

Decision \_\_\_\_\_

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

Pacific Bell Telephone Company  
d/b/a AT&T California (U1001C),

Complainant,

vs.

Halo Wireless, Inc. (U3088C),

Defendant.

Case 12-02-007  
(Filed February 13, 2012)

**DECISION ADOPTING SETTLEMENT AGREEMENT**

**1. Summary**

This decision grants the Joint Motion to Approve Settlement Agreement filed by Pacific Bell Telephone Company d/b/a AT&T California and Halo Wireless, Inc., through its Chapter 7 bankruptcy trustee.

This proceeding is closed.

**2. The Procedural Facts**

**2.1. The Complaint**

On February 13, 2012, Pacific Bell Telephone Company d/b/a AT&T California (U1001C) (AT&T California or AT&T) filed a complaint against Halo Wireless, Inc. (U3088C) (Halo). AT&T California alleges that on May 4 and May 5, 2010, the parties executed an interconnection agreement (ICA) which authorized Halo to send only wireless-originated traffic to AT&T California.

AT&T California alleges that Halo breached the ICA by sending traffic to AT&T California that was not wireless-originated traffic, but was instead landline-originated interstate, interLATA, or intraLATA toll traffic. AT&T California asserts the following counts:

- (1) Breach of ICA: Sending Wireline-originated traffic to AT&T California;
- (2) Breach of ICA: Alteration or Deletion of Call Detail;
- (3) Obligation to Pay Access Charges for Termination of Landline-Originated Traffic; and
- (4) Breach of ICA: Non-Payment for Facilities.

## **2.2. Halo's Answer**

On April 13, 2012, Halo filed its Answer to AT&T California's Complaint and denies that it breached the ICA. Halo claims to provide commercial mobile radio service (CMRS) and sells telephone exchange service to Transcom Enhanced Services, Inc. (Transcom), Halo's high-volume customer. Transcom is an end-user and an enhanced service provider (ESP) for phone-to-phone calls because Transcom changes the content of every call that passes through its system and also offers enhanced capabilities. As a CMRS, Halo asserts it is selling telephone exchange service to an ESP end-user and, as such, the minutes of the relevant traffic are not subject to access charges. Halo asserts two affirmative defenses:

- (1) the Commission has no jurisdiction to consider the federal issues involved in Counts I, II, and III of the complaint, nor does the Commission have jurisdiction to award the relief requested in these three Counts; and
- (2) the complaint fails to state a claim upon which relief can be granted.

### **2.3. Halo's Bankruptcy**

On August 8, 2011, Halo had filed a Chapter 11 bankruptcy proceeding with the U.S. Bankruptcy Court for the Eastern District of Texas, Sherman Division (Case 11-42464). In July of 2012, the Commission learned that Halo's bankruptcy had been converted to a Chapter 7 liquidation. Following this development, the parties engaged in settlement discussions which resulted in the filing of the instant Joint Motion to Approve Settlement Agreement (Joint Motion).

### **2.4. The Joint Motion**

On September 25, 2012, AT&T and Halo, through its Chapter 7 bankruptcy trustee, filed a Joint Motion. The parties assert that the trustee terminated all of Halo's business operations as of July 19, 2012 and that AT&T California disconnected all of its trunks to Halo pursuant to the trustee's request on August 1, 2012. Under the terms of the Settlement Agreement, Halo admits it materially breached the ICA by:

- (1) sending landline-originated traffic to AT&T California;
- (2) inserting incorrect charge number information on the calls; and
- (3) failing to pay for facilities it has ordered pursuant to the ICA.

The parties further agree that as a result of these breaches, AT&T California is excused from further performance under the ICA.

Moreover, Halo is liable to AT&T California for access charges on the non-local landline-originated traffic Halo sent to AT&T California for termination to AT&T California's end user customers. Finally, the parties agree that Halo is liable to AT&T California for interconnection facilities charges that it has refused to pay AT&T California. As to the amounts due for the access charges and

interconnection facilities charges, the Commission has not been asked to quantify any specific amounts due. Instead the Bankruptcy Court will make that any such determination.

The parties premise their Motion on Commission Rule 12.1(a) on the grounds that they have agreed to a “mutually agreeable outcome to the proceeding.” They agree to conclude this case by asking the Commission to adopt and approve the Settlement Agreement.

### **3. Discussion**

#### **3.1. The Commission has Authority to Rule on the Joint Motion Notwithstanding Halo’s Chapter 7 Bankruptcy Conversion**

##### **3.1.1. The Automatic Stay in 11 U.S.C. Section 362(a)**

Before addressing the Joint Motion, we must resolve the Commission’s ability to proceed in any fashion in light of the fact that Halo’s Chapter 13 bankruptcy has been converted to a Chapter 7 bankruptcy. When a debtor files a Chapter 7 bankruptcy, 11 U.S.C. Section 362(a) provides for a stay of judicial, administrative, or other actions or proceedings against the debtor:

**(a)** Except as provided in subsection (b) of this section, a petition filed under section 301, 302, or 303 of this title, or an application filed under section 5(a)(3) of the Securities Investor Protection Act of 1970, operates as a stay, applicable to all entities, of –

**(1)** the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title;

- (2) the enforcement, against the debtor or against property of the estate, of a judgment obtained before the commencement of the case under this title;

The courts have interpreted Section 362(a) as providing for an “automatic stay” of all proceedings against the debtor. (See e.g. *In re Tuscan Estates, Inc.* (9th Cir. 1990) 912 F. 2d 1162, 1166; *In re: Emerald Cove Villas, LLC*, 2007 Bankr. LEXIS 864, at \*6.) As AT&T California’s complaint against Halo would fall within the scope of either an “administrative proceeding” or “other action,” we must address if there any exceptions to the automatic stay.

### **3.1.2. The “For Cause” Exception in 11 U.S.C. Section 362(d)(1) to the Automatic Stay**

In confronting this question, we are in a rather unusual posture because normally a party seeks relief from the stay by proceeding before the Bankruptcy Court pursuant to 11 U.S.C. Section 362(d)(1) and makes a showing “for cause”:

- (d) On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay provided under subsection (a) of this section, such as by terminating, annulling, modifying, or conditioning such stay –
- (1) for cause, including the lack of adequate protection of an interest in property of such party in interest;

Rather than first proceed to the Bankruptcy Court to seek relief from the automatic stay, AT&T California, along with the Chapter 7 bankruptcy trustee for Halo, have instead jointly invoked the Commission’s jurisdiction to approve the Settlement Agreement. To grant this request, we must determine if there is “cause” as provided by Section 362(d)(1). The Bankruptcy Code does not define the term “cause” so courts have decided this question on a case-by-case basis, examining the totality of the circumstances. (*Beane v. U.S.* (2008) 404 B.R. 942,

948; *Mack v. Gene Chambers* (2007) WL 1222575, at \*2.) We are guided by the legislative history behind Section 362(d)(1), wherein the drafters opined that automatic stay should not prevent non-bankruptcy cases to proceed if they won't prejudice the Bankruptcy Court:

It will often be more appropriate to permit proceedings to continue in their place of origin, when no great prejudice to the bankruptcy estate would result, in order to leave the parties to their chosen forum and to relieve the bankruptcy court from many duties that may be handled elsewhere. S. REP. NO. 989, 95th Cong., 2d Sess. at 50 (1978), *as reprinted in* 1978 U.S.C.C.A.N. 5787, 5836.)

Courts construing Section 362(d)(1) have also determined that the word "cause" can include permitting non-bankruptcy actions to proceed to completion in other courts. (*See In re Emerald Cove Villas, supra.*) This is especially true where, like in the instant complaint, it is a two-party dispute. Courts have found that in the absence of prejudice to the Bankruptcy Court, two-party disputes are better left to state courts for resolution. (*See In re Springs Hospitality, Inc.*, 2006 WL 2458679 [Bankr. D. Colo. Aug 22, 2006]; *Lucre Management Group LLC v. Schempp Real Estate LLC*, 303 B.R. 866, 977 [Bankr. D. Colo. 2003]; *Remex Elec. Ltd. v. Axl Industries, Inc.* [127 B.R. 482, 484 1991]; and *C-TC 9th Ave. Partnership v. Norton Co.* [2nd Cir. 1997] 113 F.ed 1304, 1312, n. 7 ["The state court is the better forum for resolving most two-party disputes."].)

### **3.1.3. The *Sonnax* Factors**

Finally, when a Bankruptcy Court is asked to refrain from imposing the automatic stay, the Court generally considers the 12 factors articulated in *Sonnax Industries, Inc. v. Tri Component Products Corporation* (2d Cir. 1990) 907 F.2d 1280, 1286:

- (1) whether relief would result in a partial or complete resolution of the issues;
- (2) lack of any connection with or interference with the bankruptcy case;
- (3) whether the other proceeding involves the debtor as a fiduciary;
- (4) whether a specialized tribunal with the necessary expertise has been established to hear the cause of action;
- (5) whether the debtor's insurer has assumed full responsibility for defending it;
- (6) whether the action primarily involves third parties;
- (7) whether litigation in another forum would prejudice the interests of other creditors;
- (8) whether the judgment claim arising from the other action is subject to equitable subordination;
- (9) whether movant's success in the other proceeding would result in a judicial lien avoidable by the debtor;
- (10) the interests of judicial economy and the expeditious and economical resolution of litigation;
- (11) whether the parties are ready for trial in the other proceeding; and
- (12) impact of the stay on the parties and the balance of harms.

Not all 12 factors will be relevant in all circumstances. (*See In re Beane, supra*, 404 B.R. at 948.) Thus, it is up to the tribunal faced with the question of whether there is cause to refrain from adhering to the automatic stay to determine which of the *Sonnax* factors would support allowing the non-bankruptcy action to proceed.

### **3.1.4. Application of 11 U.S.C. Section 362(d)(1) and the *Sonnax* Factors to the Joint Motion**

Application of the above authorities and three of the *Sonnax* factors to the instant Joint Motion leads us to conclude that there is cause to rule on the Joint Motion. Notwithstanding the automatic stay there will be no prejudice to the Bankruptcy Court if we continue to assert our jurisdiction over this two-party complaint for this limited purpose. First, there is a specialized regulatory body, *i.e.* the Commission, that exists and has the authority and expertise to handle AT&T California's complaint. 47 U.S.C. Section 252 grants state commissions with the primary authority to interpret and enforce ICAs. The Commission construed its authority under the Federal Telecommunications Act of 1996 in *Cox California Telecom, LLC v. Global NAPs, California, Inc.* (September 20, 2007) Decision (D.) 07-09-050, and recognized its authority to interpret ICAs. Thus, where a state or administrative court has particular expertise over the facts of the case, Bankruptcy Courts have allowed the proceeding to continue. (*See In re Preferred Underwriting Alliance, Inc.* 351 B.R. 174, 177-178 (N.D. Ala. 2006.)

Second, the AT&T California complaint is nearly complete – all that is left is a decision to approve the Settlement Agreement. As such, judicial economy and administrative efficiency weigh strongly in favor of this Commission maintaining jurisdiction over this proceeding to issue this final ruling. (*See In re Dallas*, 2011 WL 6101832 [Bankr. S.D. Ga. Nov 29, 2011] [matter allowed to proceed to conclusion where there was a motion for summary judgment pending].)

Third, ruling on the Joint Motion will not interfere with the debtor's bankruptcy cases. In fact, a ruling will help to streamline the bankruptcy claims as there will be a Commission decision that the Bankruptcy Court can factor into its resolution of the Chapter 7 claims. Furthermore, the fact that the



Chapter 7 Bankruptcy trustee has joined in the Motion to Approve the Settlement Agreement is persuasive evidence that the Commission's ruling on the Joint Motion won't impede the bankruptcy cases.

For all of the forgoing reasons, the Commission concludes that it has the continuing authority to rule on the Joint Motion notwithstanding the presence of the automatic stay.

### **3.2. The Settlement Agreement Satisfies the Standards of Commission Rule 12.**

Per the Settlement Agreement, the parties have agreed:

1. Halo has materially breached the ICA by:
  - (a) Sending landline-originated traffic to AT&T California;
  - (b) Inserting incorrect charge number (CN) information on calls; and
  - (c) Failing to pay for facilities it has ordered pursuant to the ICA.
2. As a result of these breaches, AT&T California is excused from further performance under the ICA;
3. Without this Commission quantifying any specific amount due, Halo is liable to AT&T California for access charges on the non-local landline-originated traffic Halo has sent to AT&T California for termination to AT&T California's end user customers; and
4. Without this Commission quantifying any specific amount due, Halo is liable to AT&T California for interconnection facilities charges that it has refused to pay to AT&T California.

We must evaluate the Settlement Agreement between AT&T California and Halo to determine if it meets the requirements for approval. While we accept as true the parties' representation that they have reached a mutually

agreeable outcome to the proceeding, we must, nevertheless, evaluate the Settlement Agreement under the three-part test of Commission Rule 12.1(d) which states that “the Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.” Before applying this test to the instant Motion, we note that the Commission favors the settlement of disputes. (*See, e.g.* D.07-05-060.) This policy supports many goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results. (*Id.* Slip Op. at 6.) As long as a settlement is reasonable in light of the whole record, consistent with the law, and in the public interest, it should normally be adopted without alteration. (*See, e.g.* D.06-06-014, Slip Op. at 12.)

### **3.2.1. The Settlement is Consistent with Law and Prior Commission Decisions**

In asking the Commission to concur with the stipulation that Halo has materially breached the ICA, the parties are asking the Commission to invoke its authority under 47 U.S.C. Section 252 to interpret and apply the ICA. There is ample authority for state commissions to act in this manner.<sup>1</sup> Moreover, Section 25 of the ICA provides that the Agreement “shall be governed by the

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<sup>1</sup> *BellSouth Telecommunications v. MCIMETRO Access*, (11th Cir. 2003) 317 F.3d 1270, 1277; *Covad Communications v. BellSouth Corporation*, (11th Cir. 2004) 374 F.3d 1044, 1053. *Budget Prepay, Inc. v. AT&T Corp.*, 605 F.3d 273, 278-81 (5th Cir. 2010) *Connect America Fund*, WC Docket No. 10-90 *et al.*, *Report and Order and Further Notice of Proposed Rulemaking*, 2011 WL 5844975, FCC 11-161, at ¶¶ 1005-06 (rel. Nov. 18, 2011) *Pacific Bell v. Pac-West Telecomm, Inc.*, 325 F.3d 1114, 1128 (9th Cir. 2003) *Michigan Bell Tel. Co. v. MCIMETRO Access Trans. Servs., Inc.*, 323 F.3d 348, 362-63 (6th Cir. 2003) *Illinois Bell Tel. Co. v. WorldCom Technologies, Inc.*, 179 F.3d 566, 574 (7th Cir. 1999).

laws of the State of California and applicable federal law.”<sup>2</sup> Without a doubt, this Commission has the authority to interpret the ICA and to resolve the counts AT&T has asserted.<sup>3</sup>

As to Count One of the complaint, we find that in sending landline-originated traffic to AT&T California, Halo violated an amendment to the ICA mandating that traffic “originates through wireless transmitting and receiving facilities.”<sup>4</sup> In addition, by sending the landline-originated interexchange traffic, Halo violated Section 2.3.3’s prohibition against routing traffic from a non-CMRS Telecommunications Carrier.<sup>5</sup>

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<sup>2</sup> Complaint, Exhibit C.

<sup>3</sup> Other state commissions have reached the same conclusion regarding the extent of their jurisdiction regarding the ICA. (*See* Order Deny Motion to Dismiss, *BellSouth Telecommunications, LLC v. Halo Wireless, Inc.*, Docket No. 11-00119 (Tenn. Reg. Auth., Dec. 16, 2011); Order, *BellSouth Telecommunications LLC v. Halo Wireless, Inc.*, Docket No. 11-00119 (Tenn. Reg. Auth., January 26, 2012); Order Deny Motions to Dismiss in Part With Prejudice and in Part Without Prejudice, *Investigation into Practices of Halo Wireless, Inc. and Transcom Enhanced Services, Inc.*, no. 9594-T!-11 (Pub. Serv. Commission Wisconsin, January 10, 2012); Commission directive, Order No. 2012-124, *Bell South Telecommunications, LLC v. Halo Wireless, Inc., for Breach of the Parties’ Interconnection Agreement*, Docket No. 2011-304-C (Pub. Serv. Commission South Carolina February 15, 2012); Order Denying Halo Wireless, Inc.’s Partial Motion to dismiss, Order No. PSC-12-0129-FOF-TP, *Re Complaint and Complaint for Relief against Halo Wireless, Inc. for breaching the Terms of the Wireless Interconnection agreement, by Bellsouth Telecommunications, LLC*, Docket No. 110234-TP (Florida Public Service Commission March 20, 2012); Georgia Public Service Commission, Staff Recommendation in Consideration of Halo’s Partial Motion to Dismiss, *In Re: Complaint of TDS Telecom on Behalf of its Subsidiaries Blue Ridge Telephone Company, et al Against Halo Wireless, et al for Failure to Pay Terminating Intrastate Access Charges for Traffic and for Expedited Declaratory Relief and Authority to Cease Termination of Traffic*, Docket No. 34219 (April 16, 2012).)

<sup>4</sup> Complaint, Exhibit C, at 94.

<sup>5</sup> *Id.*, at 15.

As to Count Two of the complaint, we find that Halo's alteration of the call information delivered to AT&T California violated Section 3.2.4.1 of the ICA which requires each party to "perform the necessary call recording and rating for its respective portions of an exchanged call in order to invoice the other Party."<sup>6</sup>

As to Count Four, we find that Halo ordered transport facilities associated with interconnection with AT&T California, that AT&T California has provided these transport facilities, but that Halo has failed to pay those bills.

As a result of these breaches, we find that AT&T California is excused from further performance under the ICA.

We further find that Halo is liable to AT&T California for access charges on the non-local landline-originated traffic Halo sent to AT&T California for termination to AT&T California's end user customers.

Finally, we find that Halo is liable to AT&T California for interconnection facilities charges that it has refused to pay to AT&T California.

We find that the above findings are consistent with state law regarding the interpretation and enforcement of ICAs such as the one between AT&T California and Halo. (*See* D.07-09-050; Resolution ALJ-181; and General Order 96-A.)

### **3.2.2. The Settlement Agreement is Reasonable in Light of the Record as a Whole**

We find that the Settlement Agreement is reasonable in light of the record as a whole. Since the undisputed record shows that Halo has breached its ICA with AT&T California, it is reasonable for Halo to admit its liability. Additionally, each of the state commissions that have ruled on similar complaints

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<sup>6</sup> *Id.*, at 22.

against Halo have found in favor of AT&T, granting the same type of relief that would result from the adoption of this Settlement Agreement. (*See fn. 3, supra.*)

### **3.2.3. The Settlement is in the Public Interest**

The Settlement Agreement is in the public interest because it will resolve the issues raised by the parties without the need for extensive, time-consuming, and costly Commission proceedings and litigation. Previously, Halo filed a Partial Motion to Dismiss Counts I, II, and III of AT&T California's complaint on the grounds that the Commission lacked jurisdiction to resolve the federal claims embedded in Counts I, II, and III. The assigned Administrative Law Judge (ALJ) denied this Motion, in part, on the grounds that there was a raft of unresolved material facts that would need to be explored through the discovery process and vetted at an evidentiary hearing. The Settlement Agreement obviates the need to delve into these disputed issues as the parties have now stipulated to the operative material facts.

Moreover, this Settlement Agreement will help facilitate AT&T California's pursuit of its claims against Halo in the Bankruptcy Court. With a stipulated record, the Bankruptcy Court will not have to address the contractual relationship between the parties or determine if there has been a breach of the ICA. Instead, the Bankruptcy Court will be in an optimal position to determine the amount of damages that are owed to AT&T California.

Finally, the Settlement Agreement will not affect any end users since Halo no longer provides any service and has no end users in California.

## **4. Hearings**

Originally, the Scoping Memo and Ruling found that evidentiary hearings were needed. But now that the parties have reached the attached Settlement Agreement, it is not necessary to hold evidentiary hearings.

**5. Waiver of Comment Period**

Section 311(g)(1) of the Pub. Util. Code provides that a draft decision must be served on all parties and subjected to at least 30 days of public review and comments prior to a vote of the Commission. Since this is a Joint Motion by the only two parties in the complaint, this is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

**6. Assignment of Proceeding**

Catherine J.K. Sandoval is the assigned Commissioner and Robert M. Mason III is the assigned ALJ in this proceeding.

**Findings of Fact**

1. AT&T California is a California Corporation with its principal place of business in California.
2. AT&T California is duly authorized to provide telecommunications services in California.
3. Halo is a Texas Corporation with its principal place of business at 2351 West Northwest Highway, Suite 1204, Dallas, Texas 75220.
4. On May 4 and 5, 2010, AT&T California and Halo executed an ICA in which Halo adopted the Section 251/252 wireless ICA in its entirety.
5. The ICA authorizes Halo to send only wireless-originated traffic to AT&T California.
6. The Settlement states Halo sent traffic to AT&T California that was not wireless-originated traffic, but instead was landline-originated interstate, interLATA or intraLATA toll traffic.

7. Section 3.2.4.1 of the ICA requires each party to “perform the necessary call recording and rating for its respective portions of an exchanged all in order to invoice the other Party.”

8. The Settlement states Halo has materially breached the ICA by:

- (a) Sending landline-originated traffic to AT&T California;
- (b) Inserting incorrect charge number (CN) information on calls; and
- (c) Failing to pay for facilities it has ordered pursuant to the ICA.

9. The Settlement states as a result of these breaches, AT&T California is excused from further performance under the ICA.

10. The Settlement states without this Commission quantifying any specific amount due, Halo is liable to AT&T California for access charges on the non-local landline-originated traffic Halo has sent to AT&T California for termination to AT&T California’s end user customers.

11. The Settlement states without this Commission quantifying any specific amount due, Halo is liable to AT&T California for interconnection facilities charges that it has refused to pay to AT&T California.

### **Conclusions of Law**

1. As to Count One of the complaint, we find that sending landline-originated traffic to AT&T California, Halo violated an amendment to the ICA mandating that traffic “originates through wireless transmitting and receiving facilities.” In addition, by sending the landline-originated interexchange traffic, Halo violated Section 2.3.3’s prohibition against routing traffic from a non-CMRS Telecommunications Carrier.

2. As to Count Two of the complaint, we find that Halo's alteration of the call information delivered to AT&T California violated Section 3.2.4.1 of the ICA which requires each party to "perform the necessary call recording and rating for its respective portions of an exchanged call in order to invoice the other Party."

3. As to Count Four, we find that Halo ordered transport facilities associated with interconnection with AT&T California, that AT&T California has provided these transport facilities, but that Halo has failed to pay those bills.

4. As a result of these breaches, we find that AT&T California is excused from further performance under the ICA.

5. We further find that Halo is liable to AT&T California for access charges on the non-local landline-originated traffic Halo sent to AT&T California for termination to AT&T California's end user customers.

6. We find that Halo is liable to AT&T California for interconnection facilities charges that it has refused to pay to AT&T California.

7. The Settlement Agreement fully resolves and settles all disputed issues between the parties in this proceeding.

8. The Settlement Agreement is reasonable in light of the whole record, consistent with law, consistent with prior Commission decisions, and is in the public interest.

9. The Settlement Agreement contains adequate information regarding the rights and obligations of the parties and is sufficiently clear for the Commission and the parties to understand its terms and for the parties to carry out the agreement.

10. The Settlement Agreement is in the public interest and should be approved.

11. There is no need for hearings.



12. This decision should be effective today so that the Settlement Agreement will take effect immediately.

13. It is the utility's (utilities') responsibility to adhere to all Commission rules, decisions, General Orders, and statutes including Public Utilities Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

**O R D E R**

**IT IS ORDERED** that:

1. The Joint Motion of Pacific Bell Telephone Company d/b/a AT&T California and Halo Wireless, Inc. through its Chapter 7 bankruptcy trustee, for approval of the Settlement Agreement, attached as Appendix A, is granted.
2. The Settlement Agreement is approved without modification.
3. No hearings are necessary.
4. The utility (utilities') shall remain obligated to adhere to all Commission rules, decisions, General Orders, and statutes including Public Utilities Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."
5. Case 12-02-007 is closed.

This order is effective today.

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