

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

**Communications Division  
Broadband, Video and Market Branch**

**RESOLUTION T-17563  
May 11, 2017**

**RESOLUTION**

**Resolution T-17563: Approval of funding for the grant application of CalNeva Broadband, LLC from the California Advanced Services Fund (CASF) in the amount of \$511,170 for the Rural Fresno County – Coalinga Huron – Gigabit Project.**

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**I. Summary**

This Resolution approves funding in the amount of \$511,170 from the California Advanced Service Fund (CASF) for the grant application of CalNeva Broadband, LLC (CalNeva) to install a hybrid fiber/coaxial cable system in the communities of Coalinga and Huron in western Fresno County (the Rural Fresno County – Coalinga Huron – Gigabit Project). The Rural Fresno County – Coalinga Huron – Gigabit Project (RFC-CH Gigabit Project) will extend access to a maximum of 100 Mbps service to approximately 5,480 households at a cost of \$93 per household in CASF subsidies. Coalinga and Huron are located southwest of Fresno (approximately 50 miles and 40 miles, respectively) along the I-5 corridor (with the towns on either side of the freeway, approximately 14 miles apart). The RFC-CH Gigabit Project will provide safety and health benefits including, but not limited to, resilient high capacity broadband infrastructure that will provide access to e-health services and voice service that will meet all safety standards, including E911.

**II. Applicant Request**

In January 2017, CalNeva submitted an application for the RFC-CH Gigabit Project and requested \$511,170 (60 percent of the total project estimated costs of \$851,950) for the project. CalNeva proposes to construct a last-mile hybrid fiber/coaxial cable system that will be capable of providing Internet speeds up to 1 Gbps (with service offerings of up to 100 Mbps down) and digital (VOIP) telephony service. If approved, the project will provide approximately 5,480 households with access to broadband at “served” speeds.

*The Community:* Coalinga is located on the western side of the San Joaquin Valley just east of

California's Coastal Mountain Range. Coalinga has a population of approximately 12,220 (52.6% Hispanic and the White, non-Hispanic population at 38.4%) with 42.3% of the population under the age of 25.<sup>1</sup> Coalinga has two high schools, a middle school and three elementary schools (all public), a regional medical center, a library, a police station and a 2-year community college. The Pleasant Valley State Prison and the Coalinga State Hospital are just outside of Coalinga. Major employers include the state prison and hospital, Harris Ranch and associated companies, educational institutions, city government and the regional medical center.<sup>2</sup>

Additionally, Coalinga sold the Claremont Custody Center (a former incarceration center) to Ocean Grown Extracts (a cannabis manufacturing facility) in 2016, and since has experienced a significant growth in real estate. There is an expectation that the cannabis industry will bring continued positive economic benefits to the city.<sup>3</sup>

Huron is located in the San Joaquin Valley west side region approximately five miles east of Interstate 5. Huron has a population of approximately 7,693 (over 99% Hispanic) where over 50% of the population is under the age of 25.<sup>4</sup> Huron has one each public elementary, middle and high school, a health clinic run by a religious organization, a fire and police station. Major employers are primarily agricultural with some additional employment available through the school system and the city.<sup>5</sup>

*Applicant:* CalNeva was formed in 2008 for the sole purpose of acquiring broadband assets from Rapid Communications which was being broken up and sold off as a result of the economic downturn. CalNeva operates in Kern, Lassen, Plumas, Mendocino and Sonoma Counties in California and in Humboldt County in Nevada and offers both cable media and broadband services.

*Project:* The RFC-CH Gigabit Project will encompass the entire city limit of both Coalinga (zip code 93210) and Huron (zip code 93234) and will consist of approximately 50 miles of coaxial cable and 7 miles of fiber optic backbones. The proposed project will construct a network operations center (NOC) in Coalinga, which will be shared by both locations, and install a licensed 11 gigahertz (GHz) microwave link on existing towers connecting the Coalinga NOC to Huron. CalNeva will be able to access backhaul through an existing middle-mile link in a facility in Coalinga.

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<sup>1</sup> Population totals from 2010 census data by census block. Population characteristics from the 2011-2015 American Community Survey 5-Year Estimates.

<sup>2</sup> Data from Fresno County EDC; retrieved March 7, 2017 from <http://fresnocountycities.com/city/city-of-coalinga>

<sup>3</sup> James, Cory. "Coalinga mayor says city real estate booming after commercial cannabis growing approved" *abc30 Action News* March 12, 2017. <http://abc30.com/society/coalinga-mayor-says-city-real-estate-booming-after-commercial-cannabis-growing-approved/1797789/> (retrieved March 27, 2017)

<sup>4</sup> Population totals from 2010 census data by census block. Population characteristics from the 2011-2015 American Community Survey 5-Year Estimates.

<sup>5</sup> Data from the City of Huron website; retrieved March 7, 2017 from <http://cityofhuron.com/living-in-huron/>

In 2016 CalNeva acquired approximately 50 miles of existing cables from Comcast Corporation (Comcast) of which over 90% is aerial. Comcast provided cable services in the area from 2004 to 2015.<sup>6</sup> This infrastructure was owned by Central Valley Cable (CVC) previous to Comcast ownership (in 2013 CalNeva acquired the assets of CVC and filed a “doing business as” (dba) in order to continue operating using the CVC name). CalNeva will upgrade the existing electronics in order to increase broadband capacity.

The fiber optic backbones would be 100% aerial and will be hung on existing utility poles. CalNeva, as a State of California Cable Television Franchise, has pole attachment agreements with both AT&T and PG&E, the local utility providers.

### **III. Notice and Challenges**

There were no commitments made by existing providers to upgrade service in the area before the November 1, 2014, “first right of refusal” deadline.

On January 31, 2017, CD posted the proposed project area map, city locations, zip codes and project summary for the RFC-CH Gigabit Project on the Commission’s CASF webpage under “CASF Application Project Summaries” and also sent notice regarding the project to its electronic service list. CD received no challenges to the proposed project area.

### **IV. Project Review**

#### **A. Project area eligibility**

To qualify for the CASF program, an applicant is required to submit proof that the area is unserved or underserved by submitting shapefiles of the proposed project. CD reviews the submitted shapefiles and compares them with the California Interactive Broadband Availability map (Availability map) to determine whether the area is unserved or underserved.<sup>7</sup> Once CD determines that the area is eligible either as an unserved or underserved area, CD evaluates all other information submitted by the applicant to determine if the project meets the requirements outlined in D.12-02-015.

Information from the Availability map shows the area to be underserved primarily by AT&T wireline services, with average advertised speeds at 7.94 mbps down and .92 up which is

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<sup>6</sup> Comcast submitted an application to the Commission on September 3, 2015 (approved October 8, 2015), to amend their state video franchise. This amendment reduces their franchise footprint by withdrawing from Coalinga and Huron, and other locations ([ftp://ftp.cpuc.ca.gov/VideoFranchiseTemplate/Comcast/Comcast%2032A%20Certificate.pdf](http://ftp.cpuc.ca.gov/VideoFranchiseTemplate/Comcast/Comcast%2032A%20Certificate.pdf)).

<sup>7</sup> Available at <http://www.broadbandmap.ca.gov/map/>.

below the CASF standard of 6 mbps down/1.5 mbps up. CalNeva provided 32 speed tests, which showed an average speed (for both Coalinga and Huron) at 7.3 mbps down and .55 up, with no tests showing served speeds and some tests showing unserved speeds.<sup>8</sup> Staff validated AT&T offerings with an AT&T representative, and he stated that AT&T has limited DSL service offerings in the area.<sup>9</sup> Because both the Availability map data and speed tests showed service below the CASF 6/1.5 standard, CD determined the proposed project area is underserved and therefore eligible for 60% in CASF funding.

### B. Project Criteria Evaluation

CD evaluated the application with respect to the scoring criteria defined in D.12-02-015, Appendix 1, Section VIII (Scoring Criteria). The scoring criteria include: (i) Funds Requested per Potential Customer, (ii) Speed, (iii) Financial Viability, (iv) Pricing, (v) Total Number of Households in the Proposed Area, (vi) Timeliness of Completion of Project, (vii) Guaranteed Pricing Period, and (viii) Low-Income Areas. CD also conducted a qualitative evaluation of the project area, existing infrastructure, and community needs.

*Funds per household:* At the 60 percent reimbursement rate, the proposed project results in a subsidy of \$93 per household, which is the lowest per household cost of all proposed last-mile projects submitted during the current application window. This is a low cost project because it proposes to upgrade existing infrastructure and it is not providing fiber to the premises (which is more costly) nor is it replacing existing cabling.

*Speed:* The proposed project will allow CalNeva to upgrade the existing infrastructure in order to offer served broadband speeds to approximately 5,480 households. CalNeva will provide a maximum of 100 Mbps down and 30 Mbps up although CalNeva stated that the system is capable of delivering up to 1 Gbps. The low cost option offers a maximum speed of 10 Mbps down and 5 Mbps up.

*Financial Viability:* CD determined that CalNeva is a financially viable company. CD's review of the submitted balance sheet, income, cash flow statements and other financial viability variables confirmed that CalNeva has the existing capital resources for the matching funds, as well as a sound financial framework for future operations.

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<sup>8</sup> Not all download speeds from the speed tests were at served speeds although almost all of the upload speeds were at underserved levels. The applicant used the Ookala speed test tool (<http://www.speedtest.net/>); staff concluded that the Ookala speed tool overstates speeds given that the configuration of the tool favors results that show the highest throughput and lowest latency ([ftp://ftp2.cpuc.ca.gov/telco/BB%20Mapping/Field%20Testing/Biba%20Mobile%20BB%20Comparison%209%204%2014%20Filed%20\(2\).pdf](ftp://ftp2.cpuc.ca.gov/telco/BB%20Mapping/Field%20Testing/Biba%20Mobile%20BB%20Comparison%209%204%2014%20Filed%20(2).pdf)).

<sup>9</sup> Information from Eric Batongbacal (Exec. Dir. Regulatory Relations, AT&T Mobility Wireless Operations Holdings); AT&T did not challenge the proposed project after the service list was notified.

CalNeva's 40 percent project investment is \$340,780. The RFC-CH Gigabit Project is expected to become profitable at the middle of the second year, as construction of the fiber backbones will be complete, the connection to the middle mile circuit will be installed and the replacement of the existing electronics along the cable infrastructure will be finished by the end of the first year. The remaining work has to do with installation to the premises, which will begin at the end of the first year. CalNeva estimates that the customer take-rate would be at least at 40 percent within the five years after the CASF grant and that the revenue generated will exceed expenses by the second year.

*Pricing:* CalNeva has committed to a broadband pricing plan under the terms shown below for three years, one more than required under CASF rules, starting from the beginning date of service. There is no long-term commitment by the consumer and activation and installation fees will be waived for the first two years.

	Data Only (in Mbps)*			
	<u>Download</u>	<u>Upload</u>	<u>Data Cap**</u>	<u>Monthly</u>
<b>Residential Tier 1</b>	10	5	100	\$29.95
<b>Residential Tier 2</b>	25	10	200	\$39.95
<b>Residential Tier 3</b>	50	15	300	\$49.95
<b>Residential Tier 4</b>	100	30	500	\$59.95
<b>Commercial</b>	100	30	no limit	\$99.95
<b>Digital Phone</b>	<b>Residential Phone Only</b>		\$29.99	
	<b>Commercial Phone Only</b>		\$49.99	
	<b>Discount w/Data</b>		(\$10.00)	

\* Installation fee waived for first two years, \$65.00 thereafter

\*\* Data cap violation charge (not applied in first instance): \$1 per gigabit with the maximum charge being the difference between their existing package and the rate of the package that would have provided enough traffic.

*Households in Project Area:* Based on the 2010 census block data for the Coalinga and Huron area, there are about 5,480 households in the project area, with 3,948 households in Coalinga and 1,835 households in Huron. If approved, the applicant expects to serve 2,192, or 40%, of these households.

*Timeliness of Completion:* CalNeva submitted detailed planning documents, including a schedule with clear milestones to indicate it will complete construction of the project within 24 months from the Commission approval date.

*Guaranteed Pricing Period:* CalNeva has committed to maintaining the quoted pricing plan for a minimum of three years, which is above the CASF programs two year required commitment.

*Low-Income Areas:* Based on the 2010 census block data, Huron is a very low-income community (with a MHI of \$29,572). In fact, 35.8% of the individuals in Huron are below the poverty line.<sup>10</sup> Coalinga has a higher MHI (\$54,104), but still below the MHI for the State of California (\$61,094). In Coalinga, 23.2% of individuals are below the poverty line.<sup>11</sup> The weighted average MHI for both communities is \$47,369, which classifies the project area as low income (which below 80% of the state MHI) with poverty rates above the statewide poverty rate of 15.9%. Thus, this project proposes to serve low-income areas having above-average rates of poverty.

### C. Safety and Community Input Considerations

Although not required, CASF rules provide that the applicant may submit endorsements or letters of support from the local government, community groups and anchor institutions supporting the deployment of the broadband infrastructure.<sup>12</sup> While CalNeva did not solicit for community support, CD contacted the San Joaquin Central Valley Consortium (SJCVC) to inquire about this project. SJCVC expressed support for the proposed project, stating that this is a great project, given its low cost and high impact.

This project will install fiber backbones connecting the various governmental, health and educational facilities within the city should the need arise for a direct fiber connection. Such fiber backbones can provide resilient, reliable and secure data transmission for local institutions with the additional benefit of providing far greater capacity to the entire community. Having true broadband speeds to all households and businesses within the city limits is a significant benefit as the demands for connectivity continue to expand. Safety benefits include access to e-health and government services and voice service that will meet all safety standards, including E911.

### D. Staff Recommendation for Funding

CD has determined that CalNeva's grant application for the RFC-CH Gigabit Project qualifies for CASF funding as an underserved area. The proposed project is the first project proposal submitted for CASF funding by a cable company. The proposed project is very low cost relative to other CASF grant requests (at \$93 per household). This low cost is achieved by utilizing and improving upon existing infrastructure and represents a great value for

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<sup>10</sup> Percentage of people below the poverty line is from the 2011-2015 American Community Survey 5-Year Estimates

<sup>11</sup> *Ibid.*

<sup>12</sup> D.12-02-015, Guidelines, Section 19, p. 11

California's ratepayers. The buildout of fiber backbones will also provide for the increased capacity required for the local communities to further move into the digital economy.

CD staff finds that the RFC-CH Project meets CASF program rules and aligns with CASF's goal to encourage the deployment of high-quality, advanced information and communications technologies to all Californians in order to promote economic growth, job creation, and substantial social benefits. The proposed project would improve services to an area in need of served services. Therefore, CD recommends the RFC-CH Project be approved for a CASF grant award of \$511,170.

## **V. Compliance Requirements**

CalNeva is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D.12-02-015, D.14-02-018, and Resolution T-17443. Such compliance includes, but is not limited to:

### **A. California Environmental Quality Act (CEQA)**

All CASF grants are subject to California Environmental Quality Act (CEQA) requirements unless the project is statutorily or categorically exempt pursuant to the CEQA Guidelines.

CalNeva has provided the Commission with their plan to use existing infrastructure for the installation of a last-mile hybrid fiber/coaxial cable system to homes in Coalinga and Huron. The existing infrastructure consists of approximately 50 miles of cable, 90% of which is aerial and the remaining underground. CalNeva will upgrade the electronics in order to increase broadband capacity but will not replace the cable. For the fiber backbone, fiber strands will be placed on existing utility poles. CalNeva has pole attachment agreements with the local utility providers. The installation of the microwave link to connect the Coalinga to Huron will require installing antennas on the existing towers (three locations). Cables will connect the antenna on the tower to the equipment inside an adjacent building in Coalinga and Huron and into an equipment cabinet at the hub site on a local hill. None of these cables will be buried as they enter the building and cabinet directly from the tower. A network operations center will be installed in the adjacent building in Coalinga.

Based on the above information the project qualifies for the following categorical exemptions from CEQA: This project meets the criteria of the CEQA categorical exemption for existing facilities CEQA Guidelines § 15301 (Existing Facilities) and CEQA Guidelines § 15302 – Replacement or reconstruction of existing structures and facilities.

B. Deployment Schedule

The Commission expects CalNeva to complete the project within 24 months from start date (as determined by the procedure below). If CalNeva is unable to complete the proposed project within the 24-month timeframe, it must notify the Commission, by sending a letter to CD's Director as soon as CalNeva becomes aware of this possibility. The Commission may reduce payment for failure to notify CD's Director and satisfy this requirement.

C. Execution and Performance

CD and CalNeva shall determine a project start date after the CASF grant recipient has obtained all approvals. By receiving a CASF grant from the Commission, CalNeva agrees to comply with the terms, conditions, and requirements of the grant and thus submit to the jurisdiction of the Commission with regard to disbursement and administration of the grant. Should CalNeva or any Contractor it retains fail to commence work by the designated date, upon five days written notice to CalNeva, the Commission may terminate the grant. In the event that CalNeva fails to complete the project in accordance with the terms of CPUC approval as set forth in this resolution, CalNeva must reimburse some or all of the CASF funds that it has received.<sup>13</sup>

CalNeva must complete all performance under the award on or before the termination date of the award.

D. Performance Bond

CASF rules require a performance bond for non-telephone corporations to ensure complete construction of the project in accordance with the approved grant.<sup>14</sup> In accordance with D.14-12-018, CalNeva, a non-telephone corporation, is required to obtain a performance bond prior to the construction phase of the RFC-CH Gigabit Project.<sup>15</sup>

E. Price Commitment Period

The minimum required price commitment period for broadband service to all last-mile households within the project area is two years. CalNeva guarantees the price of service for

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<sup>13</sup> Pursuant to Pub. Util. Code § § 2018 and 2111, the Commission can enforce compliance measures in both the construction and the post-construction phases of the RFC-CH project, and can impose penalties for non-compliance.

<sup>14</sup> D.14-02-018, pp. 11-12

<sup>15</sup> See D.14-02-018, pp. 11-12, 33-34, which states, "the Commission may enforce compliance measures using the Commission's enforcement authority pursuant to §§ 2108 and 2111. All grantees must currently comply with a number of requirements during the construction phase, and the Commission will enforce all existing requirements on newly eligible non-telephone corporations."

three years.

F. Project Audit

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.

CalNeva's invoices will be subject to a financial audit by the Commission at any time within three years of completion of the work.

G. Providing Voice Service

CalNeva will offer VoIP telephone service that meets FCC standards for E-911 service and battery back-up. CalNeva offers two levels of service: residential and commercial. Both services include Voice Mail, three way and conference calling, caller ID, unlimited local and long distance calling (presently) to locations in the US , Canada, Mexico and other Latin American countries. VoIP Telephony will be available simultaneously with Internet access.

H. Reporting

All grantees must submit quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment.

Before full payment of the project, CalNeva must submit a project completion report. Progress reports shall use the schedule for deployment, major construction milestones and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

CalNeva shall also include test results showing the download and upload speeds on a CBG and ZIP code basis in the final completion report. Recipients must certify that each progress report is true and correct under penalty of perjury.

I. Submission of Form 477

The FCC currently requires broadband providers to biannually submit the Form 477, which includes speed data. While there is an imperfect match between the data that is reported in the Form 477 and to the CASF, CD staff finds that the Form 477 data will be useful to document CASF deployment for the new service area of the carrier. CASF recipients shall submit a copy of their Form 477 data directly to the Commission, under General Order 66-C,

when they submit this data to the FCC for a five-year period after completion of the project.<sup>16</sup>

#### J. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. CalNeva has committed to follow state prevailing wage requirements with regards to this project.

### **VI. Payments to CASF Recipients**

Submission of invoices from and payments to CalNeva shall be made at 25 percent completion intervals, in accordance with Section XI of Appendix 1 of D.12-02-015 and according to the guidelines and supporting documentation required in D.12-02-015.

Payment to CalNeva shall follow the process adopted for funds created under Pub. Util. Code, § 270. The Commission generally processes payments within 20-25 business days, including CD and Administrative Services review time. The State Controller's Office (SCO) requires an additional 14- 21 days to issue payment from the day that requests are received by SCO from Administrative Services. CalNeva must submit a project completion report before full payment.

### **VII. Comments on Draft Resolution**

In compliance with Pub. Util. Code, § 311(g), a notice letter was e-mailed on April 7, 2017, informing all parties on the CASF Distribution List of the availability of the draft of this resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/PUC/documents/>. CD did not receive any comments on this resolution.

### **VIII. Findings**

1. CalNeva filed an application for CASF funding for its RFC-CH Gigabit Project in January, 2017. The proposed project will install a hybrid fiber/coaxial cable system in the communities of Coalinga and Huron in western Fresno County.
2. The RFC-CH Gigabit Project will upgrade the electronics on existing last-mile infrastructure (50 miles of coaxial cable) in order to increase broadband capacity and will install new fiber backbones in Coalinga and Huron. The upgraded infrastructure

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<sup>16</sup> Approval of the California Advanced Services Fund (CASF) Application Requirements and Scoring Criteria for Awarding CASF Funds (2008) Cal. P.U.C. Res. No. T-17143 at 4.

will provide reliable, high-speed internet to approximately 5,480 households with offered speeds up to 100 mbps down and 30 mbps up.

3. CalNeva is requesting a \$511,170 infrastructure grant, with a total budget of \$851,950 (60% grant funding for an underserved location).
4. CD posted the proposed project area map and project summary for CalNeva's RFC-CH Gigabit Project on the Commission's CASF webpage under "CASF Application Project Summaries". A notice letter was e-mailed on January 31, 2017, informing all parties on the CASF distribution list of the project submission. CD received no challenges to the proposed project.
5. CD reviewed and analyzed data submitted for CalNeva's RFC-CH Gigabit Project CASF grant application to determine the project's eligibility for CASF funding. This data included, but was not limited to: geographic information system (GIS) formatted shapefiles mapping the project areas; assertion that the area is underserved; number of potential subscriber households and average incomes; project construction schedule; project budget; proposed pricing and commitment period for new subscribers; and financial viability of the applicant.
6. CD reviewed the submitted shapefiles, which mapped the proposed broadband deployment using United States 2010 Census data and the California Interactive Broadband Availability Maps, with availability data current as of December 31, 2015. These maps helped to verify the availability and speed of any broadband service, where available. CD determined that the project area is underserved.
7. Based on its review, CD determined that the project qualifies for funding under D.12-02-015 as an underserved area and recommends Commission approval of CASF funding for CalNeva's RFC-CH Gigabit Project.
8. CalNeva is required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D.12-02-015, D.14-02-018, Resolution T-17443, and this Resolution, and with all applicable laws, including the State's prevailing wage requirements. CalNeva must also submit the FCC Form 477, as specified in Resolution T-17143.
9. By receiving a CASF grant from the Commission, CalNeva agrees to comply with the terms, conditions, and requirements of the grant and thus submit to the jurisdiction of the Commission with regard to disbursement and administration of the grant.
10. CASF rules require a performance bond for non-telephone corporations to ensure

complete construction of the project in accordance with the approved grant.<sup>17</sup> In accordance with D.14-12-018, CalNeva, a non-telephone corporation, is required to obtain a performance bond prior to construction of the RFC-CH Gigabit Project.

11. The Commission has determined that the project is categorically exempt from CEQA review, under Sections 15301 and 15303 of the CEQA Guidelines because the project involves minor modifications to existing structures and facilities.
12. Pursuant to Pub. Util. Code §§ 2018 and 2111, the Commission can enforce compliance measures in both the construction and the post-construction phases of the RFC-CH project, and can impose penalties for non-compliance.
13. A notice letter was e-mailed on April 7, 2017, informing all applicants filing for CASF funding, parties on the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website. CD did not receive any comments on this resolution.
14. The Commission finds CD's recommendation to fund CalNeva's project, as summarized in Appendix A, to be reasonable and consistent with Commission orders.

**THEREFORE, IT IS ORDERED that:**

1. The Commission shall award \$511,170 to CalNeva for the RFC-CH Gigabit Project as described herein and summarized in Appendix A of this Resolution.
2. The program fund payment of \$511,170 for this project in underserved areas shall be paid out of the CASF Infrastructure Grant Account in accordance with the guidelines adopted in D.12-02-015.
3. CalNeva is required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D.12-02-015, D.14-02-018, Resolution T-17443, and this Resolution, and with all applicable laws, including the State's prevailing wage requirements. CalNeva must also submit the FCC Form 477, as specified in Resolution T-17143.
4. By receiving a CASF grant from the Commission, CalNeva agrees to comply with the terms, conditions, and requirements of the grant and thus submit to the

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<sup>17</sup> D.14-02-018, pp. 11-12

jurisdiction of the Commission with regard to disbursement and administration of the grant.

5. In accordance with D.14-12-018, CalNeva, a non-telephone corporation, must obtain a performance bond prior to construction of the RFC-CH Gigabit Project.
6. CalNeva must complete all construction covered by the grant on or before the grant's termination date. If the project will not be completed within the 24-month time frame, CalNeva must notify the Director of CD as soon as it becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement.
7. CalNeva must submit a project completion report prior to receiving final payment.
8. If CalNeva fails to complete the project in accordance with the terms outlined in D.12-02-015 and with the terms of the Commission's approval, as set forth in this resolution, CalNeva must reimburse some or all the CASF funds it has received.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 11, 2017. The following Commissioners approved it:

/s/ Timothy J. Sullivan

TIMOTHY J. SULLIVAN  
Executive Director

MICHAEL PICKER  
President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN  
Commissioners

## Appendix

**APPENDIX A**  
**Resolution T-17563 – RFC-CH Gigabit Project**  
**CASF Applicant Key Information**

<i>Project Name</i>	<b>CalNeva's RFC-CH Gigabit Project</b>
<i>Project Plan</i>	The proposed project will upgrade the electronics on existing last-mile infrastructure (50 miles of coaxial cable) in order to increase broadband capacity and will install new fiber backbones in Coalinga and Huron. The project will provide reliable, high-speed internet with offered speeds up to 100 mbps down and 30 mbps up. The project will fund the buildout of a network operations center (NOC) in Coalinga which will be shared by both locations and the installation of a licensed 11 GHz microwave link on existing towers to connect the Coalinga NOC to Huron.
<i>Project Size (in sq. miles)</i>	Approximately 3
<i>Download/Upload speed</i>	100 Mbps down, 50 Mbps Up offered, with a maximum potential of 1 Gbps
<i>Location</i>	Western Fresno County
<i>Community Names</i>	Coalinga and Huron
<i>Census Block Groups</i>	060190081004, 060190079022, 060190079021, 060190080001, 060190080004, 060190080003, 060190081001, 060190081003, 060190080005, 060190080002, 060190081002
<i>Median Household Income (of proposed last-mile service area)</i>	\$47,369 weighted average for both locations \$54,104 for Coalinga \$29,572 for Huron
<i>Zip Codes</i>	93234, 93210
<i>Estimated potential last-mile subscriber size</i>	5,480 households
<i>Applicant expectations</i>	2,192 households (40 percent)
<i>Pricing Plan (Monthly)</i>	Residential (four tiers) Lowest : 10 / 5 Mbps (down/up) \$29.95; Highest 100 / 30 Mbps (down/up) - \$59.95;
<i>Deployment Schedule</i>	24 Months
<i>Proposed Project Budget</i>	\$851,950
<i>Amount of CASF funds requested (60 percent)</i>	\$511,170
<i>Self-Funding</i>	\$340,780

Appendix B  
Resolution T-17563 CalNeva’s RFC-CH Gigabit Project  
Project location Map and Existing Wireline Service

