

ALJ/MLC/jt2

Date of Issuance 6/14/2016

Decision 16-06-013 June 9, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of iBasis Retail, Inc. for authorization to obtain a Certificate of Public Convenience and Necessity as a Telephone Corporation pursuant to the provisions of Public Utilities Code Section 1001.

Application 16-02-003
(Filed February 1, 2016)

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

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Summary

Pursuant to Public Utilities Code Section 1001, we grant iBasis Retail, Inc. a certificate of public convenience and necessity to provide resold interexchange service in California subject to the terms and conditions set forth in the Ordering Paragraphs, including payment of \$1,063.02 of user fees and penalties.

1. Background

In Decision (D.) 07-12-061, the Commission granted iBasis Retail, Inc. (iBasis), a certificate of public convenience and necessity (CPCN) (U-7063-C) as a non-dominant interexchange carrier. The obligation to submit user fees and report intrastate revenue and pay resulting surcharges on a monthly basis was established in Appendix A of that decision. iBasis's CPCN to operate in California was revoked on November 5, 2015, in Commission Resolution T-17489. The revocation resulted from iBasis' 1) failure to pay user fees in full, and 2) failure to report intrastate revenue on a monthly basis since October 2010.

On February 1, 2016, iBasis Retail, Inc., a Delaware corporation authorized to do business in California, filed an application for a new CPCN to provide resold interexchange service in California. iBasis proposes to provide resold interexchange services statewide exclusively through prepaid calling cards.

iBasis's principal place of business is located at 10 Maguire Road, Building 3, Lexington, MA 02421.

2. 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

(Pub. Util.) Code Section 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

iBasis proposes to provide resold interexchange services statewide exclusively through prepaid calling cards. iBasis is a telephone corporation and a public utility subject to our jurisdiction.

3. 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 iBasis states that it does not intend to construct any facilities, 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, iBasis must file for additional authority, and submit to any necessary CEQA review.

4. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide resold and interexchange services must demonstrate that it has a minimum of \$25,000 cash or cash equivalent to meet the firm’s start-up expenses.¹ 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

¹ The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

provide the proposed service.² In the application, iBasis provided financial statements and bank statements that \$25,000 would be available to iBasis for one year following certification.³ Since iBasis 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. In addition, iBasis states that it has obtained a continuous performance bond in the amount of \$25,000 which it will provide to the Commission if it is granted operating authority.

5. 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.⁴ iBasis supplied biographical information on its management in Exhibit 5 to its application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In its application, iBasis disclosed information regarding lawsuits and government investigations to which it has been a party. None of the disclosed actions indicated that anyone associated with or employed by iBasis as an affiliate, officer, director, partner, or owner of more than 10% of iBasis was

² 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 Interexchange Carriers is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

³ Because iBasis will provide service through pre-paid calling cards, no deposits with other carriers are required.

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

previously associated with a telecommunications carrier that filed for bankruptcy, or was sanctioned by the Federal Communications Commission. iBasis disclosed two license revocations by state regulatory authorities for failure to pay fees. The Tennessee Regulatory Authority revoked and then reinstated iBasis's license after finding that the revocation was made in error and fees had been paid timely.

The other license revocation was made by this Commission for failure to pay user fees and failure to report intrastate revenue on a monthly basis since October 2010, in Resolution T-17489. iBasis states that it inadvertently failed to pay the user fees timely and upon notification of the revocation it paid all outstanding fees due to the Commission.⁵ iBasis does not owe any Public Purpose Program surcharges.

Pub. Util. Code §§ 401 through 405 require a carrier to report its California Intrastate revenues and remit a corresponding amount of User Fees to the Commission. User Fees are determined by multiplying the carrier's intrastate revenues by a fee factor, which is currently set at 0.23%. The Commission requires carriers with gross intrastate revenues of \$750,000 or less to report this information annually and carriers with intrastate revenue in excess of that amount to report quarterly. D.10-09-017 established a minimum annual user fee of \$100 for non-dominant interexchange carriers. This includes carriers that report no intrastate revenues, like iBasis. Therefore, such carriers must pay an annual user fee based on the Commission-established rate in effect at that time

⁵ While iBasis tendered payment for its past due fees, because its certificate had been revoked, the Commission Fiscal Office did not process the check and thus payment is still required to bring iBasis current in its user fee payments.

(0.18% of gross intrastate revenue prior to January 1, 2016) or \$100, whichever is greater. Upon revocation, iBasis owed past-due user fees of \$1,063.02, including a penalty of 25%. This application approval is subject to payment of this amount for unpaid user fees. The details of user fee compliance are outlined in Appendix B.

We find that iBasis is in compliance with the requirements of D.95-12-056 as it relates to technical qualifications.

6. Tariffs

iBasis proposes to operate on a detariffed basis as it does not intend to provide services for which the Commission requires the filing of a tariff. Therefore, the requirement for filing a tariff is waived. iBasis shall file a tariff, if in the future it determines to provide services requiring a tariff.

7. Map of Service Territory

CPCN applicants are required to clearly describe and provide a map of the service territories it proposes to serve.⁶ iBasis provided a map of its proposed service territory.

8. Expected Customer Base

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

9. Request for Treatment as a Non-Dominant Carrier

Applicant requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util.

⁶ D.13-05-035 Attachment A, item 9 – Area of Service (Maps).

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. In addition, Applicant requests confirmation that it is exempt from any requirement to maintain its books and records in accordance with the Uniform System of Accounts, consistent with the waiver granted in D.99-02-038 to competitive carriers that were not part of an incumbent local exchange carrier's corporate entity. iBasis also meets this criteria.

10. Safety Considerations

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. We feel satisfied that iBasis will meet the Commission's minimum safety goals and expectations of CLECs because iBasis is a public utility that is required pursuant to Pub. Util. Code § 451 to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

11. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Although iBasis previously did not file required reports and neglected to file certain user fees, it

moved promptly to remedy this oversight. Accordingly, we grant iBasis a CPCN to provide resold interexchange telecommunications service in California subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to iBasis and corresponding obligations. iBasis 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), 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, iBasis 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, iBasis is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B 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, iBasis has filed motions for leave to file Exhibit 4 to the application as

confidential material under seal. iBasis represents that the information is sensitive, and disclosure could place iBasis at an unfair business disadvantage. We have granted similar requests in the past and do so here.

13. Categorization and Need for Hearing

In Resolution ALJ 176-3372, dated February 12, 2016, 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 the Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Cooke in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. No comments were received.

15. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Michelle Cooke is the assigned ALJ in this proceeding.

Findings of Fact

1. Notice of the application appeared on the Daily Calendar on February 11, 2016. No protests have been filed. A hearing is not required.
2. iBasis is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).
3. iBasis 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. No deposits are required by other telecommunications carriers in order to provide the proposed service.

5. iBasis's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.

6. iBasis disclosed legal and regulatory actions to which it has been a party.

7. iBasis was previously granted a certificate of public convenience and necessity which was revoked due to failure to remit user fees and to file intrastate revenue reports for purposes of public purpose surcharge payments, although no public purpose surcharges were owed.

8. iBasis promptly contacted the Communications Division to resolve its certificate revocation.

9. iBasis owes past due user fees of \$1,063.02

10. No proposed tariffs are required.

11. iBasis provided a map of the location of its proposed service territory.

12. iBasis provided an estimate of its customer base for the first and fifth year of operation.

13. Pursuant to Rule 11.4, iBasis filed a motion for leave to file confidential materials under seal, including Exhibit 4 to the application.

Conclusions of Law

1. iBasis should be granted a CPCN to provide resold interexchange service in California, subject to the terms and conditions set forth in the Ordering Paragraphs.

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

3. iBasis's motion to file under seal its Exhibit 4 to the application, should be granted for three years.

4. iBasis 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 iBasis Retail, Inc. to provide resold interexchange service in California, subject to the terms and conditions set forth below.

2. iBasis Retail, Inc. shall pay retroactive user fees in the amount of \$1,063.02 within 30 days of the issuance of this decision. Payment shall be made payable to the California Public Utilities Commission and mailed or delivered to the Commission's Fiscal Office at 505 Van Ness Avenue, Room 3000, San Francisco, CA 94102. The check or money order shall include the statement "For deposit to the Commission's user fee account 0462 per Decision 16-xx-xxx."

3. The corporate identification number assigned to iBasis Retail, Inc., U-7301-C, 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. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order.

5. iBasis Retail, 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, iBasis Retail, 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.

6. iBasis Retail, 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.

7. 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, iBasis Retail, 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.

8. iBasis Retail, 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.

9. iBasis Retail, Inc. must pay the 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.

10. iBasis Retail, Inc. must pay the user fee specified in Attachment B. Applicant must pay a minimum user fee of \$100 or 0.23% of gross intrastate revenue, whichever is greater. 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 their authority to operate in California.

11. Prior to initiating service, iBasis Retail, 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.

12. Prior to initiating service, iBasis Retail, Inc. 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 Information Update Request" found at <http://www.cpuc.ca.gov/communications/>. This information must be updated if the name or telephone number changes, or at least annually.

13. iBasis Retail, Inc. must notify the Director of the Communications Division in writing of the date that service is first rendered to the public, no later than five days after service first begins.

14. iBasis Retail, 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.

15. iBasis Retail, 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.

16. iBasis Retail, Inc.'s motion to file under seal its Exhibit 4 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 Commission order or Administrative Law Judge ruling. If iBasis Retail, Inc. believes that it is necessary for this information to remain under seal for longer than three years, iBasis Retail, Inc. may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

17. Application 16-02-003 is closed.

This order is effective today.

Dated June 9, 2016, at San Francisco, California.

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

ATTACHMENT A

Page 1

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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,⁷ a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order.

3. 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.

⁷ Written acceptance filed in this docket does not reopen the proceeding.

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/general.aspx?id=1124>

- 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/surcharges/>. 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. Instructions for reporting filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

4. 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).

5. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.

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

7. 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 its 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.

8. 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.

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. 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 Information Update Request" found at <http://www.cpuc.ca.gov/communications/> 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 service is first rendered to the public, no later than five days after service first begins.

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

12. 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.

13. 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.

14. 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.

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

16. 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.

17. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #3 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.

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

19. Applicant is exempt from Pub. Util. Code §§ 816-830.

20. 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.

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

22. 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)