Decision 09-10-034 October 29, 2009

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ADMA TELECOM, INC for Registration as an Interexchange Carrier Telephone Corporation Pursuant to the Provisions of Public Utilities Code Section 1013.	Application 09-03-016 (Filed March 9, 2009)

DECISION GRANTING A NONDOMINANT LOCAL & INTEREXCHANGE CARRIER CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

1. Summary

ADMA TELECOM, INC. is granted a certificate of public convenience and necessity for authority to provide switchless resold local exchange and interexchange services in California pursuant to the provisions of Pub. Util. Code § 1013 and an exemption from tariff requirements as set out in Decision 98-08-031.

2. Background

In prior decisions, we authorized the provision of competitive interexchange services by carriers meeting specific criteria via the application process. In addition, we authorized the provision of competitive local exchange service carriers meeting specific criteria, within the service territories of Pacific Bell Telephone Company, Verizon California Inc., SureWest Telephone Company, and Citizens Telecommunications Company of California Inc.

Subsequently, in 1997 the application process for telephone carriers seeking authority to provide non-dominant resold local exchange and interexchange services within California was replaced with a simplified

registration process, consisting of ten questions listed on a "Form of Application for Registration" (Registration Form). The questions sought to obtain the identity of the carrier, place of business, proposed service area, type of organizational structure, types of service to be offered, proof of requisite financing, and declaration that no principal owning 10% or more of the carrier has been the subject of a civil or criminal court order as to Business Code infractions and that nether has any such principal been associated with any carrier that filed for bankruptcy.[1] An additional question on tariff exemptions was added to the registration form in 1998 pursuant to Decision (D.) 98-08-031.

3. Request

ADMA TELECOM, INC (ADMA), a Florida corporation qualified to transact business in California, utilizing the D.97-06-107 registration process, filed a completed Registration Form on March 9, 2009 seeking authority to operate as a switchless local and interexchange carrier telephone corporation pursuant to the provisions of Pub. Util. Code § 1013 and an exemption from tariff requirements as set out in D.98-08-031.

4. Protest

The Commission's Consumer Protection and Safety Division (CPSD) filed a protest on April 15, 2009. CPSD recommended denial of ADMA's request because ADMA provided misleading responses to four of the eleven registration questions. CPSD also recommended that ADMA be assessed a substantial penalty for its willful violation of Rule 1 by not providing truthful answers in its Registration Form.

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[1] 73 CPUC2d (1997), at 288.

As a result of the CPSD protest, this matter was reassigned from the ministerial registration process to an Administrative Law Judge (ALJ) and assigned Commissioner.

5. Discussion

The disputed responses pertained to ADMA's disclosure of: (1) other business names in response to Question 1 of the Registration Form; (2) past negative history in response to Questions 7 and 8; and, (3) ability to satisfy the financial requirement to operate as a switchless-reseller in response to Question 9.

5.1. Other Business Names

Question 1 asked ADMA to provide the legal and fictitious names, if any, that it was operating under. ADMA listed only one name, ADMA TELECOM, INC. on its Registration Form. CPSD asserted that ADMA mislead the Commission because CPSD found three fictitious names from its Lexis search of ADMA. Those names were: (1) Hispanic Prepaid Services, (2) International Capital Group, Inc., and (3) Prepaid Telecom Services.

ADMA stated in its June 4, 2009 response to CPSD's protest that none of those fictitious names were on ADMA's Registration Form, because ADMA does not use those names. ADMA acknowledges that applications for fictitious names of Hispanic Prepaid Services, International Telecom Services, and Prepaid Telecom Services were filed with the Florida Department of State, Division of Corporation in June 2001. However, those fictitious names were expired effective December 31, 2006, more than two years prior to ADMA's filing of its registration form. Further, current management has no specific knowledge of the past use of those names.

As to the fictitious International Capital Group, Inc. name, ADMA has no knowledge of its existence. However, ADMA's research did discover that an International Capital Group, LLC existed and was located in Miami, Florida on a street with a similar name as that associated with ADMA Wireless, Inc, a former affiliate of ADMA. However, ADMA has no current relationship with that entity.

The Registration Form only requires applicants to identify their current legal and fictitious names. There is no requirement to identify fictitious names that applicants may have used/not used in the past which have expired or fictitious names which applicants have no knowledge of. ADMA has not misled the Commission with regard to the names under which it operates.

5.2. Past Negative History

Applicants for non-dominant interexchange carrier authority are required to make a reasonable showing that its management is qualified to operate a telecommunications provider in a manner that complies with applicable laws and adequately serves the public. Questions 7 and 8 were included in the Registration Form to ascertain the qualifications of management.

Question 7 asked ADMA to check a true or not true box dependent on whether any affiliate officer, director, general partner, or person owning more than 10% of applicant held one on these positions with an interexchange carrier that filed for bankruptcy or has been found either criminally or civilly liable by a court for a violation of Section 17000 et seq. of the California Business and Professions Code or for any actions that involved misrepresentation to consumers and, to the best of applicant's knowledge whether it was not currently under investigation for similar violations.

Question 8 asked ADMA to check a true or not true box dependent on whether applicant, any affiliate, officer, director, partner, or owner of more than 10% of applicant has not been sanctioned by the Federal Communications Commission (FCC) or any state regulatory agency for failure to comply with any regulatory statue, rule, or order.

Hence, reportable events under Questions 7 included bankruptcies, criminal or civil liability or investigations for misrepresentation to consumers, whether in the past or under present investigation. Reportable events under Question 8 included sanctions by the FCC or any state regulatory agency for failure to comply with any regulatory statue, rule, or order.

CPSD asserted that ADMA misled the Commission because it did not report on its Registration Form (1) a November 19, 2008 ADMA settlement of a civil investigation with the Florida Attorney General's Economic Crimes Division and (2) a January 14, 2009 FCC $672,541 Notice of Apparent Liability (NAL) for violations of several provisions of the 1934 Communications Act.

5.2.1. Florida Settlement

ADMA acknowledged in its June 4, 2009 and July 31, 2009 responses that it did not report the Florida settlement related to the prepaid calling card industry in its response to Question 7 and 8 of its Registration Form. ADMA excluded the Florida settlement because it did not involve a bankruptcy, did not result in a finding of criminal or civil liability, did not result in a finding of misrepresentation to consumers, and does not reflect a pending investigation. It involved credit card industry wide investigation. Further, the Florida Attorney General agreed with ADMA that (1) the settlement could reflect denial of any wrongdoing or liability of any kind by ADMA and (2) released ADMA from any claims the Attorney General might pursue in court with regard to the matter.

The Florida settlement is irrelevant to this proceeding because ADMA was not found responsible for any wrongdoing or liability of any kind.

5.2.2. Federal Communications Commission

ADMA also acknowledged in its June 4, 2009 and July 31, 2009 responses that it did not report the FCC NAL in its response to Questions 7 and 8 of its Registration Form.[2] The FCC issued a NAL against ADMA for its: (1) failure to register its international services prior to January 30, 2007; (2) late payment of its 2005 to 2007 North American Numbering Plan administrative fees; (3) late payment of its 2005 and 2006 Telecommunications Relay Services fees; (4) late payment of its January through October 2006 Universal Service fees; and, (5) late filing of prepaid calling card worksheets.

ADMA contends that the NAL does not fall within the ambit of Question 7 or 8, because (1) the issue does not involve "misrepresentations to consumers" and thus, does not require disclosure under Question 7; and (2) is not a sanction and thus, not reportable under Question 8. ADMA had asserted that the NAL is related to the question of whether ADMA should have registered with the FCC and that the NAL has not yet resulted in a sanction or forfeiture order from the FCC. Irrespective of not meeting the reporting criteria of Question's 7 and 8, ADMA had asserted that the NAL based on prior activities is unfounded and predicated on several factual errors and a legally questionable

[2] A NAL is a notice, not a sanction, of a FCC violation which provides an entity the opportunity to respond to the NAL. In this instance ADMA submitted a response to the FCC on February 13, 2009. That response is under consideration by the FCC and could be either affirmed or withdrawn by the FCC. If the NAL is affirmed, is subject to *de novo* review by a U.S. District Court.

interpretation of both past practices regarding a registration requirement and of a statue of limitations.

5.2.3. Discussion

ADMA has not mislead the Commission by its exclusion of the Florida settlement because the terms of the settlement did not specifically fit any of the reportable events required under Questions 7 or 8 of the Registration Form. It did not involve or result in a: (1) bankruptcy, (2) criminal or civil liability, (3) current investigation or misrepresentation to consumers, or (4) sanction by a regulatory agency.

Further, ADMA's failure to disclose the NAL in the registration form was not a violation of Rule 1.1 with regard to responding to the questions in the Registration Form. ADMA explained that the basis for the NAL did not relate to misrepresentations to consumers and that the NAL has not resulted in a sanction from the FCC.

The matters brought to our attention by CPSD demonstrate that the Registration Form questions provide for a very narrow interpretation of what should be reported in the Registration Form. In this regard, CPSD and other parties have an opportunity to revisit the Registration Form process in the Commission's recently issued Order Instituting Rulemaking (R.09-07-009) looking into revising the simplified registration process.

Therefore, we do not find that ADMA has violated Rule 1 or failed to provide information that was required by our Registration Form. However, while the Registration Form does not technically require these disclosures, applicants that volunteer potentially relevant information in an affirmative manner may be able to counter proactively such allegations of nondisclosure and frame the issues positively in their application. We also note that the FCC's NAL

suggests that there may have been a failure to pay fines or comply with regulatory requirements. Such conduct, if proven, is troubling. However, we also note that these alleged activities occurred two years ago, and do not appear to have continued beyond 2007. We caution ADMA that we take seriously any failure to comply with our rules and regulations and urge it to ensure that it complies with out rules and regulations in California. ADMA has sufficient knowledge and technical expertise in the telecommunications business.

5.3. Financial Requirement

To be granted a Certificate of Public Convenience and Necessity (CPCN), an applicant for authority to provide resold local exchange and interexchange services must demonstrate that it has a minimum of $25,000 of cash or cash equivalent to meet the firm's start-up expenses.[3] 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.

Question 9 asked ADMA to check a true or not true box dependent on whether it has a minimum of $25,000 reasonably liquid and available to meet its first-year expenses, including deposits required by local exchange carriers or interexchange carriers *or* has profitable interstate operations to generate the required cash flow. Documentation to support the minimum financial requirement is required if the true box is checked.

ADMA checked the true box and attached its most recent six months of bank statement to substantiate that it has reasonably liquid cash to meet its first-year expenses, including deposits that may be required by local exchange

carriers or interexchange carriers. However, CPSD asserted that ADMA misled the Commission because "ADMA did not attach a balance sheet to the application or include a third party undertaking, as is required."[4]

Contrary to CPSD's protest, ADMA was not required to attach a balance sheet or include a third party undertaking to its Registration Form. ADMA has not misled the Commission in regards to its financial ability to operate as a switchless local and interexchange carrier within California. ADMA has sufficient cash to satisfy the financial requirements and any deposits that may be required.

6. California Environmental Quality Act (CEQA)

The 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. ADMA will not be constructing any facilities. Therefore, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact on the environment. ADMA must file for additional authority, and submit to any necessary CEQA review, before it can construct facilities.

7. Conclusion

ADMA's Registration Form for a switchless local and interexchange CPCN, as clarified by its responses to a protest, conforms to our rules. Accordingly, the application of ADMA should be approved subject to the terms and conditions set forth herein.

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[3] 41 CPUC2d (1991) 505, at 517 as modified by 49 CPUC2d (1993) 197, at 208.

[4] CPSD Protest of April 15, 2009, at 4.

8. Categorization and Need for Hearings

In Resolution ALJ 176-3231, dated March 26, 2009, the Commission preliminarily categorized this application as Ratesetting, and preliminarily determined that hearings were not necessary. While ADMA disputed the relevance and significance of CPSD's protest, it acknowledged the facts as accurate. There being no disputed material issues of fact, hearings are not necessary. 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.

9. Comments on Proposed Decision

The proposed decision of ALJ Galvin in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Rules of Practice and Procedure. Comments were filed by CPSD on September 21, 2009, and reply Comments were filed by ADMA on September 28, 2009.

In its comments CPSD has reiterated the actions and concerns identified in its protest. ADMA in its reply comments endeavors to minimize the same actions as not being cause for Commission concern. As noted in the decision body, we are not unmindful of the potential import of these past actions, however technically labeled, and we wish to make clear to ADMA that the regulatory events in Florida and with the FCC, while not taken here, at this time, to lead us to deny a CPCN, are of concern. We expect utilities operating in California to not split hairs over definitions with our staff but to be forthcoming with any information that may be relevant to our oversight.

While these activities occurred in the past, we put ADMA on notice that we will not tolerate actions that are harmful to customers or to our regulatory

processes. If, through CPSD's diligent oversight or any other avenue, we become aware of ADMA harming customers or being lax in its regulatory responsibilities – including tardiness in the submission of reports or payment of fees – will not hesitate to take appropriate corrective steps.

We are mindful of CPSD's concerns and the need to review the screens that we use for applicant's pursuing the registration and applications processes. While the registration authorization is being granted in this application, we strongly support CPSDs vigilance in bringing to our attention concerns that may impact an applicant's fitness for operating authority in California.

Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and Michael J. Galvin is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared in the Daily Calendar on March 19, 2009.
2. CPSD filed a protest to the application on April 15, 2009.
3. No hearing is required since there are no disputed material issues of fact.
4. In prior decisions, the Commission authorized competition in providing resold local and interexchange services for carriers meeting specific criteria.
5. The application process for telephone carriers seeking to provide non-dominant resold local exchange and interexchange services in California was replaced with a simplified registration process consisting of 11 questions.
6. The Commission issued R.09-07-009 into revising the simplified registration process on July 15, 2009.
7. ADMA has sufficient knowledge and technical expertise in the telecommunications business.

8. ADMA has a minimum of $25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

9. ADMA 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.

Conclusions of Law

1. The matters brought to our attention by CPSD demonstrate that the Registration Form questions provide for a very narrow interpretation of what should be reported in the Registration Form.

2. ADMA has not misled the Commission by its exclusion of information provided by CPSD in its protest.

3. The disclosure issues identified by CPSD do not amount to a Rule 1 violation in this instance.

4. ADMA has sufficient technical expertise to operate as a telecommunications carrier.

5. ADMA has the financial ability to provide the proposed service.

6. Since ADMA will not be constructing any facilities, it can be seen with certainty that there will be no significant effect on the environment.

7. Public convenience and necessity require that ADMA's resold competitive local exchange and interexchange services be subject to the terms and conditions set forth herein.

8. ADMA should be granted the requested certificate of public convenience and necessity subject to the conditions in the attached Appendices A and B.

9. The application should be granted to the extent set forth below.

10. ADMA shall be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California's Public Utilities.

11. Because of the public interest in competitive local exchange and interexchange services, the following order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. ADMA TELECOM, INC. is granted a certificate of public convenience and necessity to operate as a switchless reseller of competitive local exchange and interexchange services, subject to the terms and conditions set forth below.

2. ADMA TELECOM, INC. is authorized to provide local exchange service in the service territories of Pacific Telephone Company, Verizon California Inc., SureWest Telephone Company, and Citizens Telecommunications Company of California, Inc. ADMA TELECOM, INC. is also authorized to provide interexchange telecommunications services within California.

3. ADMA TELECOM, INC. is exempt from the requirement to file tariffs subject to conditions set forth in the attached appendices.

4. ADMA TELECOM, INC. is assigned corporate identification number U-7153-C which shall be included in the caption of all original filings with this Commission.

5. ADMA TELECOM, INC. shall comply with all applicable rules adopted in the Local Exchange Competition proceeding (Rulemaking 95-04-043/Investigation 95-04-044), the Commission's rules and regulations for non-dominant interexchange carriers set forth in Decision 93-05-010 and Decision 90-08-032, as well as all other applicable Commission rules, decisions, General Orders and statues that pertain to California public utilities, subject to the exemptions granted in this decision.

6. ADMA TELECOM, INC. shall comply with the requirements applicable to competitive local exchange carriers and non-dominant interexchange carriers included in Attachment A to this decision.

7. ADMA TELECOM, INC. is not authorized to construct facilities.

8. 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.

9. Application 09-03-016 is closed.

This order is effective today.

Dated October 29, 2009, at San Francisco, California.

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

ATTACHMENT A

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 Advanced 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 26, 2008, effective June 1, 2008).

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, you 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 any 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 any future NDIEC tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. Contracts shall reflect all fees and surcharges to which Applicant is subject, as reflected in 2 above.

6. 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.

7. 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.

8. 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]

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

10. 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.

11. 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.

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

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[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. 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.

15. 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.

16. Applicant is exempt from Commission Rules of Practice and Procedure 3.1(b).

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

18. 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.

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

20. 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 A)

ATTACHMENT B
ANNUAL REPORT

An original hard copy, and a machine-readable electronic copy, on a CD or floppy disk using Microsoft Word or a compatible format, shall be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298. The filing shall be made 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 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 B)

ATTACHMENT C

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 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 D.93-02-019.

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

(END OF ATTACHMENT C)