

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**08-12-10  
02:24 PM

August 12, 2010

**Agenda ID #9704**  
**Ratesetting**

TO PARTIES OF RECORD IN APPLICATION 10-05-014

This is the proposed decision of Administrative Law Judge (ALJ) Seaneen M. Wilson. It will not appear on the Commission's agenda sooner than 30 days from the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov). Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Wilson at [smw@cpuc.ca.gov](mailto:smw@cpuc.ca.gov) and the assigned Commissioner. The current service list for this proceeding is available on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief  
Administrative Law Judge

KVC:avs

Attachment

Decision PROPOSED DECISION OF ALJ WILSON (Mailed 8/12/2010)

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

In the Matter of the Application of Shasta County Telecom, Inc. (U7129C) for Reinstatement of Certificate of Public Convenience and Necessity to Construct Telecommunications Facilities and to Provide Local Exchange and Interexchange Service to and Within Certain Previously-Unserved Territory in the Northeastern Intermountain area of Shasta County.

Application 10-05-014  
(Filed May 11, 2010)

**DECISION GRANTING SHASTA COUNTY TELECOM, INC. REINSTATEMENT OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO PROVIDE LIMITED-FACILITIES BASED LOCAL EXCHANGE SERVICE AND INTEREXCHANGE SERVICE**

**1. Summary**

By this decision, we grant Shasta County Telecom, Inc. reinstatement of a certificate of public convenience and necessity to provide limited facilities-based local exchange telecommunications services in previously unserved territory in the Northeastern Intermountain area of Shasta County and interexchange service in California on the terms and conditions set forth in the ordering paragraphs of this decision.

**2. Background**

Originally, Shasta County Telecom, Inc. (Shasta) was authorized a certificate of public convenience and necessity (CPCN) in Decision (D.) 08-12-052.

Since Shasta did not exercise the authority it was granted within 12 months after the effective date of the order, the authority expired.

On May 11, 2010, Shasta (a California corporation) filed an application for reinstatement of the CPCN authorized in D.08-12-052, to provide limited facilities-based local exchange telecommunications services in previously unserved territory in the Northeastern Intermountain area of Shasta County and interexchange services in California. On June 18, 2010, the assigned Administrative Law Judge (ALJ) issued *Administrative Law Judge's Ruling requiring Applicant to File a Response to Information Request Within 10 Days* (Ruling). Shasta responded on June 29, 2010.

Shasta proposes to provide local exchange and interexchange voice and data services to the Northeastern Intermountain area of Shasta County via mobile communications technology. Shasta's principal place of business is located at 3802 Rosecrans Street, San Diego, California 92110.

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

The CEQA requires the Commission to act 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. In its application, Shasta states that it does not intend to construct any facilities, while in its response to the Ruling, it states that it may need to construct facilities at a new site. Shasta requested reinstatement of a limited facilities-based CPCN, conditionally granted herein. If Shasta determines that construction at a new site is required, and before it can construct facilities other than equipment to be installed in existing buildings or structures, Shasta must file a new application for additional authority, and submit to any necessary CEQA review.

#### **4. Other Permits Required**

Shasta states that permits from the County of Shasta, the United States Forest Service, and the Federal Aviation Administration, as well as radio licenses from the Federal Communications Commission (FCC), may be required before it is able to provide service. We will grant reinstatement of the requested limited facilities-based CPCN on a conditional basis, and require Shasta to provide copies of all required permits and licenses referred to above, or documentation that the permits and licenses were not required for the service it provides.

#### **5. Financial Qualifications**

Pursuant to Rule 4.B of 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.

In Exhibit E of its application, Shasta provided a bank statement from its affiliate, North County Communications Corporation, as well as certification from Todd Lesser, the President of North County Communications Corporation, guaranteeing that the funds would be available to Shasta. Since Shasta has provided documentation that it possesses a minimum of \$100,000 that is reasonably liquid and available, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement.

Shasta stated in its response to the Ruling that since it is seeking to provide service in a previously unserved territory, there is no existing local exchange carrier, therefore it will not be required to pay any deposits.

#### **6. 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.<sup>1</sup> Shasta supplied biographical information on its management in Section XIV to its application. Shasta has demonstrated that its management has sufficient expertise and training to operate as a telecommunications provider, except as noted below.

Shasta plans on retaining CCG Consulting LLC (CCG) to design and install its proposed system. CCG does not currently have a Certificate of Status as a Foreign Corporation from the California Secretary of State. In response to the Ruling, Shasta stated that if CCG conducts intrastate business in California, it will register with the Secretary of State. Shasta also stated that CCG may work through a wholly-owned subsidiary or separate entity to provide services to Shasta. Whichever entity provides technical or managerial services to Shasta within California must acquire a Certificate of Status from the California Secretary of State and Shasta must file a copy of such in this docket.

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

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<sup>1</sup> D.95-12-056 at Appendix C, Rule 4.A.

misrepresentations to consumers, nor is currently under investigation for similar violations.

Shasta disclosed that its affiliate, North County Communications Corporation, is the subject of an on-going proceeding before the FCC regarding alleged violations of law and FCC regulations due to its failure to timely file its annual certification of compliance with the FCC's customer proprietary network information rules. To date, this proceeding has not been resolved. The reinstatement of Shasta's CPCN is granted on the condition that North County Communications Corporation comply with all requirements of the FCC upon resolution of the FCC proceeding, and that Shasta notify the Commission of such compliance through the filing of a status report in this docket.

## **7. Tariffs**

Commission staff reviewed Shasta'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, Shasta shall correct these deficiencies as a condition of our approval of its application.

## **8. 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.<sup>2</sup> Shasta provided a map of the location of its proposed service territory in Exhibit D to the application, so is therefore in compliance with this requirement.

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<sup>2</sup> D.95-12-056 at Appendix C, Rule 4.E.

## **9. Expected Customer Base**

Shasta provided its estimated customer base for the first and fifth years of operation in Section XIII of its application. Therefore, Shasta has complied with this requirement.

## **10. Conclusion**

We conditionally grant Shasta reinstatement of a CPCN to provide limited facilities-based local exchange telecommunications service in previously unserved territory in the Northeastern Intermountain area of Shasta County, and interexchange service in California, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

## **11. Request to File Under Seal**

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure,<sup>3</sup> Shasta has filed motions for protective order, to file Exhibit E to the application and Exhibit A to Shasta's response to the Ruling, as confidential material under seal. Exhibits E and A contain the company's financial showing, including a bank statement and guarantee of funds. Shasta represents that the information is sensitive, and disclosure could place Shasta at an unfair business disadvantage. We have granted similar requests in the past and do so here.

## **12. Categorization and Need for Hearing**

In Resolution ALJ 176-3254, dated May 20, 2010, 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

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<sup>3</sup> All subsequent references to Rules are to the Commission's Rules of Practice and Procedure, unless otherwise indicated.

these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

### **13. Comments of Proposed Decision**

The proposed decision of ALJ Wilson 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. Comments were filed on \_\_\_\_\_ and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

### **14. Assignment of Proceeding**

Timothy Alan Simon is the assigned Commissioner and Seaneen M. Wilson is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on May 18, 2010. No protests have been filed. A hearing is not required.
2. Shasta has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
3. Shasta's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
4. CCG does not currently have a Certificate of Status as a Foreign Corporation from the California Secretary of State.
5. Except in regards to its affiliate, North County Communications Corporation, Shasta met the criteria that no one associated with or employed by Shasta as an affiliate, officer, director, partner, or owner of more than 10% of Shasta was previously associated with a telecommunications carrier that filed for bankruptcy; was sanctioned by the Federal Communications Commission or any state regulatory agency for failure to comply with any regulatory statute, rule, or



order; 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.

6. North County Communications Corporation is the subject of an on-going proceeding before the FCC regarding alleged violations of law and FCC regulations due to the failure to timely file its annual certification of compliance with the FCC's customer proprietary network information rules.

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

8. Shasta provided a map of the location of its proposed service territory.

9. Shasta provided an estimate of its customer base for the first and fifth year of operation.

### **Conclusions of Law**

1. Shasta should be granted reinstatement of a CPCN to provide limited facilities-based local exchange telecommunications service on a conditional basis, in a previously unserved territory in the Northeastern Intermountain area of Shasta County and interexchange service in California, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. If construction at a new site is required, before Shasta can construct facilities other than equipment to be installed in existing buildings or structures, it should file a new application for additional full facilities-based authority, and submit to any necessary CEQA review.

3. Shasta should file copies of all required permits from the County of Shasta, the United States Forest Service, and the Federal Aviation Administration, as well as radio licenses from the Federal Communications Commission, or

documentation that the permits and licenses are not required for the service it provides. Shasta should file such copies and documentation in this docket within 12 months of the date of this decision.

4. All entities that provide technical or managerial services to Shasta within California should register with the California Secretary of State for a Certificate of Status. Shasta should file a copy of such in this docket within 12 months of the date of this decision.

5. Shasta should notify the Commission of the resolution of the FCC proceeding against its affiliate, North County Communications Corporation, as well as North County Communications Corporations compliance with all requirements of the FCC upon resolution of this FCC proceeding. Shasta should file a copy of such notification in this docket within twelve months of the date of this decision.

6. Shasta, once granted a CPCN, is subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

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

8. Shasta's motion for protective order to file under seal its Exhibit E to the application and Exhibit A to its Response to the ALJ Ruling, should be granted for two years.

## **O R D E R**

**IT IS ORDERED** that:

1. Reinstatement of a certificate of public convenience and necessity is granted to Shasta County Telecom, Inc. to provide limited facilities-based local

exchange telecommunications services in a previously unserved territory in the Northeastern Intermountain area of Shasta County, and interexchange telecommunications services in California, subject to the terms and conditions set forth below.

2. Shasta County Telecom, Inc. must file copies of all required permits from the County of Shasta, the United States Forest Service, and the Federal Aviation Administration, as well as all radio licenses from the Federal Communications Commission, or documentation that the permits and licenses are not required for the service it provides. This information must be filed in this docket within 12 months of the date of this decision.

3. Prior to constructing facilities at a new site, other than equipment to be installed in existing buildings or structures, Shasta County Telecom, Inc. must file a new application for full facilities-based authority, and submit to any necessary California Environmental Quality Act review.

4. All entities that provide technical or managerial services to Shasta County Telecom, Inc. within California must register with the California Secretary of State for a Certificate of Status. A copy of such certificate must be filed in this docket within 12 months of the date of this decision.

5. Shasta County Telecom, Inc. must notify the Commission of resolution of the Federal Communications Commission (FCC) proceeding against its affiliate, North County Communications Corporation, as well as North County Communications Corporation's compliance with all requirements of the FCC upon resolution of this FCC proceeding. This notification must be filed in this docket within 30 days after the verdict in the FCC case.

6. Shasta County Telecom, 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 to this decision.

7. The corporate identification number assigned to Shasta County Telecom, Inc., U-7129-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.

8. 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, Shasta County Telecom, Inc. is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

9. Shasta County Telecom, 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.

10. Shasta County Telecom, 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 § 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 should report user fees even if the amount due is \$0.

11. Prior to initiating service, Shasta County Telecom, 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.

12. Shasta County Telecom, 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.

13. Shasta County Telecom, 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 using the form contained in Attachment D.

14. Shasta County Telecom, 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.

15. Shasta County Telecom, Inc. must file a tariff within 12 months of the effective date of this order, or its certificate will be cancelled.

16. Shasta County Telecom, Inc.'s motion to file under seal Exhibit E to its application and Exhibit A to its response to the Ruling, is granted. The information will remain under seal for a period of two years after the date of this order. During this two-year period, this information may not be viewed by any person other than the assigned Commissioner, the assigned Administrative Law Judge (ALJ), the Assistant Chief ALJ, or the Chief ALJ, except as agreed to in writing by Shasta County Telecom, Inc. or as ordered by a court of competent jurisdiction. If Shasta County Telecom, Inc. believes that it is necessary for this information to remain under seal for longer than two years, Shasta County Telecom, Inc. may file a new motion at least 30 days before the expiration of this limited protective order.

17. Application 10-05-014 is closed.

This order is effective today.

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

**Attachment A**

**Page 1**

List of deficiencies in draft tariff submitted by Shasta County Telecom, Inc., in A.10-05-014 to be corrected in its initial tariff compliance filing.

1. Tariff Sheet Format: CPUC assigned utility ID number (U-7129-C) should be included on each sheet in the upper left header along with the utility name and address. (General Order 96B, Section 8.4.1)

**(END OF ATTACHMENT A)**

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

1. Applicant must file, in this docket with reference to this decision number,<sup>1</sup> 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 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 0.11% 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

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<sup>1</sup> Written acceptance filed in this docket does not reopen the proceeding.



- Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; 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 Advanced Services Fund (D.07-12-054); Resolution T-17248, dated December 17, 2009, effective January 1, 2010; 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 (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 non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

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 using the form 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 CPCN.

17. Applicant is exempt from Rule 3.1(b) of the Commission 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 no later than 30 days from the date of this order.

**(END OF ATTACHMENT B)**

## ATTACHMENT C ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be 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 Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).  
If incorporated, specify:
  - a. Date of filing articles of incorporation with the Secretary of State.
  - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
  - a. Regulated public utility.
  - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31<sup>st</sup> of the calendar year for which information is submitted, for California operations only.

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

(END OF ATTACHMENT C)

**ATTACHMENT D  
CALENDAR YEAR AFFILIATE TRANSACTION REPORT**

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be 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.

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)**

**INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated August 12, 2010, at San Francisco, California.

/s/ ANTONINA V. SWANSEN  
Antonina V. Swansen

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

A.10-05-014 ALJ/SMW/avs

\*\*\*\*\* PARTIES \*\*\*\*\*

\*\*\*\*\* SERVICE LIST \*\*\*\*\*

**Last Updated on 12-AUG-2010 by: AMT  
A1005014 LIST**

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\*\*\*\*\* STATE EMPLOYEE \*\*\*\*\*

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\*\*\*\*\* INFORMATION ONLY \*\*\*\*\*