

Decision 17-07-009 July 13, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Tel-One Network Services, Inc. for a Certificate of Public Convenience and Necessity to Operate as a Competitive Local Carrier (“CLC”) in order to Provide Facilities-Based High-Speed Fiber-Optic-Based Broadband Services (50 megabit and higher) to Residential and Business customers within the City and County of San Francisco.

Application 16-08-008
(Filed August 16, 2016)

**DECISION GRANTING TEL-ONE NETWORK SERVICES, INC. A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
IN ORDER TO PROVIDE COMPETITIVE LIMITED FACILITIES-BASED
TELECOMMUNICATIONS SERVICES AS A NON-DOMINANT
INTEREXCHANGE LOCAL EXCHANGE CARRIER**

Summary

Pursuant to Public Utilities Code Section 1001, we grant Tel-One Network Services, Inc. a Certificate of Public Convenience and Necessity to provide competitive limited facilities-based telecommunications services as a non-dominant interexchange local exchange carrier in the City and County of San Francisco, subject to the terms and conditions set forth in the Ordering Paragraphs.

This proceeding is closed.

1. Background

On August 16, 2016, Tel-One Network Services, Inc. (Tel-One), a California corporation, filed an application for a Certificate of Public Convenience and Necessity (CPCN) to provide full facilities-based broadband services as a

Non-Dominant Interexchange Carrier (NDIEC) and Competitive Local Exchange Carrier (CLEC) in the City and County of San Francisco.

Tel-One proposes to provide 50 megabit and above broadband internet services to business and residential customers via: 1) fiber optic cable that is either leased from other companies, or placed within existing rights-of-way and/or conduits that are leased from other companies; or 2) wired broadband delivered using High Level Data Link Control protocol over traditional copper cabling; or 3) low power point-to-point microwave communication facilities, using Federal Communications Commission (FCC) approved spread-spectrum technologies.

Tel-One's principal place of business is located at 286 12th Street, San Francisco, California 94103.

All rulings by the assigned Commission and Administrative Law Judge (ALJ) are affirmed herein.

2. Jurisdiction

Public Utilities Code (Pub. Util. Code)¹ § 216(a) defines "public utility" to include a "telephone corporation," which in turn is defined in § 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state." Pursuant to § 1001, the Commission has the authority to grant a CPCN to a "telephone corporation" constructing "a line, plant, or system, or of any extension."

Tel-One proposes to lease existing infrastructure from other carriers to deliver high speed (50 megabit and above) internet to customers using fiber optic

¹ All references to code sections in this decision refers to the California Public Utilities Code unless otherwise identified.

connections augmenting the optical service with point-to-point wireless transmission of Internet Protocol using fixed-LTE and/or point-to-point spread spectrum technologies. This network will utilize a combination fiber optic network facilities and microwave technologies. The fiber optic portion of the network will interconnect with the Public Switched Telephone Network (PSTN). Tel-One's proposed service will offer transmission services to other telephone corporations under Commission jurisdiction as well as to business customers. Carriers purchasing Tel-One's transmission will then be able to offer telephone service to their customers over Tel-One's fiber optic network.

In order to offer the proposed services, Tel-One needs to install interconnection and signal multiplexing facilities within AT&T's service territory. Tel-One needs a CPCN both to negotiate the interconnections and to build its network on public rights-of-way. In its application and responses to ALJ rulings, Tel-One states clearly its intent to operate as a telephone corporation subject to Commission jurisdiction.

The FCC classifies wireless broadband internet access service as "Information Service" while the transmission component of wireless broadband internet access service is classified as "Telecommunication" and not "Telecommunications Service."² Since the transmission of wireless broadband service is classified as telecommunications by the FCC, and Tel-One is required to hold a CPCN in order to enter into interconnection agreements and to build its

² See FCC Declaratory Ruling FCC 07-30 which states "In this Declaratory Ruling, we find that wireless broadband Internet access service is an information service under the Communications Act of 1934, as amended (Communications Act or Act). We also find that the transmission component of wireless broadband Internet access service is "telecommunications" and that the offering of the telecommunications transmission component as part of a functionally integrated Internet access service offering is not "telecommunications service" under Section 3 of the Act.

facilities in public right-of-ways, Tel-One is required to hold a CPCN from the Commission. Therefore, Tel-One is a telephone corporation and a public utility subject to our jurisdiction.

In its January 9, 2017 response to an ALJ ruling requesting information, Tel-One stated that it will provide telecommunications services in compliance with § 153 of the Federal Telecommunications Act of 1996 (Act) eligible to interconnect with the PSTN pursuant to § 251 and § 252 of the Act, and that if granted a CPCN, it will operate as a telephone corporation under Pub. Util. Code § 234(a), and obey the Pub. Util. Code and all Commission rules, decisions, and orders applicable to telephone corporations.

3. Limited versus Full Facilities-Based CPCN

In its application, Tel-One requested a full facilities-based CPCN, but did not identify any specific facilities to be built. In her February 6, 2017 ruling, the ALJ stated, in part, that, given the language in the application, unless something more was forthcoming, the application would be treated as a request for a limited facilities-based CPCN. In its Response, Tel-One amended its application as a request for limited facilities-based authority. Therefore, this application will be treated as a request for limited facilities-based authority. The treatment of Application (A.) 16-08-008 as a request for a competitive limited facilities-based CPCN does not preclude Tel-One from filing an application at a later date to pursue a competitive full facilities-based CPCN. Tel-One must not begin construction of facilities beyond those authorized by this decision until further approval is granted.

4. California Environmental Quality Act (CEQA)

Pursuant to the CEQA³ and Rule 2.4 of Commission's Rule of Practice and Procedure (Rules), the Commission acts as the designated lead agency to consider the environmental consequences of projects that are subject to our approval in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since Tel-One states that it does not intend to construct any facilities other than equipment to be installed in existing buildings or structures, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, Tel-One 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 competitive limited facilities-based services must demonstrate that it has a minimum of \$100,000 cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses.⁴ 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.⁵ In the application, Tel-One provided its 2015 balance sheet showing current

³ Public Resources Code § 21000 *et seq.*

⁴ The financial requirement for CLEC is contained in Decision (D.) 95-12-056, Appendix C. The financial requirement for NDIEC is contained in D.91-10-041.

⁵ The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

assets exceeding \$100,000. Tel-One also states that it maintains a line of credit of \$60,000 from its banking institution and an additional \$250,000 line of credit from its principals. Tel-One confirms availability of these funds as required for the granting of a CPCN. We remind Tel-One that such lines of credit must remain available for one year beyond certification. Tel-One has demonstrated that it has sufficient funds to meet its start-up expenses and any interconnection fees from AT&T, so has fulfilled this requirement. Tel-One's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds are available.

Tel-One has stated that no deposit is required by AT&T, Cogent Communications, Utilities Telephone, and others. Therefore, no additional resources are required at this time to cover deposits.

6. Technical Qualifications

To be granted a CPCN, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁶ Tel-One supplied biographical information on its management in Exhibit I to its application that demonstrates it has sufficient expertise and training to operate as a telecommunications provider.

In its March 27, 2017 response to an ALJ ruling requesting information, Tel-One verified that no one associated with or employed by Tel-One as an affiliate, officer, director, partner, or owner of more than 10 percent of Tel-One: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has

⁶ D.95-12-056 at Appendix C, Rule 4.A.

been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, et seq., §§ 17200, et seq., or §§ 17500, et seq., of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule or order.⁷

For the above reasons, we find that Tel-One is in compliance with the requirements of D.95-12-056.

7. Tariffs

Tel-One has requested de-tariffed status and may be exempt from the requirement to file tariffs provided that Tel-One complies with the consumer protection rules identified in D.98-08-031.

⁷ These certifications are required by D.13-05-035, Ordering Paragraph 14.

8. Map of Service Territory

To be granted a CPCN for authority to provide competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.⁸ In its Response, Tel-One provided a map of the location of its proposed service territory, in compliance with this requirement.

9. Expected Customer Base

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

10. Request for Treatment as a Non-dominant Carrier

Applicant requests treatment as a 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 Tel-One 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 NDIEC status, provided that it follows all rules detailed in the above referenced decisions.⁹

11. 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

⁸ D.95-12-056 at Appendix C, Rule 4.E.

⁹ 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.

Tel-One will meet the Commission's minimum safety goals and expectations of CLECs because: (1) Tel-One has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) Tel-One 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."

12. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant Tel-One a CPCN to provide competitive limited facilities-based telecommunications services as a NDIEC and CLC in the City and County of San Francisco subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to Tel-One and corresponding obligations. Tel-One receives authority to operate in the prescribed service territory, and this authority enables Tel-One, pursuant to Section 251 of the 1934 Communications Act, as amended by the 1996 Telecommunications Act (47 U.S.C. 251), to interconnect with telecommunications carriers.¹⁰ This authority also enables Tel-One to obtain 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.

¹⁰ The California Public Utilities Code uses the term "telephone corporation." Its counterpart in federal law is a "telecommunications carrier."

In return, Tel-One is obligated to comply with all Public Utilities Code provisions, Commission rules, General Orders, and decisions applicable to telephone corporations providing approved services. The applicable statutes, rules, General Orders, and decisions include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, Tel-One 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 § 451 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

13. Categorization and Need for Hearings

In Resolution ALJ 176-3384, dated September 15, 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. Waiver of Comment Period on Proposed Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to § 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

Liane Randolph is the assigned Commissioner and S. Pat Tsen is the assigned ALJ in this proceeding.

Findings of Fact

1. A.16-08-008 was filed on August 16, 2016. No protests have been filed. A hearing is not required.
2. Tel-One is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).
3. Tel-One will not construct any facilities other than equipment to be installed in existing buildings or structures.
4. Tel-One's authority to provide telecommunications services will not have a significant adverse effect upon the environment.
5. Tel-One has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
6. Tel-One has sufficient additional cash or cash equivalent to cover deposits that may be required by other telephone corporations in order to provide the proposed service.
7. Tel-One's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
8. No one associated with or employed by Tel-One as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of Tel-One: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license

or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of §§ 17000, et seq., §§ 17200, et seq., or §§ 17500, et seq., of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; or (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the FCC or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

9. Tel-One requested and is eligible for exemption from tariffing requirements and must observe the consumer protection rules adopted in D.98-08-031.

10. Tel-One provided a map of the location of its proposed service territory.

11. Tel-One provided an estimate of its customer base for the first and fifth year of operation.

Conclusions of Law

1. Tel-One should be granted a CPCN to provide competitive limited facilities-based telecommunications service as a CLEC in the City and County of San Francisco, subject to the terms and conditions set forth in the Ordering Paragraphs.

2. Tel-One should be granted competitive limited facilities-based authority and may not construct any facilities other than equipment to be installed in existing buildings or structures.

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

4. Tel-One should be granted an exemption from the requirement to file tariffs.

5. Tel-One 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 Tel-One Network Services Inc. to provide competitive limited facilities-based local exchange telecommunications services as a Non-Dominant Interexchange Carrier and Competitive Local Carrier in the City and County of San Francisco, subject to the terms and conditions set forth below.

2. The corporate identification number assigned to Tel-One Network Services Inc., U-7327-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.

3. Tel-One Network Services, 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 decision. Written acceptance filed in this docket does not reopen the proceeding.

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

5. Tel-One Network Services, Inc. must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

6. Tel-One Network Services Inc. (Tel-One) 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, Tel-One 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.

7. Tel-One Network Services, 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.

8. 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, Tel-One Network Services, 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.

9. Tel-One Network Services, Inc. must pay the public purpose surcharges specified in Attachment B, and the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

10. Tel-One Network Services, Inc. must pay an annual minimum user fee of \$100 or 0.23 percent 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, Tel-One Network Services, Inc. must provide the Commission's Consumer Affairs Branch with the name(s), address(es), and telephone number(s) of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name(s), address(es), or telephone number(s) change, or at least annually.

12. Prior to initiating service, Tel-One Network Services, Inc. must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) of its designated regulatory/official contact person(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. Tel-One Network Services, Inc. must submit to the Director of the Communications Division 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.

14. Tel-One Network Services, Inc. must submit an annual report to 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.

15. Tel-One Network Services, Inc. must not construct any facilities other than equipment installed in existing buildings or structures.

16. Application 16-08-008 is closed.

This decision is effective today.

Dated July 13, 2017, at San Francisco, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

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,¹ a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months of the date of this decision.

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).

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

- 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/General.aspx?id=1124>.

- i. 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/General.aspx?id=1010>. To request a user ID and password for TUFFS online filing and for questions, please e-mail Telco_surcharges@cpuc.ca.gov.
- ii. Carriers must submit and pay the PUC User Fee (see Item 3.g above) upon receiving the User Fee statement sent by the Commission. Instructions for reporting and 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. If Applicant is a competitive local exchange carrier (CLC), the effectiveness of its future tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. If 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).

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

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. Applicants providing local exchange service must submit to the Director of the Communications Division a service area map as part of their initial tariff.

10. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name(s), address(es), and telephone number(s) of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name(s), address(es), and telephone number(s) change, or at least annually.

11. In addition, Applicant must provide the Commission's Communications Division with the name(s), address(es), and telephone number(s) 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(s), address(es), and telephone number(s) change, or at least annually.

12. Applicant must notify the Director of the Communications Division in writing, no later than five days after service first begins, of the date that local exchange service is first rendered to the public.

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

14. 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.

15. Applicant must submit an annual report to 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.

16. Applicant must submit an affiliate transaction report to 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.

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

18. 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.

19. 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 submit or remit late, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

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

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

22. 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.

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

24. 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 submitted to 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 submit 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 submitted to 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 submit, 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)