

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAGE COMMUNICATIONS INC.
for a Certificate of Public Convenience and
Necessity in Order to Provide Resold Local
Exchange and Interexchange Service in the State
of California.

Application 14-01-012
(Filed January 22, 2014)

**DECISION GRANTING SAGE COMMUNICATIONS INC.
A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE RESOLD LOCAL EXCHANGE SERVICE AND
INTEREXCHANGE SERVICE**

1. Summary

Pursuant to Public Utilities Code § 1001, we grant Sage Communications Inc., a certificate of public convenience and necessity to provide resold local exchange and non-dominant interexchange telecommunications service in California subject to the terms and conditions set forth in the Ordering Paragraphs.

2. Background

On January 22, 2014, Sage Communications Inc., (SAGE) a California corporation authorized to do business in California filed an application for a certificate of public convenience and necessity (CPCN) to provide resold telecommunications services in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T), Verizon California Inc. (Verizon), Citizens Telecommunications Company of California, Inc. d/b/a Frontier

Communications of California (Citizens), and SureWest Telephone¹ (SureWest) and interexchange service in California.

SAGE proposes to provide local exchange services to business and residential customers via the reselling of services provided by other carriers. The facilities involved will be leased from a variety of telecommunications carriers.

SAGE's principal place of business is located at 1000 Paseo Camarillo, Suite 134, Camarillo, California.

3. Jurisdiction

Public Utilities Code Section 216(a) defines the term "Public utility" to include a "telephone corporation," which in turn is defined in Public Utilities Code Section 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within the state."

SAGE proposes to provide resold local exchange and interexchange services in California and is a telephone corporation and a public utility subject to our jurisdiction.

4. Limited Facilities-Based CPCN

In its application, SAGE requests authorization for a CPCN to provide resold local exchange and non-dominant interexchange telecommunications services. A Proponent's Environmental Assessment (PEA) is required for a full facilities-based CPCN. In its Application, SAGE states that it plans to provide service by using existing streetlights, poles, towers, buildings, fiber, conduits, ducts, rights-of-way, trenches and other facilities and structures of other carriers, utilities and municipalities, and through the use of unbundled network elements

¹ SureWest was formerly known as Roseville Telephone Company.

purchased from incumbent local exchange carriers. Thus, the application supports a request for a limited facilities-based CPCN.

The treatment of Application 14-01-012 as a request for a limited facilities-based CPCN does not preclude SAGE from filing an application at a later date to pursue a full facilities-based CPCN. SAGE must not begin construction of facilities beyond those authorized by this decision until further approval is granted.

5. California Environmental Quality Act (CEQA)

The CEQA requires the Commission 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. Since SAGE states that it does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, SAGE must file for additional authority, and submit to any necessary CEQA review.

6. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide resold local exchange and interexchange services must demonstrate that it has a minimum of \$25,000 in cash or cash equivalent to meet the firm's start-up expenses.² An

² The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in Decision (D.) 95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.³ In Section 12 of its application, SAGE stated that its sister company Sage Network Inc. would be funding Sage's initial operations. Exhibit D of the application includes balance sheets as of December 31, 2012 and September 30, 2013 showing that Sage Network Inc. has in excess of \$300,000 available. In response to an email request of the assigned Judge, applicant filed SAGE's bank statement indicating a balance in excess of the required \$25,000. SAGE does not anticipate AT&T, Verizon, Citizens, and SureWest requiring any deposits since its sister company Sage Network Inc. has an ongoing relationship with those companies. Since SAGE has provided documentation that it possesses a minimum of \$25,000 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.

SAGE proposed to initially interconnect with AT&T, Verizon, Citizens, and SureWest. As stated above, SAGE has indicated that no deposit is required by AT&T, Verizon, Citizens, and SureWest.

³ The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers (LEC) and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

Therefore, no additional resources are required at this time to cover deposits.

7. 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.⁴ SAGE supplied biographical information on its management in Exhibit F to its application and in supplemental information that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In supplemental information filed subsequent to its application, SAGE verified that no one associated with or employed by SAGE as an affiliate, officer, director, partner, or owner of more than 10% of SAGE 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, or 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 SAGE is in compliance with the requirements of D.95-12-056.

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

8. Tariffs

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

9. 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.⁵ In Exhibit C of its application, SAGE provided maps of the location of its proposed service territory, in compliance with this requirement.

10. Expected Customer Base

SAGE provided its estimated customer base for the first and fifth years of operation in Section 15 of its application. Therefore, SAGE has complied with this requirement.

11. Conclusion

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

⁵ D.95-12-056 at Appendix C, Rule 4.E.

The CPCN granted by this decision provides benefits to SAGE and corresponding obligations, SAGE receives authority to operate in the prescribed service territory, it can request interconnection with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251). In return, SAGE is obligated to comply with all applicable Public Utilities Codes and Commission Rules, GOs, and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, etc. include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, SAGE is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in Attachment B of this decision and to adhere to Pub. Util. Code § 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort and convenience of its patrons, employees, and the public."

12. Categorization and Need for Hearings

In Resolution ALJ 176-3330, dated February 5, 2014 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.

13. Waiver of Comment Period

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), the otherwise applicable 30-day period for public review and comment is waived.

14. Assignment of Proceeding

Carla Peterman is the assigned Commissioner and Linda A. Rochester is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on February 5, 2014. No protests have been filed. A hearing is not required.
2. SAGE is a telephone corporation a public utility as defined in Pub. Util. Code Sections 234(a) and 216(a).
3. SAGE has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
4. SAGE does not believe deposits will be required by other telecommunications carriers because of the established and ongoing relationship its sister carrier Sage Networks has with the other carriers.
5. SAGE management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
6. No one associated with or employed by SAGE as an affiliate, officer, director, partner, or owner of more than 10% of SAGE 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; or 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.

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

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

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

Conclusions of Law

1. SAGE should be granted a CPCN to provide resold local exchange telecommunications service in the service territories of AT&T, Verizon, Citizens, and SureWest and interexchange service in California, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. SAGE, once granted a CPCN, should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

3. SAGE'S initial tariff filing should correct the tariff deficiencies shown in Attachment A to this decision.

4. SAGE should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

O R D E R**IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to Sage Communications Inc. to provide resold local exchange telecommunications services in the territories of Pacific Bell Telephone Company d/b/a AT&T California, Verizon California Inc., Citizens Telecommunications Company of California, Inc. d/b/a/ Frontier Communications of California, and SureWest Telephone, and non-dominant interexchange service in California, subject to the terms and conditions set forth below.

2. Sage Communications, 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. Sage Communications, 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 Sage Communications, Inc., U7258C, 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. Sage Communications, Inc. must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Sage Communications, Inc. must submit a Tier-1 advice letter to the Director of

Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

5. Sage Communications, Inc. must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

6. 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, Sage Communications, 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.

7. Sage Communications, 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.

8. Sage Communications, 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. In accordance with D.13-05-035, Sage Communications, Inc. must pay a minimum user fee of \$100 on 0.18% of gross intra state revenue whichever is greater.

9. Prior to initiating service, Sage Communications, 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.

10. Sage Communications, 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.

11. Sage Communications, 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.

12. Sage Communications, 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.

13. Sage Communications must file a tariff within 12 months of the effective date of this order, or its certificate will be cancelled.

14. Application 14-01-012 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

List of deficiencies in tariff filed by Sage Communications, Inc. (U-7258-C) in A.14-01-012 to be corrected in its tariff compliance filing.

1. CPUC assigned utility ID (U-7258-C) should be included on each sheet in the upper left header under the Company name and address. General Order 96B, Section 8.4.1.
2. Sheet 8, Rule 2, Customer Application for Service: Add “The letter must be in a language other than English if the sale was in another language.” D.95-07-54, Appendix B, Rule 2.
3. Sheet 13, Rule 8, Notices and Communications: Add “Notices the CLC sends to customers, or the Commission, shall be a legible size and printed in a minimum point size type of 10 and are deemed made on date of presentation.” D.95-07-54, Appendix B, Rule 6D.
4. Sheet 19, Rule 11.2, Discontinuance of Service: Include information required on notices to customers for discontinuance of service by CLC. D.95-07-54, Appendix B, Rule 6B(2).
5. Sheet 20, Rule 12, Information to be Provided to the Public: Tariff must be available for inspection by the public at a site within its California service area and/or be posted on the carrier’s website. General Order 96-B, General Rules 8.1.3.
6. Include Rule on how to get information on services (including types of services, rate plans, conditions of eligibility, other terms and conditions) and promotional offerings available from the carrier. Rule should include office hours, telephone number, and (if applicable) e-mail address for contacting carrier with request for such information. General order 96-B, General Rules 8.5.7(12).
7. Include Rule on Temporary Service - Conditions upon which temporary service is provided or service to speculative projects. General order 96-B, General Rules 8.5.7(13).
8. Include Rule on information that the CLC shall, on request, provide to each applicant for service or customer. D.95-07-54, Appendix B, Rule 1.
9. Include Rule on Fraud – The CLC shall have the right to refuse or discontinue service without advance notice if the acts of the customer are such as to indicate intention to defraud the CLC. That includes fraudulently placing and receiving calls and/or providing false credit information. D.95-07-54, Appendix B, Rule 10B.

(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,¹ 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 Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191, App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066, at 88, App. B, Rule 8.G).
- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in D.13-05-035.

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

¹ Written acceptance filed in this docket does not reopen the proceeding.

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. Current and historical surcharge rates can be found at <http://www.cpuc.ca.gov/PUC/Telco/Consumer+Information/surcharges.htm>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/Surcharge+Remittance.htm>. To request a user ID and password for TUFFS online filing and for questions, please e-mail Telco_surcharges@cpuc.ca.gov.
- Carriers must file and pay the PUC User Fee (see above item 2g) upon receiving the User Fee statement sent by the Commission. User Fees cannot be reported or paid online. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/userfee.htm>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

3. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance, of Certificate of Public Convenience and Necessity authority, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond and submit a Tier-1 advice letter annually, but no later than March 31, with a copy of the executed bond.

4. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a Certificate of Public Convenience and Necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

5. 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).

6. 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).

7. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #2 above.

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

9. 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.

10. 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.

11. 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.

12. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.
13. 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.
14. 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.
15. 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.
16. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.
17. 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.
18. 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.
19. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure
20. Applicant is exempt from Pub. Util. Code §§ 816-830.

21. 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.

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

23. 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 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

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 May 1st 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)