Whenever possible, Public Wireless will use existing streetlights, poles, towers, buildings, fiber, conduits, ducts, rights-of-way, trenches, and other facilities, and structures of telecommunications carriers, utilities, and municipalities. As a result, the estimated cost of construction is expected to be relatively low. Public Wireless' annual fixed and operating costs are expected to be fully within the financial resources available to Public Wireless, through existing financing, procurement of additional financing and anticipated revenues. Public Wireless will secure financing through initial investments in the corporation and by future revenues generated by its provision of services. Public Wireless is financially qualified to offer the telecommunications services for which authority is sought. Attached to the application as Exhibit D is a copy of Public Wireless' 2006-2008 balance sheet, statement of cash flows, and statement of operations. Also attached to the application as Exhibit E is a copy of Public Wireless' recent bank statements, which confirm that Public Wireless possesses a minimum of \$100,000 that is reasonably liquid and available.

Because Exhibits D and E contain highly proprietary and competitively sensitive information, Public Wireless has been given confidential treatment of Exhibits D and E.

Public Wireless presently does not contemplate utilizing services purchased from other telecommunications carriers for which deposits are required. As a result, Public Wireless will not be required to submit deposits to other telecommunications carriers in connection with the construction of its primary network or the provision of its services. Public Wireless' demonstration of its financial qualification therefore is limited to evidence of possession of a minimum of \$100,000 in unencumbered funds. If in the future, Public Wireless pursues the purchase of services from other carriers that require deposits or otherwise is required to provide deposits to such carriers, it will notify the Commission and promptly comply with any regulatory requirements such a development may trigger. Thus, Public Wireless fully meets its financial qualifications.

3.3. Proposed Rates

Public Wireless will offer its services on a nondiscriminatory basis pursuant to tariffs as well as individual case basis contracts. A draft of Public Wireless' proposed tariff, which describes its services, rates, and terms and conditions for service, is attached to its application as Exhibit F. Public Wireless will submit a final tariff with final rates upon grant of the authority it seeks.

3.4. General Order 104-A Statement

Public Wireless is not a publicly traded company, and has no proxy statements, 10Ks or annual reports to provide. Further, Public Wireless states that none of its officers, directors, or stockholders, whether record or beneficial owners of stock, have a material financial interest (as that term is defined in

Section 2 of GO 104-A) in any transaction involving the purchase of materials or equipment, or the contracting, arranging or paying for construction, maintenance, or service for or on behalf of applicant.

3.5. Expected Customer Base

Public Wireless' estimate of its customers for the first and fifth years is contained in Exhibit G to the application. Because Exhibit G contains highly proprietary and competitively sensitive information, Public Wireless has received confidential treatment of Exhibit G.

3.6. Managerial and Technical Competence

Public Wireless has the managerial and technical qualifications necessary to provide the proposed services in its service territory. Attached to its application as Exhibit H are the biographies of Public Wireless' key technical personnel and management team. These biographies reflect that Public Wireless possesses significant managerial and technical expertise for operating a telecommunications company, consistent with the Commission's requirements. To the best of applicant's knowledge, neither applicant, any affiliate, officer, director, partner, nor owner of more than 10% of applicant, or any person acting in such capacity whether or not formally appointed, has been sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.

4. Conclusion

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

5. Request to File Under Seal

Applicant requests that the financial information filed as Exhibits D, E, and G to its application be filed under seal. The financial information consists of applicant's financial statements and financial documentation. We have granted similar requests in the past, and we grant applicant's request here.

6. Categorization and Need for Hearings

The Commission preliminarily categorized this proceeding 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.

7. Comments on Proposed Decision

No protests were filed in this proceeding. Therefore, 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.

8. Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and Robert Barnett is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Applicant seeks authorization to provide full facilities-based local exchange and interexchange services.
2. The Commission is the Lead Agency for this project under CEQA.
3. Applicant's proposed facilities-based project activities are of a limited nature and would in almost all circumstances be highly likely to qualify for an exemption from CEQA.

4. Applicant has met the requirements for issuance of a CPCN authorizing the provision of full facilities-based local exchange and interexchange services.

Conclusions of Law

1. Except for the requirement for additional environmental (CEQA) review, the requirements for a full facilities-based CPCN are generally the same as for a limited facilities-based CPCN.

2. Applicant's description of its future construction projects and proposed process for Commission review of claimed CEQA exemptions for these projects meet the requirements of CEQA.

3. Public convenience and necessity require applicant's full facilities-based local exchange and interexchange services to be offered to the public subject to the terms and conditions set forth herein.

4. Applicant's request to file its financial information under seal should be granted, to the extent set forth below.

5. Applicant's request to change its application from a limited facilities-based service to a full facilities-based service is granted. The caption shall so note.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Public Wireless, Inc., to operate as a full facilities-based provider of local exchange services in the service territories of Pacific Bell Telephone Company, Verizon California Inc., SureWest Telephone, and Citizens Telephone Company and interexchange services statewide, subject to the terms and conditions set forth below.

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

3. If applicant wishes to engage in full facilities-based construction activities and believes that these activities are exempt from California Environmental Quality Act, applicant shall first apply to the Commission's Energy Division staff for a determination of exemption from California Environmental Quality Act using the following procedure:

- Applicant will provide the Commission's Energy Division with:
 - A detailed description of the proposed project, including:
 - Customer(s) to be served;
 - The precise location of the proposed construction project; and
 - Regional and local site maps.
 - A description of the environmental setting, including at a minimum:
 - Cultural, historical, and paleontologic resources;
 - Biological resources; and
 - Current land use and zoning.
 - A construction workplan, including:
 - Commission Preconstruction Survey Checklist – Archaeological Resources;
 - Commission Preconstruction Survey Checklist – Biological Resources;
 - A detailed schedule of construction activities, including site restoration activities;
 - A description of construction/installation techniques;

- A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
- A list of permits required for the proposed project.
- A statement of the California Environmental Quality Act exemption(s) claimed to apply to the proposed project; and
- Documentation supporting the finding of exemption from California Environmental Quality Act.
- The Energy Division will then review the submittal and notify applicant of either its approval or its denial of applicant's claim for exemption from California Environmental Quality Act review within 21 days from the time that applicant's submittal is complete.
- If the Energy Division approves applicant's claimed California Environmental Quality Act exemption(s), the staff will prepare a Notice to Proceed and file a Notice of Exemption with the State Clearinghouse, Office of Planning and Research.
- If the Energy Division disapproves applicant's claimed California Environmental Quality Act exemptions, the staff will issue to applicant a letter which states the specific reasons that the claimed California Environmental Quality Act exemptions do not apply to the proposed project.
- If the Energy Division disapproves applicant's claimed California Environmental Quality Act exemption(s), applicant shall either re-design the specific project and facilities and then reapply for a finding of exemption from California Environmental Quality Act, or file a formal application with the Commission seeking the requisite approval and full California Environmental Quality Act review, before commencing any full facilities-based construction activities.

4. Public Wireless, Inc. is authorized to file tariff schedules for the provision of competitive local exchange services. Public Wireless, Inc. may not offer

competitive local exchange services until tariffs are on file. Public Wireless' initial filing shall be made in accordance with General Order 96-B.

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

6. The corporate identification number assigned to Public Wireless, Inc., U7146C, shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

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

8. Public Wireless' financial statements and information filed as Exhibits D, E, and G to the application shall be filed under seal and shall remain under seal for a period of two years after the date of this order. During this two-year period, the information filed as Exhibits D, E, and G to its application shall remain under seal and shall not be viewed by any person other than the assigned Commissioner, the assigned Administrative Law Judge, the Assistant Chief Administrative Law Judge, or the Chief Administrative Law Judge, except as agreed to in writing by applicant or as ordered by a court of competent jurisdiction. If applicant believes that it is necessary for this information to remain under seal for longer than two years, applicant shall file a new motion at least 30 days before the expiration of this limited protective order.

9. Local jurisdictions have maintained in the past that the expedited review process may allow the installation of utility poles or overhead telecommunications lines in areas designated as underground-only districts. Local ordinances often grant exceptions for the installation of overhead

equipment in underground-only districts by utilities providing telecommunications services. Thus, the procedure we adopt here will allow the installation of utility poles and overhead lines in underground districts only when the local jurisdiction grants Public Wireless the necessary exception.

10. The Commission is reviewing California Environmental Quality Act issues relating to telecommunications providers on a broader, policy basis in R.00-02-003. If the Commission revises or adopts new requirements for review an approval of claimed California Environmental Quality Act exemptions for telecommunications carriers, Public Wireless, Inc. shall be subject to those requirements, as applicable.

11. Public Wireless, Inc. may install a limited number of new poles, may engage in small-scale trenching and underground conduit installation of up to five miles, and may engage in micro-trenching and the installation of laterals of up to 25 feet. These activities fall within the extensions, minor alterations and infill exemptions to California Environmental Quality Act, so neither an environmental impact report nor a Negative Declaration should be required.

12. Application 09-02-014 is closed.

This order is effective today.

Dated July 30, 2009, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners

ATTACHMENT A

LIST OF DEFICIENCIES

List of deficiencies in draft tariff submitted by Public Wireless, Inc., in A.09-02-014 to be corrected in its initial tariff compliance filing:

1. Tariff Sheet Format: CPUC assigned utility ID number (U#) should be included on each sheet in the upper left header along with Company name and address. (General Order 96B, Section 8.4.1.)
2. Tariff No. 1-T Original Sheets 21, Interest on Deposit – Please conform deposit interest rule to requirements specified in Appendix B, Rule 5, Decision 95-07-054.

(END OF ATACHMENT A)

ATTACHMENT B

REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND 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 fees 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 \$0.

- 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 0.20% 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-17127, dated December 20, 2007, effective January 1, 2008);
- c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.18% of gross intrastate revenue (Resolution M-4819), dated June 7, 2007, effective July 1, 2007;
- d. 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 High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-17128, dated December 20, 2007, effective January 1, 2008);
- e. The current 0.25% 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., D.07-12-054);

- f. The current 0.25% 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 Advances Services Fund (D.07-12-054); and
- g. The current 0.079% 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-17142, dated April 29, 2008, effective June 1, 2008).

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 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.

- 3. 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).
- 4. Applicant is a nondominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).
- 5. 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 address 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.¹

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.

¹ 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.

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 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 Commission Rules of Practice and Procedure 3.1(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 a machine readable, copy using Microsoft Word or compatible format shall 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 §§ 2107 and 2108 of the Public Utilities Code.

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.

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; and
- 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 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)