

Decision 14-06-044 June 26, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Conterra Wireless
Broadband LLC (U7057C), Conterra Ultra
Broadband Holdings, Inc. and CUB Parent,
Inc. for Transfer of Control.

Application 14-04-025
(Filed April 28, 2014)

**DECISION GRANTING APPLICATION FOR APPROVAL
OF TRANSFER OF ASSETS AND CONTROL UNDER
PUBLIC UTILITIES CODE SECTION 854**

1. Summary

We grant the application of Conterra Wireless Broadband, LLC (Conterra) (U7057C), Conterra Ultra Broadband Holdings, Inc. (Conterra Holdings) and CUB Parent, Inc. (CUB Parent) (together, Applicants), for approval of a transaction that will result in the transfer of control of Conterra and Conterra Holdings to CUB Parent under Public Utilities Code Section 854. This decision closes the proceeding.

2. Background

In Decision (D.) 07-12-013 we granted Conterra Wireless Broadband LLC (“Conterra”) authority to provide limited facilities-based local exchange telecommunications services as a competitive local exchange carrier (CLEC).¹

¹ Conterra holds CLEC Certificate No. U7057C.

In D.07-12-013 we also authorized the provision of competitive local exchange service within the service territories of Pacific Bell Telephone Company (Pacific), Verizon California Inc. (Verizon), SureWest Telephone (SureWest), and Citizens Telecommunications Company of California, Inc., dba Frontier Communications of California (Frontier). Conterra, a North Carolina limited liability company, is a direct wholly-owned subsidiary of Conterra Ultra Broadband, LLC, and an indirect subsidiary of Conterra Holdings. Conterra provides two product and service packages: (1) cellular backhaul transport; and (2) access networks and broadband networks for K-12, healthcare and government entities. Within cellular backhaul transport, Conterra provides carrier grade Ethernet or TDM connectivity and transport from a wireless carrier or from a lower profile connection point. For access networks and broadband for K-12, healthcare and government entities, Conterra provides carrier grade Ethernet (data) and video and voice connectivity transport from the public switched telephone network or Ethernet POP.

CUB Parent, Inc. (CUB Parent) is a Delaware corporation formed on March 12, 2014 for the purpose of consummating this transaction and acquiring control of Conterra Holdings and Conterra. CSC CUB Holdings, LLC is a Delaware Limited Liability Company formed on March 12, 2014 by Court Square Capital Partners (“Court Square”) for the sole purpose of holding Court Square’s investments in CUB Parent.² According to Applicants, the proposed transaction

² CSC CUB Holdings is owned by investment funds managed by the investment professionals at Court Square. Each of the Funds is a limited partnership, owned by numerous limited partners who include pension funds, high net worth individuals, and other institutional investors. Each Fund is exclusively controlled and managed by a

Footnote continued on next page

will result only in a change of the ultimate indirect ownership of Conterra; no assignment of certificates, assets, or customers will occur.³

3. Analysis and Action

Public Utilities Code Section 854 requires Commission authorization before a company may “merge, acquire, or control ... any public utility organized and doing business in this state... .” The purpose of this and related sections is to enable the Commission, before any transfer of public utility property is consummated, to review the situation and to take such action, as a condition of the transfer, as the public interest may require.⁴

The primary standard by which the Commission reviews whether a transaction should be approved under Section 854(a) is whether the transaction will be "adverse to the public interest." (D.13-11-015, quoting and citing D.03-12-033, mimeo at 6; D.01-06-007, mimeo at 15.) Where, as is the case here, a company that does not possess a certificate of public convenience and necessity (CPCN) desires to acquire control of a company that does possess a CPCN, we will apply the same requirements as in the case of an applicant seeking a CPCN to exercise the type of authority held by the company being acquired.⁵

sole general partner at Court Square Capital GP III, LLC (“GP”). GP is also the sole managing member of CSC CUB Holdings.

³ As set forth at pages 1-2 of the application: “Conterra’s existing management team will not change, and Conterra will continue to service customers in California under its current name and pursuant to the same terms and conditions of customer agreements.”

⁴ D.05-06-047, citing San Jose Water Co. (1916) 10 CXRC 56.

⁵ See D.05-06-047 at 9.

3.1. California Environmental Quality Act (CEQA)

The CEQA requires the Commission as the designated lead agency to assess the potential environmental impact of a project so that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible.

CUB Parent proposes to offer limited facilities-based exchange service via the requested transfer of operating authorities and related assets and control over Conterra's existing public utility operations. CUB Parent asserts that, because this transaction represents a transfer of control of existing assets it will not have any effect on the environment. Indeed, the transfer that is the subject of this application is a "paper transaction" that does not involve any construction. Therefore, it can be said with certainty that there is no possibility that granting this application will have an adverse impact upon the environment.⁶ Before it can construct facilities other than equipment to be installed in existing buildings or structures, CUB Parent must file for additional authority, and submit to any necessary CEQA review.

3.2. Financial Qualifications

To be granted a CPCN for authority to provide facilities-based and resold local exchange service, an applicant must demonstrate that it has \$100,000 cash or cash equivalent to meet the firm's start-up expenses. The applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by other telecommunications carriers in order to provide service in

⁶ See D.04-10-038, D.97-06-096, and/or D.94-05-051.

California.⁷ Here Applicants provide financial documentation (Exhibit 6) showing that they possess the financial resources to consummate the proposed transaction and provide adequate working capital to meet the operational needs of Conterra.⁸ Applicants further note that CUB Parent has obtained legally binding financing commitments that will enable it to consummate the transaction, including paying out Conterra's existing debt.

3.3. Technical Qualifications

To be granted authority to provide local exchange service, an applicant must also make a reasonable showing of technical expertise in telecommunications or a related business.

Applicants assert that CUB Parent is well-qualified to obtain control of Conterra. According to Applicants, Conterra's day-to-day technical and managerial team will remain the same following completion of the proposed transaction. The biographies provided by Applicants (and our having previously granted Conterra a CPCN) confirm that Applicants possess sufficient technical expertise.

In addition, Applicants state that no member of the post-closing management team, nor anyone acting in a management capacity has: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to

⁷ The financial standards for certification to operate as a Competitive Local Carrier are set forth in D.95-12-056, Appendix C, Rule 4.B.

⁸ Applicant's filed a motion for leave to file exhibits 4 and 6 under seal concurrent with the Application.

consumers or others; (c) been convicted of a felony; (d) been (to Conterra's knowledge) the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 et seq., 17200 et seq., or 17500 et seq. of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; or (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general."⁹

Lastly, Applicants have filed no new tariffs and have provided assurances that the transaction will be transparent to Conterra's customers. In acquiring Conterra's assets CUB Parent adopts Conterra's previously approved tariffs and therefore Conterra's obligation to correct any outstanding deficiencies.

3.4. CPCN - Conclusion

As set forth above, CUB Parent is qualified to operate as a limited facilities-based and resale provider of local exchange and interexchange telecommunications services within California. Therefore, CUB Parent is qualified to acquire the assets of Conterra.

⁹ Supplement to Responses to Inquiries from Administrative Law Judge Darwin E. Farrar, Dated May 13, 2014.

3.5. The Motion to File Under Seal

Applicants submitted several documents in support of the application. According to Applicants, Exhibit 4 to the application contains the non-public merger agreement and Exhibit 6 to the application contains non-public financial documentation. Applicants state their belief that public disclosure of this information could subject them, and individual investors, to unfair competitive disadvantage in connection with business negotiations and dealings with vendors, customers, potential business partners, and other persons, and move to file Exhibits 4 and 6 under seal. These contentions provide good cause to grant the requested motion.

We will direct that Exhibits 4 and 6 be filed under seal. The information in these exhibits will remain under seal for a period of two years after the date of this order. During this two-year period, this information will remain under seal and shall not be made accessible or disclosed to anyone other than the Commission staff, or on the further order or ruling of the Commission, the assigned Commissioner, the assigned Administrative Law Judge (ALJ), the Law and Motion Judge, the Chief ALJ, or the Assistant Chief ALJ, or as ordered by a court of competent jurisdiction.

If Applicants believe that it is necessary for this information to remain under seal for longer than two years, they may file a new motion stating the justification for further withholding of the information from public inspection. This motion shall be filed at least 30 days before the expiration of today's limited protective order.

4. Conclusion

The basic task of the Commission in this proceeding is to determine whether the transaction serves the public interest: "The public interest is served

when utility property is used for other productive purposes without interfering with the utility's operation of affecting service to utility customers."

(D.02-01-058.) Applicant represents that, as a result of the transaction, customers will continue to receive service under the same rates, terms, and conditions as before the transaction. Thus the transaction at issue here will result in no change in rates, terms, or conditions of service, and will not have any effect on the environment. Therefore the transaction is not adverse to the public interest and we will approve the transaction prospectively.

5. Categorization and Need for Hearing

In Resolution ALJ 176-3335, dated May 1, 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, an evidentiary hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

6. Waiver of Comment Period

This is an uncontested matter in which the decision grants the requested relief. Therefore, pursuant to 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 being waived.

7. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Darwin E. Farrar is the assigned ALJ in this proceeding.

Findings of Fact

1. A notice of the filing of the application appeared in the Daily Calendar on April 25, 2014.

2. There were no protests to this application.

3. Applicants provide financial documentation showing that they possess the financial resources to consummate the proposed transaction and provide adequate working capital to meet the operational needs of Conterra.

4. Applicant will retain sufficient experience and knowledge to provide local exchange services to the public.

5. Applicants do not propose to construct any facilities in order to provide the proposed service. Therefore, it can be seen with certainty that granting Applicants the authority to provide local exchange services will not have a significant adverse effect upon the environment.

6. Concurrent with the application, Applicants filed a motion to file under seal to protect from public disclosure, Exhibits 4 and 6 to their application.

7. Exhibits 4 and 6 to the application contain confidential terms and conditions of the proposed transaction and confidential financial information.

Conclusions of Law

1. The CEQA requires the Commission as the designated lead agency to assess the potential environmental impact of a project so that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible.

2. Public convenience and necessity require the competitive local exchange services to be offered by Applicants, subject to the terms and conditions set forth herein.

3. The application should be granted as set forth below.

4. Once granted, the application should be subject to the applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

5. The previously approved tariffs for Conterra Wireless Broadband, LLC, as well as the obligation to correct any outstanding deficiencies, should remain in effect after the transfer of control.

6. Good cause exists to grant the requested motion to file Exhibits 4 and 6 under seal.

7. Because of the public interest in competitive local exchange services, the following order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. CUB Parent, Inc. is authorized to assume indirect control of Conterra Wireless Broadband, LLC, through CUB Parent's acquisition of Conterra Ultra Broadband Holding, Inc.

2. Conterra Wireless Broadband, LLC, is authorized to continue providing local exchange service in the service territories of Pacific Bell Telephone Company d/b/a AT&T California, Verizon California Inc., Citizens Telecommunications of California, Inc. d/b/a Frontier Communications of California, and SureWest Telephone after the transfer of control to CUB Parent, Inc.

3. Conterra Wireless Broadband, LLC, must maintain a performance bond of at least \$25,000 in accordance with Decision 13-05-035 following the transfer of control to CUB Parent, Inc. 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 the

transfer of control to CUB Parent, Inc., Conterra Wireless Broadband, LLC must submit a Tier 1 advice letter to the Director of the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier 1 advice letter annually, but not later than March 31st of each year, with a copy of the executed bond.

4. Conterra Wireless Broadband, LLC, and CUB Parent, Inc., must ensure that the performance bond does not lapse. 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. Conterra Wireless Broadband, LLC, is authorized to file tariff schedules for the provision of competitive local exchange services following the transfer of control to CUB Parent, Inc.

6. The corporate identification number assigned to Conterra Wireless Broadband, LLC, U7057C, shall remain assigned to Conterra Wireless Broadband, LLC, for inclusion in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases following the transfer of control to CUB Parent, Inc.

7. Conterra Wireless Broadband, LLC, shall comply with all applicable rules adopted in the Local Exchange Competition proceeding (Rulemaking 95-04-043/Investigation 95-04-044), the Commission's rules and regulations for Non-dominant Interexchange Carriers set forth in Decision (D.) 93-05-010 and D.90-08-032, as well as all other applicable Commission rules,

decisions, General Orders, and statutes that pertain to California public utilities, subject to the exemptions granted in this decision.

8. Conterra Wireless Broadband, LLC, shall comply with the requirements applicable to competitive local exchange carriers and Non-dominant Interexchange Carriers included in Attachment A to this decision after the transfer of control.

9. Neither Conterra Wireless Broadband, LLC, nor CUB Parent, Inc. is authorized to construct facilities beyond the existing facilities held by Conterra Wireless Broadband, LLC, other than equipment to be installed in existing buildings or structures unless it files for additional authority and submits to any necessary environmental review.

10. Conterra Wireless Broadband, LLC will continue to provide telecommunications services after the transfer of control to CUB Parent, Inc.

11. Pursuant to Pub. Util. Code § 854 we grant authority to transfer control of Conterra Wireless Broadband, LLC, to CUB Parent, Inc. prospectively.

12. Conterra Wireless Broadband, LLC shall inform the Commission's Executive Director of any change in the corporate structure of Conterra Wireless Broadband, LLC relative to CUB Parent, Inc. from the structure set forth in the application, within 30 days of such change.

13. The motion to file Exhibits 4 and 6 under seal 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 will remain under seal and shall not be made accessible or disclosed to anyone other than the Commission staff, or on the further order or ruling of the Commission or an Administrative Law Judge ruling, or as ordered by a court of competent jurisdiction.

14. If Conterra Wireless Broadband, LLC, or CUB Parent, Inc. believes that it is necessary for this information to remain under seal for longer than two years, it may file a new motion stating the justification for further withholding of the information from public inspection. This motion shall be filed at least 30 days before the expiration of today's limited protective order.

15. Conterra Wireless Broadband, LLC, or CUB Parent, Inc. shall take all actions necessary to promote the safety, health, comfort, and convenience of utility patrons, employees, and the public following the transfer of control.

16. Application 14-04-025 is closed.

This order is effective today.

Dated June 26, 2014, at San Francisco, California.

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
MICHAEL PICKER
Commissioners

ATTACHMENTS

ATTACHMENT A - REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS

ATTACHMENT B - ANNUAL REPORT

ATTACHMENT C - CALENDAR YEAR AFFILIATE TRANSACTION REPORT

ATTACHMENT A

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. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of its authority to operate in California. In accordance with D.13-05-035, applicant must pay a minimum user fee of \$100 or 0.18% of intrastate revenue, whichever is greater.

- 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);

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

- 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 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 D.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 not 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 D.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 Communications 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 B 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 C.

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 A)

ATTACHMENT B

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 B)

ATTACHMENT C

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 C)