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03/29/23

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the Ponderosa Telephone Co. (U1014C) for an Order Authorizing the Issuance of Notes in an Amount Not to Exceed \$6,466,204 and Execution of a related agreement and Supplemental Security Agreements.

Application 22-11-021

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

Ponderosa Telephone Company (Ponderosa) is a public utility under the jurisdiction of this Commission, providing telecommunications and related service to rural areas in Fresno, Madera, and San Bernardino Counties. The property owned by Ponderosa and devoted to telecommunications services is comprised of wire, cable, lands, easements, central office equipment, buildings, and other pertinent equipment necessary for the provision of telephone service. These same facilities provide customers with access to advanced telecommunications services, including unregulated broadband service.

On November 30, 2022, Ponderosa filed Application 22-11-021 requesting authorization to issue notes to the United States Department of Agriculture Rural

Utilities Service (RUS) not exceeding \$6,466,204 and execution of a related agreement and supplemental security agreements (Loan). RUS, in part, provides low interest loans that help rural utilities update and institute new services. As part of the same transaction with RUS, RUS will provide Ponderosa a grant (Grant) equal to the amount of the Loan (\$6,466,204). Such a grant would not normally trigger the need for approval by the Commission under Pub. Util. Code Sections 817-818 and Section 851, but because the Grant is included in the documentation for the Loan, the details of the Grant have been included in the application. Ponderosa must expend the Loan amount before gaining access to the Grant funds. Therefore, the total amount awarded to Ponderosa from RUS is \$12,932,408 split equally between the Loan and Grant.

A prehearing conference (PHC) was held on March 8, 2023, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the application, including the attached exhibits and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

The issues to be determined or otherwise considered are:

1. Does the application comply with applicable law, rules, and Commission decisions including but not limited to the California Pub. Util. Code Sections 817-818, Section 851, and Rule 3.5?
2. Is the application in compliance with the requirements of the New Financing Rule in Decision 12-06-015, and does it qualify for an exemption to the competitive bidding rule?

3. Should the application be approved for the Loan amount of \$6,466,204 to provide capital improvements required to expand access to broadband and to provide other improvements?
4. If the application is approved, what will happen if Ponderosa does not complete construction of the broadband infrastructure identified in the RUS Loan agreement?
5. Should the application be approved with or without the need for Ponderosa to prepare an Environmental Impact Report, a Negative Declaration, or Mitigated Negative Declaration?
6. Impacts on environmental and social justice communities, including the extent to actions that impact achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan.

3. Need for Evidentiary Hearing

There are no issues of material disputed fact. Accordingly, no evidentiary hearing is needed.

4. Schedule

This matter is submitted. If a need for additional information arises, a ruling will be issued by the Administrative Law Judge (ALJ), identifying the additional information required and when the information must be submitted. The schedule adopted here may be modified by the assigned Commissioner or ALJ as required to promote the efficient and fair resolution of the Application.

The proposed decision is expected to be filed no later than 90 days from today for public review and comment pursuant to Pub. Util. Code Section 311(d) except that, if it grants the uncontested requested relief, public review and comment shall be waived pursuant to Rule 14.6(c)(2).

5. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination¹ that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

6. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by April 7, 2023, 30 days after the PHC.

7. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

8. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct

¹ Resolution ALJ-176-3521/OIR at 2.

and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.²

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on the date scheduled for service to occur. Rule 1.10 requiring service on the ALJ of both an electronic and a paper copy of filed or served documents is suspended. Do not serve paper copies unless specifically requested by the ALJ. The parties must ensure the ALJ has electronic access to all documents.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices

² The form to request additions and changes to the Service list may be found at: <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>.

sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

10. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

11. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and David Van Dyken is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing is not needed.
4. The presiding officer is Administrative Law Judge David Van Dyken.
5. The category of the proceeding is ratesetting.

This order is effective today.

Dated March 29, 2023, at San Francisco, California.

/s/ GENEVIEVE SHIROMA

Genevieve Shiroma
Assigned Commissioner