

Decision 15-03-021 March 26, 2015

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

In the Matter of the Application of TouchTone Communications, Inc. which will do business in California as DE TouchTone Communications, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold Interexchange Telecommunications Services within California Pursuant to the Provisions of Public Utilities Code Section 1001.

Application 14-10-006  
(Filed October 02, 2014)

**DECISION GRANTING TOUCHTONE COMMUNICATIONS, INC. A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY IN ORDER TO  
PROVIDE RESOLD INTEREXCHANGE SERVICE**

**Summary**

Pursuant to Public Utilities Code Section 1001, the California Public Utilities Commission grants TouchTone Communications, Inc. a certificate of public convenience and necessity to provide resold interexchange services within California subject to the terms and conditions set forth in the Ordering Paragraphs.

**1. Background**

TouchTone Communications, Inc. (TouchTone or applicant) dba DE Touchtone Communications, Inc. was previously issued a certificate of public convenience and necessity (CPCN) on April 15, 2003 as a non-dominant interexchange carrier (U-6746-C). TouchTone's prior operating authority was revoked in Resolution T-17359 (issued on April 19, 2012) for failure to file and

post a performance bond as required under Decisions (D.) 10-09-017 and D.11-09-026. California Public Utilities Commission (Commission) staff discovered that TouchTone continued operating despite the revocation of its license, and required to cease and desist operating, or file a new CPCN application.

On October 2, 2014, TouchTone , a corporation authorized to do business in California, filed an application for a CPCN to provide resold interexchange services within California.

TouchTone proposes to provide resold telecommunications services including switched long distance services.

TouchTone's principal place of business is located at 16 South Jefferson Road, Whippany, New Jersey 07981.

TouchTone's application was noticed on the daily calendar on October 10, 2014. No protests have been filed.

On November 24, 2014, the assigned Administrative Law Judge (ALJ) issued a ruling directing TouchTone to provide additional information. On January 12, 2015, the assigned ALJ issued a ruling directing TouchTone to provide a complete response to the November 24, 2014 ruling. On January 15, 2015, TouchTone filed a Response providing all the information requested in the two rulings.

## **2. Jurisdiction**

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

TouchTone proposes to provide resold telecommunications services which include switched long distance service. TouchTone, therefore, is a telephone corporation and a public utility subject to our jurisdiction.

### **3. Performance Bond Requirement**

The Commission adopted D.10-09-017 and D.11-09-026 on September 2, 2010 and September 22, 2011 respectively, revising the registration process for non-dominant interexchange carriers (NDIEC). As part of the decision, the Commission required registration license holders<sup>1</sup> to post a performance bond to facilitate the collection of fines, penalties, and restitution.<sup>2</sup> We ordered existing registration license holders to submit the performance bond within 90 days after the issuance of a decision and within 90 days after the issuance of a registration license for new registration holders.<sup>3</sup>

The Commission's Communications Division (CD) sent notices of the bond requirement to the addresses on file for all affected carriers. CD staff then mailed two additional reminder notices to all delinquent registrants and extended the deadline to file until June 30, 2011. Subsequently, the Commission revoked the licenses of 106 carriers in Resolution T-17359 on April 19, 2012, for failure to submit the required bond, despite CD's repeated notices.

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<sup>1</sup> A "registration license holder," "registration licensee," or "registrant" is an entity that obtained or obtains interexchange authority pursuant to § 1013, through the simplified registration process established by D.97-06-107, that does not hold interexchange authority pursuant to § 1001.

<sup>2</sup> See D.10-09-017 which sets out the bond amount. Existing registrants must carry performance bonds equal to or greater than 10% of intrastate revenues reported to the Commission during the preceding calendar year, or \$25,000, whichever is greater. The bond amount for new registrants that have not yet reported annual intrastate revenues to the Commission is \$25,000.

<sup>3</sup> *Id.*

Despite the revocation of its operating authority, TouchTone continued to report and remit surcharges. On August 2013, CD contacted TouchTone, which stated it was unaware that it was among those carriers whose operating authorities were revoked. TouchTone insisted that it had filed a performance bond and asked that CD contact the surety company to confirm that the bond was still in effect. TouchTone also requested that if this is confirmed, that its operating authority be reinstated.

TouchTone informed CD that it did not receive notices prior to the issuance of the draft resolution, relative to the company's non-submission of a performance bond. Further, Touchtone stated that it did not receive any notices regarding commenting on Resolution T-17359.

CD maintains a database with regulatory contact information for all licensed carriers. This database is used for official Commission mailings and contacts. The Commission relies on each carrier to update its regulatory contacts via email using the "Regulatory/Official Contact Update Information Request" on the Commission's (Information Request) website. The link to the Information Request is prominently displayed along with the link used by carriers to remit surcharges and tariffs.<sup>4</sup> CD's database shows TouchTone last updated its regulatory contact information in 2007, and according to TouchTone, the regulatory contact has not changed since that time.

While it is possible for TouchTone to not know about the regulatory contact update process, it is the regulated utility's responsibility, not the Commission's, to ensure that the utility's contact information with the

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<sup>4</sup> See <http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/> .

Commission is properly updated. It is also the utility's responsibility to monitor and ensure that it properly responds to Commission notices, whether these are issued through email, regular mail, or posted on the Commission's website. While the Commission tries to assist in compliance by identifying legal requirements and notifying utilities of such, it is the regulated entity's responsibility to ensure that it is in compliance.

We find that TouchTone made good faith efforts to comply with Commission requirements. TouchTone continued to file its annual report in 2011, prior to the revocation of its operating authority, and continued to report and remit surcharges and user fees after revocation.<sup>5</sup> While TouchTone did not remain abreast of regulatory developments at the Commission, it immediately consulted with staff once it became aware of the oversight, and acted to correct its deficiencies

#### **4. 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 TouchTone states that it does not contemplate any proposed construction or extension of facilities as a result of this application, 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

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<sup>5</sup> Last surcharge report and remittance was made in December 2014, while user fee reporting and payment for 2014 is due on March 31, 2015.

buildings or structures, TouchTone must file for additional authority, and submit to any necessary CEQA review.

## **5. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide resold interexchange service must demonstrate that it has a minimum of \$25,000 cash or cash equivalent to meet the firm's start-up expenses.<sup>6</sup> An 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.<sup>7</sup>

In its January 15, 2015 reply to the ALJ ruling directing applicant to submit additional information, TouchTone submitted evidence of a certificate of deposit with a reputable bank in the amount of \$25,000<sup>8</sup> and stated that it is not required to pay any deposits to other telecommunications carriers in order to provide its proposed services. The above documentation shows that applicant possesses resources that are reasonably liquid and available and has demonstrated that it has sufficient funds to meet its start-up expenses. Therefore, applicant is deemed to have fulfilled the financial requirement.

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<sup>6</sup> The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for NDIEC is contained in D.91-10-041.

<sup>7</sup> The requirement for Competitive Local Carrier applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers and/or IECs is set forth in D.95-12-056, Appendix C. For NDIEC, the requirement is found in D.93-05-010.

<sup>8</sup> See D.95-12-056, Appendix C, which provides that an applicant can submit a certificate of deposit with a reputable bank to satisfy the applicable unencumbered cash requirements required of applicants in order to obtain a CPCN.

## **6. Technical Qualifications**

To be granted a CPCN for authority to provide interexchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business. TouchTone supplied biographical information on its management in Exhibit 6 to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In its January 15, 2015 Response to the ALJ Ruling, Touchtone verified that no one associated with or employed by Touchtone as an affiliate, officer, director, partner, or owner of more than 10% of Touchtone was previously associated with a telecommunications carrier that filed for bankruptcy, was sanctioned by the Federal Communications Commission (FCC) 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 TouchTone is in compliance with the requirements of D.95-12-056.

## **7. Map of Service Territory**

TouchTone intends to provide service statewide and provided a map of its proposed service area.

## **8. Request for Treatment as a Non-dominant Carrier**

Applicant requests treatment as NDIEC, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and § 851 concerning the encumbrance and transfer of utility property.

The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Applicant's request for non-dominant interexchange carrier status, provided that they follow all rules detailed in the above referenced decisions.<sup>9</sup>

## **9. Tariffs**

Applicant has requested authority to operate on a de-tariffed basis. This request granted as TouchTone is being granted treatment as an NDIEC<sup>10</sup> and is eligible for an exemption from the tariffing requirements as set out in D.98-08-031.<sup>11</sup>

## **10. Safety**

TouchTone will operate as a switchless reseller and will not deploy facilities to support its services. Therefore, there does not appear to be any safety concerns for TouchTone's proposed services.

## **11. Conclusion**

The Commission concludes that the application conforms to our rules for certification as an NDIEC. Accordingly, the Commission grants TouchTone a CPCN to provide resold interexchange telecommunications services subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to TouchTone and corresponding obligations. TouchTone receives authority to operate in the prescribed service territory, it can request interconnection with other

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<sup>9</sup> While the Commission has granted exemption from §§ 816 – 830 to others, exemption from §§ 851 – 854 has not been granted previously and is not granted here.

<sup>10</sup> See discussion under heading "8. Request for Treatment as a Non-dominant Carrier."

<sup>11</sup> See D.98-08-031.



telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and it receives access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, TouchTone is obligated to comply with all applicable Public Utilities Codes and Commission Rules, General Orders, 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, TouchTone is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix A of this decision, to comply with CEQA, 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. Request to File Under Seal**

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, TouchTone filed a motion for leave to file under seal Exhibit 5 of the application. Exhibit 5 contains TouchTone's financial statements.

The Commission grants the request to file under seal Exhibit 5 of TouchTone's application containing its financial statements. The financial statements contain private and proprietary information and public disclosure thereof could place TouchTone at an unfair business disadvantage. The Commission has granted similar requests in the past and does so here.

**13. Categorization and Need for Hearings**

In Resolution ALJ 176-3334, dated October 16, 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.

**14. Comments on Draft Decision**

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.

**15. Assignment of Proceeding**

Carla J. Peterman is the assigned Commissioner and Rafael L. Lirag is the assigned ALJ in this proceeding.

**Findings of Fact**

1. TouchTone was granted operating authority in 2013.
2. D.10-09-017 and D.11-09-026 requires carriers to post a performance bond to facilitate the collection of fines, penalties, and restitution to customers, taxes, and fees.
3. TouchTone's prior operating authority was revoked in Resolution T-17359 for failure to file a performance bond, and was instructed to re-apply for a CPCN.
4. TouchTone filed its annual report for 2011, prior to the revocation of its operating authority, and continued to report and remit surcharges and user fees even after the revocation.

5. Notice of the application appeared on the Daily Calendar on October 10, 2014. No protests have been filed. A hearing is not required.
6. Public Utilities Code Section 216(a) defines the term “public utility” to include a “telephone corporation.”
7. TouchTone proposes to provide resold telecommunications services which include switched long distance service.
8. TouchTone has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
9. TouchTone is not required to make any deposits to other telecommunications carriers in order to provide its proposed services.
10. TouchTone’s management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
11. TouchTone will operate on a de-tariffed basis.
12. Pursuant to Rule 11.4, TouchTone filed a motion for leave to file confidential materials under seal, namely Exhibit 5 of the application containing TouchTone’s financial statements.

### **Conclusions of Law**

1. TouchTone should be granted a CPCN to provide resold interexchange telecommunications services subject to the terms and conditions set forth in the Ordering Paragraphs.
2. TouchTone, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.
3. TouchTone is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).
4. TouchTone 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.

5. TouchTone should be granted permission to operate on a de-tariffed basis pursuant to D.98-08-031.

6. TouchTone's motion to file under seal Exhibit 5 of its application containing its financial statements, should be granted for three years.

## **O R D E R**

**IT IS ORDERED** that:

1. A certificate of public convenience and necessity is granted to TouchTone Communications, Inc. to provide resold interexchange telecommunications services in California, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to TouchTone Communications, Inc., U-7280-C, must be included in the caption of all original filings with the California Public Utilities Commission, and in the titles of other pleadings filed in existing cases.

3. TouchTone 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 California Public Utilities Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, TouchTone Communications, Inc. must submit a Tier-1 Advice Letter (AL) to the Director of Communications, containing a copy of the

license holder's executed bond, and submit a Tier-1 AL annually, but not later than March 31, 2015 with a copy of the executed bond.

4. TouchTone 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.

5. In addition to all the requirements applicable to interexchange carriers included in Attachments B, C, and D to this decision, TouchTone Communications, Inc. is subject to the Consumer Protection Rules contained in General Order (GO) 168, and all applicable Commission rules, decisions, GO's, and statutes that pertain to California public utilities.

6. TouchTone 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.

7. TouchTone 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. Applicant must pay a minimum user fee of \$100 or 0.18% of gross intrastate revenue, whichever is greater. 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.

8. Prior to initiating service, TouchTone 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.

9. Prior to initiating service, TouchTone Communications, Inc. must provide the California Public Utilities Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/>.

This information must be updated if the name or telephone number changes, or at least annually.

10. TouchTone 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.

11. TouchTone 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.

12. TouchTone Communications, Inc.'s (Touchtone or Applicant) motion to file under seal Exhibit 5 of its application, containing its financial statements, is granted for a period of three years after the date of this order. During this three year period, this information shall not be publicly disclosed except on further California Public Utilities Commission order or Administrative Law Judge

ruling. If TouchTone believes that it is necessary for this information to remain under seal for longer than three years, TouchTone may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

13. Application 14-10-006 is closed.

This order is effective today.

Dated March 26, 2015, at San Francisco, California.

MICHAEL PICKER  
President  
MICHEL PETER FLORIO  
CATHERINE J.K. SANDOVAL  
CARLA J. PETERMAN  
LIANE M. RANDOLPH  
Commissioners

**ATTACHMENT A**

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**(END OF ATTACHMENT A)**



**ATTACHMENT B**

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

1. Applicant must file, in this docket with reference to this decision number,<sup>1</sup> a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The 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);

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<sup>1</sup> 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 California Public Utilities Commission (Commission) telephone program surcharges online using the Commission 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](mailto:Telco_surcharges@cpuc.ca.gov).
- Carriers must file and pay the Public Utilities Commission 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 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). 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. In addition, Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact

1. Information Update Request" found at

<http://www.cpuc.ca.gov/PUC/telco/Information+for+providing+service/>.

This information must be updated if the name or telephone number changes, or at least annually.

2. 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.

3. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

4. 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.

5. 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 CB to this decision.

6. 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.

7. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

8. 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.

9. 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.

10. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure.

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

12. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

**(END OF ATTACHMENT B)**

## ATTACHMENT C

### ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

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

10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31<sup>st</sup> of the calendar-year for which information is submitted, for California operations only.

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

**(END OF ATTACHMENT C)**

**ATTACHMENT D  
CALENDAR-YEAR AFFILIATE TRANSACTION REPORT**

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than 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)**