

Decision 10-04-038 April 22, 2010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SnowCrest Telephone, Inc. for a Certificate of Public Convenience and Necessity to provide full facilities-based and resale Competitive Local Exchange Services within the California Service area of Pacific Bell Telephone Company d/b/a AT&T California.

Application 09-10-006
(Filed October 5, 2009)

DECISION GRANTING SNOWCREST TELEPHONE, INC., A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE FULL FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICE

1. Summary

SnowCrest Telephone, Inc. filed an application for a certificate of public convenience and necessity (CPCN) for authority to provide full facilities-based and resold local exchange telecommunications services in the service territory of Pacific Bell Telephone d/b/a AT&T California.

By this decision, we grant SnowCrest Telephone, Inc. a CPCN to provide full facilities-based and resold local exchange telecommunications services, on the terms and conditions set forth in the Ordering Paragraphs.

2. Background

On October 5, 2009, SnowCrest Telephone, Inc. (SnowCrest), a California Corporation, filed an application for a certificate of public convenience and necessity (CPCN) to provide full facilities-based and resold local exchange telecommunications services in the service territory of Pacific Bell Telephone

d/b/a AT&T California (AT&T). SnowCrest proposes to provide local exchange services to business and residential customers, by: 1) leasing collocation facility space in AT&T facilities; 2) using leased switching services from American Softswitch, Inc; 3) the resale of local exchange services of other carriers; and 4) installation of Digital Subscriber Line Access Multiplexer (DSLAM) remote terminals for interconnection with pre-existing adjacent AT&T remote terminals.

On November 10, 2009, the assigned Administrative Law Judge (ALJ) issued a ruling, requesting further information. On November 19, 2009, SnowCrest filed its response to the ruling (Response).

SnowCrest's principal place of business is located at 329A N. Mt. Shasta Blvd., Suite 7, Mount Shasta, CA 96067.

3. California Environmental Quality Act (CEQA)

Pursuant to CEQA and Rule 2.4¹ of the Commission's Rules of Practice and Procedure, 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 the Proponent's Environmental Assessment and Response, SnowCrest proposed construction activities will generally include the installation of a DSLAM remote terminal interconnected with a pre-existing adjacent remote terminal.

¹ Unless otherwise noted, items labeled "Rule" are from the Commission's Rules of Practice and Procedure.

These activities fall within the following classes of projects that are likely exempt from CEQA and for which neither an Environmental Impact Report 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 § 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 § 15303.

SnowCrest's proposed activities involve construction of reasonably short utility extensions (Class 3). In order to provide its service, SnowCrest will install its remote terminals adjacent to existing remote terminals owned by AT&T. The DSLAM equipment will be placed in enclosures located a few feet from existing AT&T remote terminals, and connect to the AT&T remote terminals with copper wires placed in a trench typically fewer than 10 feet in length. Exemption of these activities is consistent with Commission precedent. SnowCrest's 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*).

SnowCrest requests approval to utilize a procedure for expedited review of its projects once it 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 other carriers. Such a process will expedite CEQA review and is appropriate for the type of construction outlined here, which will be likely 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 SnowCrest 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 other carriers, the following procedure will be used to obtain Commission approval of SnowCrest's claimed CEQA exemptions for proposed construction projects:

- SnowCrest 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 paleontological 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 SnowCrest's submission for the proposed project to confirm that the claimed exemption(s) from CEQA are applicable.
- Within 21 days from the date of SnowCrest'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:

- SnowCrest'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 SnowCrest'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 SnowCrest 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 SnowCrest's proposed process for Commission review of claimed CEQA exemptions for construction projects undertaken pursuant to SnowCrest'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 SnowCrest's claimed CEQA exemption(s), and issues a letter of denial to SnowCrest, SnowCrest must 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.

SnowCrest 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.

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

4. Financial Qualifications

Pursuant to Rule 4.B of Decision (D.) 95-12-056, an applicant for a CPCN for authority to provide facilities-based local exchange service must demonstrate that it has \$100,000 cash or cash equivalent to meet the firm's start-up expenses. Applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by other telecommunications carriers in order to provide service in California.

In Section 5 of and Exhibit D to the application, SnowCrest provided a brokerage account statement for Peter Engdahl, the President of SnowCrest. SnowCrest also provided a signed guarantee by Peter Engdahl that \$100,000 plus an amount equal to the deposit required by AT&T would be available to

SnowCrest for one year following certification. Since SnowCrest has provided documentation that, through its President, it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

SnowCrest proposed to initially interconnect with AT&T. As stated above, SnowCrest has provided documentation that it has the funds available for the deposit required by AT&T. Therefore, no additional resources are required at this time to cover deposits.

5. Managerial and Technical Qualifications

To be granted a CPCN for authority to provide local exchange and interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.² SnowCrest supplied biographical information on its management in Exhibit C to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In its Response, SnowCrest verified that no one associated with or employed by SnowCrest as an affiliate, officer, director, partner, or owner of more than 10% of SnowCrest was previously associated with a telecommunications carrier that filed for bankruptcy, or was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.

SnowCrest also verified that no one associated with or employed by it as an affiliate, officer, director, partner, or owner of more than 10% of SnowCrest

² D.95-12-056 at Appendix C, Rule 4.A.

was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000, et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

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

6. Tariffs

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

7. Map of Service Territory

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.³ In its Response, SnowCrest provided a map of the location of its proposed service territory, in compliance with this requirement.

8. General Order 104-A Statement

Rule 3.1(i) sets forth the requirement that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding General Order (GO) 104-A. SnowCrest states that it is not aware of any reportable matters pursuant to GO 104-A, § 2. SnowCrest, therefore, has nothing to report under this rule.

³ D.95-12-056 at Appendix C, Rule 4.E.

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

9. Expected Customer Base

SnowCrest provided its estimated customer base for the first and fifth years of operation in § 12 of its application. Therefore, SnowCrest has complied with this requirement.

10. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant SnowCrest a CPCN to provide full facilities-based and resold local exchange telecommunications service in the service territory of AT&T, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

11. Categorization and Need for Hearings

In Resolution ALJ 176-3242, dated October 15, 2009 the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. There is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

12. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. No comments were filed.

13. Assignment of Proceeding

Timothy Alan Simon is the assigned Commissioner and Seaneen M. Wilson is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on October 7, 2009. No protests have been filed. A hearing is not required.
2. The Commission is the Lead Agency for this project under CEQA.
3. SnowCrest's proposed construction activity likely falls within one or more CEQA categorical exemptions.
4. SnowCrest's authority to provide local exchange services will not have a significant adverse effect upon the environment.
5. SnowCrest 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. SnowCrest has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.
7. SnowCrest's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
8. No one associated with or employed by SnowCrest as an affiliate, officer, director, partner, or owner of more than 10% of SnowCrest was previously associated with a telecommunications carrier that filed for bankruptcy, or was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or order.
9. No one associated with or employed by it as an affiliate, officer, director, partner, or owner of more than 10% of SnowCrest was previously associated with any telecommunication carrier that has been found either civilly or criminally liable by a court of appropriate jurisdiction for a violation of § 17000,

et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, nor is currently under investigation for similar violations.

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

11. SnowCrest provided a map of the location of its proposed service territory.

12. SnowCrest has no information to report under Rule 3.1(i), which requires that a utility filing an application under Pub. Util. Code § 1001, provide a statement regarding compliance with GO 104-A.

13. SnowCrest provided an estimate of its customer base for the first and fifth year of operation.

Conclusions of Law

1. SnowCrest should be granted a CPCN to provide full facilities-based and resold local exchange telecommunications service in the service territory of AT&T, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. SnowCrest should be allowed to use the Energy Division 21-day CEQA exemption process.

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

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

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to SnowCrest Telephone, Inc., to provide full facilities-based and resold local exchange telecommunications service in the service territory of Pacific Bell Telephone d/b/a AT&T California, subject to the terms and conditions set forth below.
2. SnowCrest Telephone, Inc. may not offer competitive local exchange services until tariffs are filed with and authorized by this Commission, in accordance with General Order 96-B and as corrected for deficiencies set forth in Attachment A.
3. The corporate identification number assigned to SnowCrest Telephone, Inc, U-7172-C, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.
4. In addition to all the requirements applicable to competitive local exchange carriers and interexchange carriers included in Attachments B, C, and D to this decision, SnowCrest Telephone, Inc. is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.
5. SnowCrest Telephone, Inc. must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.
6. SnowCrest Telephone, Inc. must annually pay the user fee and public purpose surcharges specified in Attachment B. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0. Under Public Utilities Code Section 405, carriers that are in default of

reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California. Therefore, carriers must report user fees even if the amount due is \$0.

7. Prior to initiating service, SnowCrest Telephone, Inc. must 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 must be updated if the name or telephone number changes, or at least annually.

8. SnowCrest Telephone, Inc. must 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. SnowCrest Telephone, Inc. must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis with the information contained in Attachment D.

10. SnowCrest Telephone, Inc. must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

11. SnowCrest Telephone, Inc. must file a tariff within 12 months of the effective date of this order, or its certificate will be cancelled.

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

13. If SnowCrest Telephone, Inc. wishes to engage in full facilities-based construction activities and believes that these activities are exempt from

California Environmental Quality Act, SnowCrest Telephone Inc. shall first apply to the Commission's Energy Division staff for a determination of exemption from California Environmental Quality Act using the following procedure set forth below. SnowCrest Telephone, Inc. must provide the Commission's Energy Division with:

- a. A detailed description of the proposed project, including:
 - i. Customer(s) to be served;
 - ii. The precise location of the proposed construction project; and
 - iii. Regional and local site maps.
- b. A description of the environmental setting, including at a minimum:
 - i. Cultural, historical, and paleontological resources;
 - ii. Biological resources; and
 - iii. Current land use and zoning.
- c. A construction workplan, including:
 - i. Commission Preconstruction Survey Checklist – Archaeological Resources;
 - ii. Commission Preconstruction Survey Checklist – Biological Resources;
 - iii. A detailed schedule of construction activities, including site restoration activities;
 - i.v. A description of construction/installation techniques;
 - v. A list of other agencies contacted with respect to siting, land use planning, and environmental resource issues, including contact information; and
 - vi. A list of permits required for the proposed project.
- d. A statement of the California Environmental Quality Act exemption(s) claimed to apply to the proposed project;
- e. Documentation supporting the finding of exemption from California Environmental Quality Act;
- f. The Energy Division will then review the submittal and notify SnowCrest Telephone, Inc. of either its approval or its denial of

- SnowCrest Telephone, Inc.'s claim for exemption from California Environmental Quality Act review within 21 days from the time that SnowCrest Telephone Inc.'s submittal is complete;
- g. If the Energy Division approves SnowCrest Telephone Inc.'s claimed California Environmental Quality Acts 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;
 - h. If the Energy Division disapproves SnowCrest Telephone Inc.'s claimed California Environmental Quality Acts exemptions, the staff will issue to SnowCrest Telephone Inc. a letter which states the specific reasons that the claimed California Environmental Quality Act exemptions do not apply to the proposed project; and
 - i. If the Energy Division disapproves SnowCrest Telephone Inc. claimed California Environmental Quality Acts, SnowCrest Telephone Inc. 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.
14. Application 09-10-006 is closed.

This order is effective today.

Dated April 22, 2010, at Los Angeles, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners

Attachment A

List of deficiencies in draft tariff submitted by SnowCrest Telephone, Inc., in A.09-09-008 to be corrected in its initial tariff compliance filing.

1. Tariff Sheet Format: California Public Utilities Commission assigned utility ID number (U-7172-C) should be included on each sheet in the upper left header along with SnowCrest name and address. (General Order 96B, Section 8.4.1)
2. Add a procedure that the customer may use to request amortization of unpaid charges that is in compliance to Decision 95-07-054, Appendix B, Rule 6.B.(2).5.
3. Fees and Surcharges: Tariff must concur with the tariff provision for fees and surcharges in AT&T California tariffs pursuant to Resolution T-16901.
4. Include information on legal requirements for refusal of service (D.91188, January 8, 1980).

(END OF ATTACHMENT A)

ATTACHMENT B

REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS

1. Applicant must 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 Exhibit E to Decision (D.) 00-10-028, the Combined California Public Utilities Commission 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 Public Utilities (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 0.11% 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; Resolution T-17259, dated April 8, 2010, effective May 1, 2010);

- e. The current 0.45% surcharge (effective December 1, 2009) 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, Resolution T-17215, dated October 15, 2009, effective December 1, 2009.);
- f. The current 0.00% 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 must check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised.

3. Applicant is a competitive local exchange carrier. 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 must reflect all fees and surcharges to which Applicant is subject, as reflected in #2 above.

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

7. Prior to initiating service, Applicant must 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 must be updated if the name or telephone number changes, or at least annually.

8. Applicant must 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 must notify the Director of the Communications Division in writing of the date local service is first rendered to the public within five days after service begins.

10. Applicant must 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 must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

12. Applicant must 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 must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar year basis with the information contained in Attachment D.

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

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

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, and has not received written permission from the Communications Division to file or remit late, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's certificate of public convenience and necessity.

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

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 must immediately notify the Communications Division's Bankruptcy Coordinator.

21. Applicant must 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 must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in §§ 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.
12. Cash Flow statement as of December 31st of the calendar year for which information is submitted, for California operations only.

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

(END OF ATTACHMENT C)

ATTACHMENT D

CALENDAR YEAR AFFILIATE TRANSACTION REPORT

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the annual Affiliate Transaction report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership);
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart; the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility's annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

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

(END OF ATTACHMENT D)