

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Synergem Technologies, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Limited Facilities-Based Competitive Local Exchange and 911 Call Transport Telecommunications Services within California.

Application 17-07-004

DECISION GRANTING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE RESOLD AND COMPETITIVE LIMITED FACILITIES-BASED LOCAL EXCHANGE AND 911 CALL TRANSPORT TELECOMMUNICATIONS SERVICES WITHIN CALIFORNIA

Summary

Pursuant to Public Utilities Code Section 1001, we grant Synergem Technologies, Inc. a certificate of public convenience and necessity to provide resold and limited facilities based competitive local exchange and 911 call transport telecommunications services within California subject to the terms and conditions set forth in the Ordering Paragraphs. This proceeding is closed.

1. Procedural Background

Synergem Technologies, Inc. (Synergem or Applicant) is a Delaware corporation¹ seeking authority to provide resold and facilities-based competitive local exchange and 911 call transport telecommunications services within the

¹ Synergem’s principal business address is 523 South Stephens Street, Pilot Mountain, NC 27041.

State of California in the service territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T), Frontier California Inc. (Frontier California)², Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated, formerly SureWest Telephone³) and interexchange service in California.

Synergem will provide 911 call routing to customers who are local carriers, public safety organization and governmental entities, using a combination of time division multiplexing (TDM) and voice over internet protocol (VoIP) technologies. Synergem intends to use its own switching facilities and to obtain transport from other carriers.

No protests or responses to the application were filed.

Synergem filed this application on June 30, 2017. Notice of the application appeared on the daily calendar on July 12, 2017. A telephonic prehearing conference (PHC) was held on September 8, 2017.⁴

² Frontier California was formerly Verizon California, Inc. (Verizon). As of April 1, 2016, Verizon's operations in California were acquired and are now operated by Frontier California, Inc., pursuant to Decision (D.) 15-12-005.

³ SureWest Telephone was acquired by Consolidated Communications Inc. in 2012, pursuant to D.12-06-004, and SureWest Telephone changed its name to Consolidated Communications of California Company as of January 1, 2016.

⁴ Synergem was represented by its consultant, Jerry Weikle, who is designated in the application as the person upon whom service of notices, orders and other correspondence regarding the application should be sent. Sandra Hallman, chief financial officer and vice president of administration at Synergem, and Danny McGinnis, Synergem's project manager for network solutions, also participated in the teleconference.

2. Jurisdiction

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

Synergem proposes to provide 911 call routing to customers who are local carriers, public safety organization and governmental entities, using a combination of TDM and VoIP technologies. Synergem is a telephone corporation and a public utility subject to our jurisdiction.

Synergem provided certification that it is a Common Carrier as defined by Section 153 of the Federal Telecommunications Act of 1996 (Act) eligible to interconnect with the public switched telephone network pursuant to Section 251 and Section 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. California Environmental Quality Act (CEQA)

CEQA (Public Resources Code Sections 21000 *et seq.*) applies to discretionary projects to be carried out or approved by public agencies. A basic purpose of CEQA is to “inform governmental decision-makers and the public about the potential significant environmental effects of the proposed activities.” (Title 14 of the California Code of Regulations (hereafter CEQA Guidelines), Section 15002.)

Pursuant to CEQA and Rule 2.4, 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.

Synergem does not propose to deploy its own network facilities. Rather, Synergem intends to provide resold local exchange services utilizing existing facilities and services of incumbent local exchange carriers and interexchange carriers.

Since Synergem 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, Synergem 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 limited facilities-based and resold local exchange 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.⁵ 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.⁶

⁵ The financial requirement for Competitive Local Exchange Carriers (CLECs) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIECs) is contained in D.91-10-041.

⁶ The requirement for Competitive Local Exchange Carriers (CLECs) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local

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With its application, Synergem provided supporting financial documentation (under seal) demonstrating that it possesses a minimum of \$100,000 that is reasonably liquid and available,⁷ therefore, it has demonstrated that it has sufficient funds to meet its start-up expenses and has fulfilled this requirement. Synergem's financial documentation will be subject to verification and review by the Commission for one year to ensure that such funds remain available.

Synergem will initially interconnect with AT&T. In its application, Synergem states that no deposit has been required by AT&T. Therefore, no additional resources are required at this time to cover deposits.

5. Technical Qualifications

To be granted a CPCN for authority to provide competitive limited local exchange service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.⁸ Synergem supplied biographical information on its management in Exhibit E to its application,⁹ that demonstrates it has sufficient expertise and training to operate as a telecommunications provider of 911 services.

Exchange Carriers (LEC) and/or ILECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

⁷ Synergem submitted under seal, an unaudited balance sheet, a bank statement and a profit and loss statement along with acceptable financial documentation demonstrating that it has access to a line of credit in excess of the \$100,000 required under D.91-10-041.

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

⁹ Synergem's management team, which demonstrates many years of experience in both the telecommunications and public safety industries, is comprised of Frank Holt, Chairman and Chief Executive Officer; Myron S. Herron, Jr., President and Chief Technology Officer; Jeff Schlueter, Chief Operating Officer; Sandy Hallman, Secretary/Treasurer and Chief Financial Officer; Stephen F. O'Connor, Director of Government and Industry Relations; C.A. Patrick

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In its application, Synergem verified that no one associated with or employed by Synergem as an affiliate, officer, director, partner, or owner of more than 10 percent of Synergem: (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; (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 Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order. ¹⁰

Voigt, Director of Network Engineering and Jon M. Samuels, Vice President Business Development.

¹⁰ These certifications are required by D.13-05-035, Ordering Paragraph 14.

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

6. Tariffs

Synergem provided draft tariffs as an Exhibit G to its application. Commission staff reviewed Synergem's draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A to this decision. In its compliance tariff filing, Synergem shall correct these deficiencies as a condition of our approval of its application.

7. Map of Service Territory

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.¹¹ In Exhibit C to its application, Synergem provided a map of its proposed service territory, which is essentially the entire state of California.

8. Expected Customer Base

Synergem provides its estimated customer base for the first and fifth years of operation in paragraph 15 on page 6 of its application. Therefore, Synergem has complied with this requirement.

9. 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. The Commission is satisfied that Synergem will meet the Commission's minimum safety goals and

¹¹ D.95-12-056 at Appendix C, Rule 4.E.

expectations of competitive local exchange carriers (CLECs) because: (1) Synergem has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) Synergem 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."

10. Conclusion

We conclude that the application conforms to our rules for certification as a competitive local exchange carrier, competitive local reseller and provider of 911 call transport telecommunications services within California. Accordingly, we grant Synergem a CPCN to provide competitive limited facilities-based, resold local exchange and 911 call transport telecommunications services within California, subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

The CPCN granted by this decision provides benefits to Synergem and corresponding obligations. Synergem receives authority to operate in the prescribed service territory, and this authority enables Synergem, 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.¹² This authority also enables Synergem to obtain access to public rights-of-way in California as set forth in Decision 98-10-058, subject to the CEQA requirements set forth in this decision.

¹² The California Public Utilities Code uses the term "telephone corporation." Its counterpart in federal law is a "telecommunications carrier."

In return, Synergem 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, Synergem 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 § 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

11. Request to File Under Seal

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, Synergem has filed motions for leave to file Exhibit D to the application as confidential materials under seal. Synergem represents that the information is sensitive, and disclosure could place Synergem at an unfair business disadvantage. We have granted similar requests in the past and do so here.

12. Waiver of Comment Period

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.

13. Assignment of Proceeding

Clifford Rechtschaffen is the assigned Commissioner and Patricia B. Miles is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Synergem is a telephone corporation and a public utility as defined in Pub. Util. Code § 234(a) and § 216(a).
2. Synergem will not construct any facilities other than equipment to be installed in existing buildings or structures.
3. Synergem has a minimum of \$100,000 cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
4. Synergem has not been required to pay a deposit to interconnect with AT&T or other telephone corporations in order to provide the proposed service.
5. Synergem's management possesses sufficient experience, knowledge, and technical expertise to provide interexchange services to the public.
6. No one associated with or employed by Synergem as an affiliate, officer, director, partner, agent, or owner of more than 10 percent of Synergem: (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; (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 Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

7. Except for the deficiencies identified in Attachment A to this decision, Synergem's draft tariffs comply with the Commission's requirements.

8. Synergem provided a map of the location of its proposed service territory.

9. Synergem provided an estimate of its customer base for the first and fifth year of operation.

10. Pursuant to Rules 11.1 and 11.4, Synergem filed a motion for leave to file confidential materials in Exhibit D under seal.

Conclusions of Law

1. Synergem should be granted a CPCN to provide resold and competitive limited facilities-based local exchange telecommunications service, and 911 call transport telecommunications services within the State of California in the service territories of AT&T, Frontier California, Frontier Communications and Consolidated, subject to the terms and conditions set forth in the Ordering Paragraphs.

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

4. Synergem's initial tariff filing should correct the tariff deficiencies shown in Attachment A to this decision.

5. Synergem's motion to file under seal its Exhibit D to the application, should be granted for three years.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Synergem Technologies, Inc. to provide resold and competitive limited facilities-based local exchange telecommunications services and 911 call transport telecommunications services in the state of California, within the territories of Pacific Bell Telephone Company d/b/a AT&T California, Frontier California Inc., Citizens Telecommunications Company of California, Inc. d/b/a/ Frontier Communications of California, and Consolidated Communications of California Company, subject to the terms and conditions set forth below.

2. Synergem Technologies, Inc. may not offer competitive local exchange services until tariffs are filed with and authorized by this Commission, in accordance with General Order 96-B and as corrected for deficiencies set forth in Attachment A.

3. The corporate identification number assigned to Synergem Technologies, Inc. U-7334-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. Synergem Technologies, 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.

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

6. Synergem Technologies, Inc. must notify the Communications Division at cdcompliance@cpuc.ca.gov in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

7. Synergem Technologies, Inc. must submit to the Communications Division through an advice letter, a tariff within 12 months of the effective date of this decision, or its certificate will be cancelled.

8. Synergem Technologies, 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, Synergem Technologies, Inc. must submit a Tier-1 advice letter to the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

9. Synergem Technologies, 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 Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

10. 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, Synergem Technologies, Inc. is placed on notice that it 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.

11. Synergem Technologies, 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.

12. Synergem Technologies, Inc. must pay an annual minimum user fee of \$100 or 0.33 percent of gross intrastate revenue, whichever is greater. Under Public Utilities Code § 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

13. Prior to initiating service, Synergem Technologies, 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.

14. Prior to initiating service, Synergem Technologies, 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.

15. Synergem Technologies, Inc. must submit an affiliate transaction report to the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D.

16. Synergem Technologies, Inc. must submit an annual report to the Communications Division at cdcompliance@cpuc.ca.gov, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

17. Synergem Technologies, Inc. must not construct any facilities other than equipment installed in existing buildings or structures.

18. Synergem Technologies, Inc.’s motion to file under seal its Exhibit D is granted for a period of three years after the date of this decision. During this three year period, this information shall not be publicly disclosed except on further Commission order or Administrative Law Judge ruling. If Synergem Technology, Inc. believes that it is necessary for this information to remain under seal for longer than three years, Synergem Technologies, Inc. must file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

19. Application 17-07-004 is closed.

This decision is effective today.

Dated _____, at Lynwood, California.

ATTACHMENT A

List of deficiencies in tariff filed by Synergem Technologies, Inc. (U-7334-C) in A.17-07-004 to be corrected in its tariff compliance filing.

1. G.O. 96-B Section 8.5.1 requires that the tariff's title page include the Commission-assigned identifying "U" number shown on the utility's Certificate of Public Convenience and Necessity. Revise the tariff to include U-7334-C.
2. G.O. 96-B Section 8.5.7 requires that the tariff include information on services and promotional offerings. Revise the tariff to include a description of how to get information on services.
3. D.95-07-054 App. B Rule 4 requires that the tariff include information about credit establishment. Revise the tariff to include language that complies with D.95-07-054 App. B Rule 4.

(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,¹³ 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).

¹³ 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 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 Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 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 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 include 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 Communications Division in writing at cdcompliance@cpuc.ca.gov, 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 Communications Division at cdcompliance@cpuc.ca.gov, 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 Communications Division at cdcompliance@cpuc.ca.gov, 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

Communications Division at cdcompliance@cpuc.ca.gov 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)