

Decision 18-04-006 April 26, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of Calaveras Telephone Company (U1004C) to Review Intrastate Rates and Charges, Establish a New Intrastate Revenue Requirement and Rate Design, and Modify Selected Rates.

Application 16-10-002

**DECISION ADOPTING ALL-PARTY SETTLEMENT AGREEMENT;
APPROVING INTRASTATE RATES AND CHARGES; ESTABLISHING NEW
INTRASTATE REVENUE REQUIREMENT AND RATE DESIGN; AND
MODIFYING SELECTED RATES FOR THE CALAVERAS TELEPHONE
COMPANY FOR TEST YEAR 2018**

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COMPANY FOR TEST YEAR 2018**

Summary

This decision adopts and approves the All-Party Settlement Agreement between the Office of Ratepayer Advocates (ORA) and the Calaveras Telephone Company (Calaveras) (Settlement Agreement) attached as Appendix 1 to this decision and as Exhibit 1 to the Joint Motion for Adoption of All Party Settlement Agreement submitted by Calaveras and ORA (collectively the Parties).

This decision finds that the Settlement Agreement between the parties is reasonable in light of the whole record in this proceeding, is consistent with the law, and is in the public interest.

This decision adopts an overall intrastate revenue requirement of \$6,200,000 for Test Year 2018 including a subsidy draw of \$2,932,899 from the California High Cost Fund-A (CHCF-A). Further, this decision, among other things specifically: (1) adopts new rates for residential and business customers of Calaveras that are reasonable comparable to the rates urban customers pay, pursuant to Public Utilities Code § 275.6(c)(3); (2) authorizes a revenue requirement for Calaveras based on sound analysis of the infrastructure and operational needs, revenue sources and income, costs and expenses, and deductions of Calaveras; (3) adopts new rules regarding interactions with its affiliates; and (4) adopts requirements relating to service quality, safety and project reporting for Calaveras.

Upon adoption of this decision the tariffed basic residential rates for Calaveras will be set at \$25 (exclusive of surcharges, fees or taxes), business rates at \$27.33 (exclusive of surcharges, fees or taxes), and new rates for other Calaveras services will be set as identified in Attachment 1 to the Settlement Agreement. There will be no further adjustments in its residential or business rates until the next Calaveras general rate case.

Based on the forecasted revenue sources noted below, this decision accepts and sets the rate design of Calaveras as shown in the Settlement Agreement:

Forecasted Revenue Source	Amount
Local Network Services Revenues	\$1,431,708
Interstate Universal Service Fund Support for Intrastate Revenue Requirement	\$1,613,488
Intrastate Access Revenues	\$135,094
Miscellaneous and Uncollectible Revenues	\$86,811
California High Cost Fund-A	\$2,932,899
Total Revenue Requirement for 2018 Test Year	\$6,200,000

Application 16-10-002 is closed.

1. Background and Procedural History

In response to the General Rate Case (GRC) Application cycle for the Small Local Exchange Carriers listed in Group B in the California Public Utilities Commission (Commission) Decision (D.) 15-06-048 (*Rate Case Plan for General Rate Case Applications Filed by California High Cost Fund-A Recipients, hereinafter Rate Case Plan*), Calaveras Telephone Company (Calaveras) submitted this GRC Application (A.) 16-10-002 to the Commission on October 3, 2016. In the GRC Application Calaveras seeks: (1) Commission approval of its intrastate rates and charges for regulated intrastate telecommunications services; (2) to update its

intrastate revenue requirement; and (3) to establish “a rate design that will give Calaveras a reasonable opportunity to meet its revenue requirement.”¹

In its October 3, 2016 Application, Calaveras requested that the Commission review and approve its estimated intrastate revenue requirement of \$7,299,807 for Test Year (TY) 2018,² including a subsidy draw of \$4,109,108 from the California High Cost Fund-A (CHCF-A).³ The TY 2018 estimated intrastate revenue requirement proposed by Calaveras would represent an increase from its current Commission approved intrastate revenue requirement of \$6,360,456, and an increase in its current CHCF-A subsidy draw of \$2,148,967 based on its last rate case for test year 2009.⁴ Finally, Calaveras proposed to align its rates across its two exchanges, Copperopolis and Jenny Lind. In doing so, Calaveras proposed an 11.11% increase in rates for residential customers and a 17.43% increase for business customers in the Copperopolis Exchange, and a 6.13% increase in residential rates and a 2.77% increase in business rates in the Jenny Lind Exchange. Specifically, Calaveras proposed to increase its residential

¹ Application at 1. (*See* Pub. Util. Code § 275.6(b)(5) which defines revenue requirement for California High Cost Fund-A recipients as “the amount that is necessary for a telephone corporation to recover its reasonable expenses and tax liabilities and earn a reasonable rate of return on its rate base.”)

² Application at 1 and 3. Calaveras’s requested intrastate revenue requirement for the TY 2018 in its application was based on a 14.30 percent rate of return that it requested in A.15-09-005. After this application was filed, the Commission, in D.16-12-035, established an 8.91 percent rate of return for Calaveras. Calaveras’s estimated intrastate revenue requirement after that adjustment would have been \$6,581,807. Calaveras-2 at p.4. Rehearing of D.16-12-035 was denied by the Commission in D.17-12-029.

³ Application at 4. The CHCF-A was established in 1987 to minimize basic telephone service rate disparity between rural and metropolitan areas. (*See, e.g.,* <http://www.ora.ca.gov/chcfa.aspx>.)

⁴ Res. T-17184 (2009) as modified by D.10-09-007.

basic rate to \$22.50 per month (exclusive of the Subscriber Line Charge and the other surcharges), and to increase its single-line business rate to \$26.00.

Concurrently with the Application, Calaveras served prepared direct testimony of five witnesses, including two company employees and three outside experts, in support of its Application and requests.

1.1. Customer Notice – Rule 3.2.

As required by Rule 3.2,⁵ Calaveras complied with the Commission's Customer Notice requirements by timely notifying its customers on November 1, 2016 by bill inserts (or by electronic link for customers who receive bills electronically) of the proposed rate increases to its services, and published Notice of its Application approved by the Commission's Public Advisor's Office in the "Calaveras Enterprise," a newspaper of general circulation on October 21, 2016. Calaveras filed its Notice of compliance with Rule 3.2 with the Commission on November 21, 2016.

1.2. Protests

On November 2, 2016, the Office of Ratepayer Advocates (ORA) protested the Application, and identified the following substantive issues/areas that it argued should be evaluated and addressed with the scope of this proceeding: (1) Calaveras's proposal to align its rates across its two exchanges; (2) Calaveras's proposal to increase its A-Fund subsidy/draw and overall per line subsidy amount; (3) Calaveras's overall service quality pertaining to safety and reliability; and (4) Calaveras's proposal for a new depreciation study and resultant

⁵ All references to Commission rules are to the California Public Utilities Commission Rules of Practice and Procedure unless otherwise stated.

reduction of existing plant service lives. Calaveras filed its reply to ORA's protest on November 14, 2016.

1.3. Prehearing Conference, Motion for Party Status, Scope and Issues

On December 12, 2016, the assigned Administrative Law Judge (ALJ) Robert Haga held a prehearing conference in this proceeding. On February 7, 2017, the assigned Commissioner, Carla J. Peterman, and ALJ Haga issued the Joint Scoping Memo and Ruling, which, among others, confirmed the scope and schedule for the proceeding, and identified issues to be briefed and decided in this proceeding.

The issues identified in the Joint Scoping Memo and Ruling were:

- (1) Operating Expenses, including whether corporate expenses exceed the rebuttable presumption as to the limit of those expenses established in D.14-12-084;
- (2) Safety concerns or considerations;
- (3) Service quality;
- (4) Application of the capital structure and cost of capital determined in D.16-12-035;
- (5) Affiliate transactions and relationships including how affiliate transactions are handled currently as well as any new or modified requirements;
- (6) The methodology used to determine the rate increase, including:
 - a. Rate base; and
 - b. Rate design, including:
 - i. The estimate of sales, revenues, and uncollectibles; and
 - ii. Determination of the appropriate levels to be paid by applicant's customers and appropriate level of supplemental intrastate funding (*e.g.*, CHCF-A), including:

- a) Whether rates in the Copperopolis and Jenny Lind Exchanges should be aligned.

On March 10, 2017, ORA served its responsive testimony of five witnesses to the Application of Calaveras. On March 14, 2017, Calaveras filed a Motion to Strike portions of ORA's testimony to which ORA filed a response on March 29, 2017. On April 4, 2017, ALJ Haga issued a ruling amending the schedule to allow Calaveras and ORA additional time to work out the details of a settlement agreement and hold a noticed settlement meeting as required by Rule 12.1(b). On April 13, 2017, ALJ Haga suspended the deadline for Calaveras to submit rebuttal testimony based on the parties' representation that a settlement agreement had been reached. The matter was submitted on February 2, 2018.

1.4. Settlement Efforts and Agreement

On April 7, 2017, the parties held a duly-noticed all-party formal settlement conference in compliance with Rule 12.1(b), which resulted in the execution of an All-Party Settlement Agreement (Settlement Agreement or Joint Settlement Agreement) that resolved all issues in this proceeding. On April 18, 2017, the parties filed a Joint Motion and the associated Settlement Agreement to the Commission seeking adoption of the Settlement Agreement as a final resolution of this matter.⁶

⁶ *Joint Settlement Agreement* filed by the parties on April 18, 2017 (**Appendix 1**), as clarified and further explained in "Joint Response of Calaveras Telephone Company (U1004C) and the Office of Ratepayer Advocates to the May 25, 2017 ALJ Amended Ruling Seeking Additional Information Regarding the Proposed Settlement" submitted on June 13, 2017 (June 2017 Joint Response). The parties emphasize that their clarifications and responses offered are not intended to modify the Settlement Agreement. The Commission finds it appropriate and reasonable based on the record in this case to adopt the Results of Operations set forth in **Appendix 2**.

On June 13, 2017, the parties filed additional information with the Commission in support of the Settlement Agreement as directed by ALJ Haga in an amended ruling issued on May 25, 2017. The ALJ conducted additional follow up inquiry during the evidentiary hearing on June 27, 2017, and through issuance of a further ruling on July 26, 2017. Calaveras responded with additional information as to non-regulated revenue on August 15, 2017.

2. Calaveras Telephone Company and Organizational Structure

Calaveras is a telephone company that owns and operates a telephone system that provides local exchange telephone service in western Calaveras County. In the test year, Calaveras expects to serve 3,349 access lines in its two telephone exchanges: Copperopolis and Jenny Lind. Calaveras's telephone system consists mainly of a local exchange telephone network and facilities for its interconnection to the public switched telephone network, including underground and aerial cable and lines, radio equipment, central office equipment, land, buildings, and miscellaneous other equipment.

3. Public Participation Hearing

On May 26, 2017, the Commission held a publicly Noticed Public Participation Hearing (PPH) at the Copperopolis Elementary School at 217 School Street, Copperopolis, California, to take comments from the public, ratepayers, and elected or official representatives of the serviced communities and county. Four members of the public attended the PPH along with a number of Calaveras employees. Two members of the public provided comment, the first was a retired Calaveras employee and the second was the county supervisor that represents the area served by Calaveras. Both speakers described the support Calaveras provides to the local community.

4. Legal Policy Framework for this GRC

Pub. Util. Code § 451 provides that public utilities may demand and receive only just and reasonable charges, and must provide “adequate, efficient, just and reasonable service” in a way that promotes the “safety, health, comfort, and convenience of [their] patrons, employees, and the public.”⁷ Pub. Util. Code § 454 prohibits public utilities from making rate changes until they have made a showing before the Commission and the Commission has made a finding that the new rates are justified.

Responsibility for fixing rates is placed with the commission, as “the primary purpose of the Public Utilities Act [] is to insure the public adequate service at [just and] reasonable rates without discrimination....”⁸ Further, California has long recognized “the commission has the power to prevent a utility from passing on to the ratepayers unreasonable costs for materials and services by disallowing expenditures that the commission finds unreasonable.”⁹ Thus, “[i]t is settled that commissions have power to prevent a utility from passing on to the ratepayers unreasonable costs for materials and services.”¹⁰ Accordingly, our task is to determine what is just and reasonable, and disallow costs that are found to be unjust or unreasonable.

⁷ All statutory references are to the California Public Utilities Code unless otherwise stated.

⁸ *Pacific Tel. & Tel. Co. v. Public Utilities Com.* (1950) 34 Cal.2d 822,826 [215P.2d 441] (citations omitted).

⁹ *Pacific Tel. & Tel. Co. v. Public Utilities Com.* (1965) 62 Cal. 2d 634, 647 [401 P.2d 353, 361]. (*See*, Pub. Util. Code § 728.)

¹⁰ *Pacific Tel. & Tel. Co. v. Public Utilities Com.* (1950) 34 Cal.2d 822,826 [215P.2d 441] (citations omitted).

5. California High Cost Fund-A

Pub. Util. Code § 275.6 requires the Commission to minimize telephone rate disparities between rural and metropolitan areas to keep rates affordable in areas with lower population densities. As part of that responsibility, the Commission must continue to set rates charged by companies like Calaveras in accordance with Sections 451, 454, 455, and 728.¹¹ In addition, pursuant to Pub. Util. Code § 275.6(c)(2), the Commission must:

Employ rate-of-return regulation to determine a small independent telephone corporation's revenue requirement in a manner that provides revenues and earnings sufficient to allow the telephone corporation to deliver safe, reliable, high-quality voice communication service and fulfill its obligations as a carrier of last resort in its service territory, and to afford the telephone corporation a fair opportunity to earn a reasonable return on its investments, attract capital for investment on reasonable terms, and ensure the financial integrity of the telephone corporation.

Thus, the scope of this proceeding must include all relevant information necessary to determine whether the applicant's proposed revenue requirement and other requests are just and reasonable, and permit the utility to fulfill its duties under § 451.

The purpose of the CHCF-A is to provide a source of supplemental revenues to Small Incumbent Local Exchange Carriers (Small ILECs) whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.¹² In executing its responsibilities over the CHCF-A, the Commission has determined that "[u]niversal, reliable, affordable,

¹¹ Pub. Util. Code § 275.6(c)(1).

¹² See Pub. Util. Code § 275.6(c)(4)-(6).

service is critical to public safety and benefits the state as a whole.”¹³ The CHCF-A currently supports eligible small independent telephone companies in helping rural residents stay connected to essential services to maintain public health and safety.

The CHCF-A program is funded by a surcharge assessed on revenues collected from end-users of intrastate telecommunications services subject to surcharge. The Commission periodically reviews the program fund levels and adjusts the surcharge rate to ensure the program is sufficiently funded. All telecommunications carriers¹⁴ and interconnected Voice-over Internet Protocol service providers¹⁵ are required to assess the CHCF-A surcharge rate. The rate is currently 0.35 percent assessed on revenues collected from end users for intrastate telecommunications services.¹⁶

In administering the CHCF-A program, the commission must “ensure that rates charged to customers of small independent telephone corporations are just and reasonable and are reasonably comparable to rates charged to customers of urban telephone corporations.”¹⁷ Historically, “comparable” has meant that target rates for residential customers are no more than 150 percent of basic service rates for California’s urban telephone customers. The “150 percent formula” was originally established in D.91-09-042, and the formula has been

¹³ D.14-12-084 at 53.

¹⁴ See Pub. Util. Code § 275.

¹⁵ See Pub. Util. Code § 285(c).

¹⁶ Resolution T-17453, issued on November 21, 2014, set a surcharge rate of 0.35 percent effective January 1, 2015.

¹⁷ Pub. Util. Code § 275.6(c)(3).

used in part to evaluate the reasonableness of rates charged to customers. In D.10-02-016, the Commission modified the 150 percent formula so that the Small ILECs were no longer required to charge up to 150 percent of the basic urban rate to qualify for CHCF-A support, instead setting the basic service rate for residential customers at \$20.25 per month.¹⁸ This requirement remained in effect until the Commission adopted D.14-12-084 in its CHCF-A rulemaking,¹⁹ that deemed presumptively reasonable and non-rebuttable a rate range of \$30.00 to \$37.00, for basic residential service, inclusive of additional charges such as federal and state fees and surcharges.²⁰

Pursuant to Pub. Util. Code § 275.6(c)(7), the Commission must ensure that CHCF-A support for Calaveras “is not excessive so that the burden on all contributors to the CHCF-A program is limited.” In this GRC, as in all others, the Commission seeks to promote the public interest. Promoting the public interest in this case requires that the Commission carefully review the revenue requirement request of Calaveras with an eye toward protecting not only ratepayers and customers of Calaveras, but also all other carriers’ customers that pay into the CHCF-A from which Calaveras is requesting funding. In carrying out this responsibility, the Commission assesses whether Calaveras has justified its revenue increase proposals, and disallows those proposals that have not been justified.

¹⁸ D.10-02-016, Ordering Paragraph (OP) 3.

¹⁹ R.11-11-007.

²⁰ D.14-12-084, OP 9.

In our review of the settlement agreement, testimony, work papers, and responses to ORA data requests, we identified a non-trivial amount of revenue that Calaveras considers “rent” revenue. As this could have included leased plant investment, such as access rights to portions of its fiber and conduit plant and central office colocation space that had been “removed” from rate base, the Communications Division (CD) staff made additional requests for information to ensure the application fully presented the actual intrastate revenue of Calaveras. However, unlike other recent telephone company general rate case applications,²¹ Calaveras did clearly and specifically present the amount of miscellaneous revenues in its application. Calaveras’ noted that rent revenue from leased plant investment was used to offset expenses for colocation in building and lease cable and wire facilities. Calaveras entered these transactions in this manner pursuant to guidance provided by the National Exchange Carrier Association (NECA) Reporting Guideline 8.3 (Rent Revenues – Separations). Miscellaneous revenues were reported and equivalent expense amounts were recorded resulting in a zero net effect. This issue was not addressed in the Settlement Agreement.

Thus, our general concerns regarding the selection of the second option provided in NECA Cost Issue 8.3 do not have a material impact in this case. However, in order to fully assess this issue in the future we expect Calaveras to continue to include or disclose all non-regulated revenue, including any and all

²¹ See, e.g., D.18-01-011 in A.16-10-004.

revenues derived from GO 69-C transactions, in its next general rate case application and testimony.²²

In its Application, Calaveras requested a CHCF-A draw of \$4,109,108 in this GRC for TY 2018, which is an increase from its currently authorized CHCF-A subsidy draw of \$2,148,967.²³

5.1. Means Test for CHCF-A

The Commission limits the CHCF-A support to amounts which would provide no more than either: 1) a utility's authorized intrastate rate of return, or 2) the utility's current funding level for the year for which CHCF-A is being requested, whichever is lower. The foregoing is determined by using a "means test."²⁴ The means test is based, in part, upon at least seven months of recorded data which can then be compared to the utility's forecasted intrastate rate of return based upon its adopted Results of Operation for a particular year.

The CHCF-A support for a utility's test year is determined in its GRC decision.²⁵ The CHCF-A support for TY 2018 is \$2,932,899 as reflected in Appendix 2 to this decision. Pursuant to D.91-09-042, "the means test shall not be applied to the determination of a LEC's CHCF-A funding levels following

²² As we have done with other telephone companies, we encourage Calaveras to meet with CD staff to discuss what information should be included in the next GRC as well as the benefits of submitting a written report to CD of any and all similar transactions as they occur, particularly any it conducts that implicates GO 69-C. The discussion should include what information should be included in the report and timing for submission of the report(s) between the adoption of this decision and the next GRC.

²³ Res. T-17184 (2009) as modified by D.10-09-007.

²⁴ See D.91-05-016 as modified and clarified by D.91-09-042.

²⁵ GRC decisions are generally issued by the Commission toward the end of a year prior to the Test Year.

12 months after a decision or resolution is rendered by the Commission in a LEC's general rate review proceeding."²⁶ Commission staff will rely upon the Results of Operation in set forth in Appendix 2 to determine CHCF-A support, as permitted by D.91-09-042 and confirmed by the September 26, 2017 letter from Calaveras at Appendix 3.²⁷

On June 13, 2017, the parties filed additional information with the Commission in support of the Settlement Agreement as directed by the ALJ in an amended ruling issued on May 25, 2017. The ALJ conducted additional follow up inquiry during the evidentiary hearing on June 27, 2017, to determine the figures that needed to be included in the Results of Operations table that is included in Commission decisions regarding general rate cases. As the information included in the June 13, 2017 filing contained conditions as to its use, the ALJ sought to understand the how the figures contained in Appendix 2 to this decision could be calculated based on the information in the settlement agreement, testimony, work papers, and responses to ORA data requests.²⁸ Based on our review of all the information in the record we were able to

²⁶ See D.91-05-016 as modified and clarified by D.91-09-042, Ordering Paragraph 2; see also D.15-06-048, Appendix A, Table 1.

²⁷ Calaveras provided a letter dated September 26, 2017 regarding "A.16-10-002, Calaveras Telephone Company General Rate Case: Results of Operations Details and the Annual CHCF-A Means Test. This letter stated, "...Calaveras does not object to C[ommunication]D[ivision] using the specific 'results of operation' information in Exhibit B [same as Appendix 2 to this ruling] to the parties' June 13, 2017 filing as a reference for reviewing Calaveras's future 'means test' submissions." ORA separately communicated with the Communications Division by email dated September 25, 2017 stating that it "is fine using Exhibit B for purposes of the means test." This email was attached to Calaveras's September 26, 2017 letter. (See Appendix 3.)

²⁸ RT at 21-28.

determine the Results of Operations for Calaveras for the test year and that Appendix 2 represents an accurate reflection thereof. Accordingly, the Results of Operations (Appendix 2) shall be adopted for the Calaveras for all purposes consistent with established and historical GRC processes practiced by all Commission Industry Divisions, including Communications Division.

6. ORA's Position

California consumer interests in this GRC are represented by ORA, and ORA's statutory mandate requires it to "advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the Commission," and "obtain the lowest possible rate for service consistent with reliable and safe service levels."²⁹ Despite ORA's role in this case, the burden of presenting evidence and justifications for its request remains with Calaveras.

The record of this proceeding shows that ORA actively engaged with Calaveras, prior to and after the filing of this Application as required by the Rate Case Plan in D.15-06-048, and discharged its statutory responsibility in this proceeding. ORA filed its protest to Calaveras's GRC Application timely; and raised relevant questions to test and confirm Calaveras's assumptions and projections regarding its rate designs, revenue requirements and Results of Operation, end-user rates and proposed CHCF-A subsidy, among others. The issues raised in ORA's protest are referenced above.

ORA participated in the prehearing conference held on December 12, 2016, and conducted a site visit of Calaveras's business office located within Calaveras's service territory. ORA submitted testimony and work papers, and

²⁹ See Pub. Util. Code § 309.5.

attended the public participation hearing held on May 26, 2017, in Copperopolis, California, to obtain comments and feedback from Calaveras's customers.

In its evaluation of Calaveras's Application and requests, ORA requested extensive information from Calaveras in order to examine the issues raised by the Application and test the validity of Calaveras's statements and conclusions. Calaveras responded to ORA's questions and provided ORA with requested information and materials. ORA served testimony of its witnesses on March 10, 2017.

ORA's work in this proceeding was helpful and persuasive, and ORA's effective advocacy in this proceeding was a contributing factor to the ALJ's recommendation that the Settlement Agreement be adopted by the Commission.

Due to ORA's participation in this case, Calaveras accepted: (1) an adjusted/reduced overall intrastate revenue requirement by eliminating unsupported expense items based on ORA's analysis and conclusions; (2) end user rates for its residential and business customers that are reasonably comparable to the rates urban customers pay;³⁰ (3) an adjusted/reduced CHCF-A subsidy draw of \$2,932,899;³¹ (4) new rules regarding Calaveras's dealings with its affiliates in order to foster greater accountability and benefits to ratepayers; (5) new requirements relating to Calaveras's service quality, safety and project reporting, among others; and (6) participation by Calaveras in any future

³⁰ Pub. Util. Code § 275.6(c).

³¹ The \$2,932,899 CHCF-A draw is based on the 8.91 percent rate of return (ROR) that the Commission adopted in A.15-09-005. In its Application, Calaveras had requested \$4,109,108.

workshops on service quality and investments in broadband infrastructure projects.

Overall, ORA was thorough and diligent in its approach, and ORA effectively discharged its responsibilities to work to protect the interests of California consumers and ratepayers, as required by law.

7. Settlement Agreement Between the Parties

In accordance with Article 12 of the Rules, on April 18, 2017, Calaveras and ORA (the parties) submitted a “Joint Motion for Adoption of All-Party Settlement Agreement” together with the fully executed “Joint Settlement Agreement” (Settlement Agreement.) The parties request that the Commission approve the Settlement Agreement pursuant to Rule 12.1. A copy of the Settlement Agreement, which resolves Calaveras’s GRC in its entirety, is attached hereto as Appendix 1.

As reflected in the Settlement Agreement, based upon the mutual agreement of the parties, the parties agree to a resolution of Calaveras’s GRC Application for the TY 2018 as follows:

- A. Results of Operation. The results of Calaveras’s operations figures shall incorporate the following elements:
 - i. **Rate of return:** For purposes of calculating Calaveras’s 2018 test year revenue requirement, Calaveras shall apply the 8.91 percent cost of capital that the Commission adopted in D.16-12-035, unless D.16-12-035 is later annulled or revised by the Commission or a court of law, or the Commission adopts a new cost of

capital for Calaveras in a subsequent cost of capital proceeding.³²

- ii. **Revenue requirement:** Based on the 8.91 percent rate of return, Calaveras's intrastate revenue requirement in the amount of \$6,200,000 is agreed to.
- iii. **End-user rates and rate design:**
 - a) Calaveras's tariffed basic, residential rates shall be increased to \$25.00, exclusive of any surcharges, fees, or taxes,³³ effective January 1, 2018, with no further adjustments until Calaveras's next rate case.
 - b) Calaveras's tariffed business rates shall be set at \$27.33, exclusive of any surcharges, fees, or taxes, effective January 1, 2018, with no further adjustments until Calaveras's next rate case.
 - c) Additional services and other rates shall be increased by the same percentage increase as residential rates for 2018 as listed in Attachment 1 to the Settlement Agreement.
 - d) **Rate design.** Calaveras's rate design shall incorporate the tariff schedule rates set forth in Attachment 1 of the Settlement Agreement based upon the following forecasted revenue sources:
 - 1. \$1,431,708 in Local Network Services revenues;

³² The intrastate revenue requirement agreed to by the parties is based on the 8.91 percent rate of return adopted in D.16-12-035, and reflects several adjustments/deductions to the intrastate revenue requirement requested by Calaveras. If D.16-12-035 is later revised by the Commission or court of law, or the Commission adopts a new cost of capital for Calaveras in a subsequent cost of capital proceeding, any resulting adjustments/revisions to cost of capital shall be applied to Calaveras based on the instructions from the Commission. The Commission denied rehearing of D.16-12-035 in D.17-12-029.

³³ Surcharges, fees, and taxes may include items such as the access recovery charge (ARC), subscriber line charge, and Extended Area Service (EAS).

2. \$1,613,488 in Interstate Universal Service Fund support for intrastate revenue requirement;
 3. \$135,094 in intrastate access revenues;
 4. \$86,811 in miscellaneous and uncollectible revenues;³⁴
 5. The remainder necessary to fulfill revenue requirement from the CHCF-A, based on the revenue requirement established pursuant to the formula in subpart (b), above. Under the currently approved 8.91 percent cost of capital, a CHCF-A draw of \$2,932,899.
- iv. **Depreciation rates:** Calaveras shall use the depreciation rates listed in Attachment 2 to the Settlement Agreement.
- v. **Tax Liabilities:**
- a) The current tax rates for Calaveras shall be used for purposes of this Agreement.
 - b) If the current tax rate changes after the decision is issued in this case and before January 2018,³⁵ Calaveras shall file a Tier 2 Advice Letter informing the Commission of the revised revenue requirement within 30-days of the tax change going into effect.
 - c) If the current tax rate changes after January 2018 and after the decision is issued in this case, Calaveras shall file a Tier 2 Advice Letter with revised revenue requirement within 30-days of the tax change taking effect.

³⁴ This nets amounts from intrastate billing and collections, uncollectible write-offs, directory revenues, reciprocal compensation, and other incidental regulatory revenues. (See June 2017 Joint Response.)

³⁵ See, Public Law No. 115-97, H.R.1 - An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018.

- B. Affiliates Transaction Rules. Calaveras shall abide by the following requirements relative to its affiliates:
- i. Calaveras and each of its affiliates must be held in separate legal entities.
 - ii. Calaveras shall maintain separate books from its affiliates as to all transactions.
 - iii. Calaveras shall maintain separate bank accounts from its affiliates as to all transactions.
 - iv. The cost of any advertising or marketing conducted jointly on behalf of Calaveras and any of its affiliates shall be apportioned according to the extent that the advertising or marketing benefits each company. Calaveras's share of the cost of such advertising or marketing shall not exceed an even division of the cost amongst all companies involved in the joint advertising or marketing.
 - v. Calaveras shall not include in its regulated expenses the costs of any joint sponsorships, fundraisers, or charitable donations with its affiliates.
 - vi. Calaveras shall not transfer any physical assets that are used and useful without first obtaining necessary approvals from the Commission.
 - vii. Calaveras shall conduct financial transactions with its affiliates at "arms-length."
 - viii. Calaveras shall ensure that affiliate transactions are conducted at rates and upon terms no less advantageous than those otherwise available to Calaveras from unaffiliated third parties for similar transactions.
- C. Requirements Relating to Service Quality, Safety and Project Reporting. Calaveras shall abide by the following requirements relating to service quality, safety and project reporting:
- i. Calaveras shall serve ORA and the Commission on an ongoing basis with an Annual Progress Report (Report)

on the status of its plant additions. The Report shall be submitted on or before September 15 of each year with information covering an annual period. The Report shall be submitted in excel format, and shall be submitted using the format attached herein as Attachment 3 to the Settlement Agreement.

- ii. If Communications Division facilitates a workshop on the topic of service quality and investments in broadband infrastructure projects, Calaveras shall actively participate with ORA in such workshop.
 - iii. Calaveras shall make good-faith best effort to establish formal Mutual Aid Agreements with other utilities, emergency responders, and local organizations.
 - iv. Calaveras shall incorporate its emergency equipment list into its emergency planning documents.
 - v. Calaveras shall incorporate its recovery and restoration strategy into its emergency planning documents.
- D. Other Agreements. Other than the above specified provisions in the Settlement Agreement, resolving Calaveras's GRC Application for the Test Year 2018, the parties further agree as follows, among others:
- i. **Compromise and Settlement.** This Agreement constitutes a compromise and settlement of any and all disputed proposals or claims by the Parties; and no action taken by either Party in connection with this Agreement shall be deemed or construed to be (1) an admission of the truth or falsity of any proposals or claims made by the other party, or (ii) a waiver of any objection or claim in any motion to strike.
 - ii. **Settlement Agreement Not Precedent.** The provisions of this Settlement Agreement shall not be construed as or deemed to be a precedent by any party or the Commission with respect to any issue, principle, or interpretation or application of law and regulations, for any purpose or in connection with any proceeding

before a court of law or any state or federal government regulatory body.

- iii. **Settlement Agreement Not Severable or Modifiable, Except By the Parties.** The provisions of this Settlement Agreement are not severable and shall become effective only after the Commission has entered an order approving this Settlement Agreement without modification. In the event this Settlement Agreement is not accepted in its entirety by the Commission, the Settlement Agreement shall be deemed to be withdrawn, without prejudice to any claims, positions, or contentions that may have been made or are made in this proceeding by any party and shall not be admissible in evidence or in any way described in any proceedings hereinafter. The Settlement Agreement cannot be amended or changed except by a written amendment signed by both Parties and approved by the Commission.
- iv. **Commission Has Exclusive Jurisdiction Over Settlement.** The Commission shall have exclusive jurisdiction over all issues related to this Settlement Agreement. No other court, regulatory agency or other governing body will have jurisdiction over any issue related to the interpretation of this Settlement Agreement, or the rights of the Parties in this Settlement Agreement, with the exception of any court that may now or in the future, by statute or otherwise, have jurisdiction to review Commission decisions.
- v. **Settlement Agreement Binding on Parties.** Each of the Parties agrees to abide by the terms of this Settlement Agreement.
- vi. **Parties' Entire Agreement and Understanding.** This Settlement Agreement constitutes and represents the entire agreement between the Parties and supersedes all prior and contemporaneous agreements, negotiations, representations, warranties, and understandings of the Parties with respect to the subject matter set forth

herein. Any uncertainty or ambiguity existing in the document will not be interpreted against any party on the basis that such party drafted or prepared the Settlement Agreement.

- vii. **Admission of Testimony into the Record of the Proceeding.** Calaveras and ORA agree (and thus request) to admit into the record of this proceeding testimony already served (by the parties), without waiving the right to object to such testimony or to cross-examine witnesses sponsoring such testimony in the even the Commission rejects or modifies the terms of this Settlement Agreement. If the Commission rejects the Settlement Agreement, in full or any part thereof, Calaveras may serve its rebuttal testimony within three week of the date of any final decision rejecting the Agreement.
- viii. **Agreement Resolves All Issues.** The Settlement Agreement resolves all outstanding issues in this proceeding.

The parties assert that in reaching the above settlement, they applied their expertise, experience, and knowledge of the issues in this case, and that based on “the breadth and thoroughness of discovery in in this case [that] facilitated well-informed settlement discussions,” that have demonstrated that the Settlement Agreement is reasonable. The parties argue that the mutual endorsement of the Settlement Agreement by the parties attests to the reasonableness of the pending settlement, and that all parties believe that the settlement is a fair, agreed-upon resolution of Calaveras’s GRC.

The parties contend that the Settlement Agreement, of which essential terms are presented above, is reasonable in light of the whole record, consistent with law, and in the public interest. Accordingly, the parties request that the Commission find that the Settlement Agreement meets the requirements and/or

standards under Rule 12.1(d), and adopt the Settlement Agreement as a full resolution of the issues in this proceeding.

7.1. Rulings and Information Received After the Filing of Settlement Agreement

Following the filing of the Joint Motion for the adoption of the Settlement Agreement, the ALJ issued a ruling on May 25, 2017, in order to obtain additional information in support of the proposed settlement from the parties, and/or require explanations (from the parties) regarding various provisions of the Settlement Agreement. The parties timely responded to the ALJ ruling, and submitted their joint response on June 13, 2017. The ALJ conducted additional follow up inquiry during the evidentiary hearing on June 27, 2017, and through issuance of a further ruling on July 26, 2017. Calaveras responded to that ruling on August 15, 2017.

In submitting the June 13, 2017 response to the ALJ ruling, the parties contend that the TY 2018 Results of Operations presented in that filing, and found at Appendix 2, should be used only for the limited purpose of determining and/or performing the “means test” component of Calaveras’s future annual CHCF-A filing. The Commission disagrees with the parties’ proposed limited use of Appendix 2.

As explained above, parties submitted information in the record that would allow us to adopt the Results of Operation for Calaveras in this case. Thus, while the Settlement Agreement may not have included the same level of detailed financial information that was in the supplemental information presented by the parties in support of the Settlement Agreement, the ALJ did conduct additional follow up inquiry during the evidentiary hearing on

June 27, 2017,³⁶ and we have reviewed the testimony and filings in this case, and can determine the figures that need to be included in the Results of Operations table that is included in Commission decisions regarding general rate cases. Based on our review of all the information in the record we were able to determine the Results of Operations for Calaveras for the test year and that Appendix 2 represents an accurate reflection thereof. Based on our review of all the information in the record we can independently determine and adopt the figures contained in the Results of Operations for Calaveras for the test year (Appendix 2). Accordingly, the Results of Operations (Appendix 2) shall be adopted for the Calaveras Telephone Company for all purposes consistent with established and historical General Rate Case processes practiced by all Commission Industry Divisions, including Communications Division. We find that Appendix 2 is reasonable, wholly consistent with the Settlement Agreement, and that it reflects TY 2018 Results of Operations for Calaveras based on the record in this proceeding.

7.2. Settlement Agreement and Rule 12.1 Analysis

In evaluating a settlement, the Commission is guided by Rule 12.1(d), which requires that the settlement be reasonable in light of the whole record, consistent with law, and be in the public interest.³⁷ Generally, the parties' evaluation carries material weight in the Commission's review of a settlement,

³⁶ RT at 21-28.

³⁷ Rule 12.1(d); *See also*, D.98-12-075 (84 CPUC2d 155, 188-90).

however, our duty to fix just and reasonable rates requires that the final responsibility to support and interpret the decision rests with us.³⁸

This Settlement Agreement was reached after significant data exchange between the parties, submission of testimony, provision of required notices by Calaveras to its customers, public and elected officials, public participation hearing and negotiations between the parties.³⁹ ORA conducted a site visit of Calaveras's offices within its service territory, and issued detailed sets of data requests. ORA began its review before the Application was submitted through the issuance of the "Minimum Data Requests" pursuant to the Rate Case Plan in order to examine the issues raised by Calaveras's Application, and test the validity of Calaveras's statements and conclusions. In addition to responding to each of the data requests, Calaveras submitted direct testimony supporting the relief sought in the Application, and ORA submitted responsive testimony. Calaveras did not serve rebuttal testimony, but reserved the right to do so if the settlement was not approved by the Commission. On April, 7, 2017, the parties held a duly-noticed all-party settlement conference in compliance with Rule 12.1(b), resulting in the execution of the All-Party Settlement Agreement herein. On April 18, 2017, the parties submitted a joint motion for adoption of the All-Party Settlement Agreement.

The Settlement Agreement largely resolves each and every issue identified in the Joint Scoping Memo and Ruling of Assigned Commissioner and

³⁸ See, *In re Southern California Gas Co.*, D.00-09-034, 2000 Cal. PUC LEXIS 694 at *27-31, *citing*, *In re Pacific Gas and Electric Company*, D.88-12-083, 30 CPUC2d 189, 225.

³⁹ See *Joint Motion for Adoption of All Party Settlement Agreement* at 2-4, *Settlement Agreement* at 2.

Administrative Law Judge issued on February 17, 2017, and addresses issues raised in ORA's protests, and is a reasonable resolution of these issues. Pursuant to the Settlement Agreement, Calaveras accepts rate increases for its residential and business customers, and agrees to an overall intrastate revenue requirement of \$6,200,000 for the TY 2018 including a subsidy draw of \$2,932,899 from the California High Cost Fund-A. The agreed-to intrastate revenue requirement reflects various adjustments/deductions requested by ORA,⁴⁰ and substantially addresses the issues raised by ORA in its protest and testimony. Based on this record, the agreed-to intrastate revenue requirement reflects a total reduction of \$1,099,807 from the originally requested intrastate revenue requirement of \$7,299,807 for the TY 2018 in Calaveras's application, and a reduction of \$1,176,209 in the CHCF-A draw from \$4,109,108. In addition, Calaveras accepts new affiliate transaction rules that will lead to greater transparency, greater accountability and greater reporting of Calaveras's dealing and transactions with its affiliates. Further, Calaveras accepts new requirements relating to service quality, safety and project reporting that will benefit customers and ratepayers.

Overall, the record of this proceeding demonstrates that the Settlement Agreement is reasonable in light of the whole record, consistent with law, and is in the public interest, as discussed below. The proposed Settlement Agreement is reasonable because it save the Commission and the parties significant time, and protects the public interest when compared to the uncertain risk, expense, and complexity of a litigated outcome.

⁴⁰ See the Comparison of Parties' Positions and Settlement Terms submitted as Exhibit 2 to the Joint Motion for Adoption of All Party Settlement Agreement, and attached to this decision as Appendix 4.

The proposed settlement is supported by the record in this proceeding, and the settlement benefits the public by ensuring that: (1) Calaveras's CHCF-A draw for the TY 2018 is reasonable (by reducing the CHCF-A amount Calaveras requested in its Application); (2) Calaveras's residential and business customers pay rates that are reasonably comparable to the rates urban customers pay, as required by Pub. Util. Code § 275.6(c)(3);⁴¹ (3) Calaveras adopts new affiliate transaction rules that will lead to greater transparency, accountability, and reporting of affiliates dealings and transactions; and (4) Calaveras adopts new requirements relating to service quality, safety and project reporting that will benefit consumers and ratepayers. Overall the Settlement Agreement offers a reasonable resolution in light of the evidence, and avoids continued litigation and associated costs.⁴²

While the Settlement Agreement is binding on the parties, it creates no precedent on the Commission. The Settlement Agreement preserves the Commission's authority and jurisdiction over each and every issue in this proceeding, and over the parties with regards to interpretation, implementation, and enforcement of the Settlement Agreement. The record in this proceeding, including the Settlement Agreement, provides sufficient information to enable the Commission to enforce its terms and discharge the Commission's future regulatory responsibilities with respect to the parties and interests in this

⁴¹ See also, D. 91-09-042 as modified by D.10-02-016. The residential basic service rate proposed in the Settlement Agreement is within the Commission established all-inclusive reasonable range for residential customers. By raising the rates from current amounts, the amount of Calaveras's CHCF-A proposed subsidy is reduced, and the CHCF-A is not overburdened.

⁴² See, e.g., D.06-06-014 at 12.

proceeding. The settlement does not contravene any statutory provisions or prior Commission decisions.

In conclusion, the All-Party Settlement Agreement fairly resolves all issues in this proceeding, and complies with Rule 12.1(d). Accordingly, the Commission should adopt the Settlement Agreement as is with the addition of the updated TY 2018 Results of Operation set forth in Appendix 2 to this decision.

7.3. Potential for Revenue Shortfall

Finally, given that this decision addressing Calaveras's GRC is not effective on January 1, 2018, and recognizing that the revenue requirement is based on a full year of data, we anticipate a revenue shortfall could result in Calaveras not being able to recover its full revenue requirement. In light of this fact, we authorize Calaveras to submit a Tier 2 Advice Letter within 30 days of this decision to request the revenue differential between January 1, 2018 and the first day of the next month following the adoption of this decision (effective date), through the CHCF-A fund. The Advice Letter should provide a calculation to "true-up" the revenue differential.

The Settlement Agreement included provisions to recognize income tax changes could occur after the submission of the Settlement Agreement but before Calaveras's next GRC. As Public Law No. 115-97, H.R.1, was enacted at the end of 2017, it is necessary to reflect the change to the income tax rate as a matter of policy and pursuant to the Settlement Agreement. Thus, while Calaveras is authorized to use its current income tax rate for purposes of this Order, it shall file a Tier 2 Advice Letter within 30 days of this decision with revised revenue requirement reflecting changes to the income tax rate made after the Settlement

Agreement was submitted. Calaveras shall submit a revised Results of Operation updating all items in Appendix 2 with the Advice Letter.

8. Safety Considerations

We have considered the potential safety implications of the Settlement Agreement and are satisfied that the intrastate revenue requirement approved in this decision will help Calaveras meet the Commission's minimum safety goals and expectations for small local exchange telecommunications companies and/or carriers, and as a public utility that is required 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," pursuant to Pub. Util. Code § 451.

9. Conclusion

We conclude that Calaveras's GRC Application should be resolved by approving the parties' All-Party Settlement Agreement. In addition, the intrastate revenue requirement of \$6,200,000 based on the terms of the Settlement Agreement should be adopted subject to the terms and conditions set forth in the Ordering Paragraphs below. The intrastate revenue requirement of \$6,200,000 adopted herein, will enable Calaveras to fulfill its obligations as a carrier of last resort in its service territory; afford Calaveras a fair opportunity to earn a reasonable return on its investments, attract capital for investment on reasonable terms, and ensure the financial integrity of Calaveras; and assist Calaveras in meeting the Commission's minimum safety goals and expectations for small local exchange telecommunications companies and/or carriers pursuant to Pub. Util. Code § 451.

10. Request to Admit Testimony

Calaveras and ORA agree and thus request in the Settlement Agreement that previously served testimony should be admitted into the record of this proceeding, without waiving the right to object to such testimony or to cross-examine witnesses sponsoring the testimony in the event the Commission rejects or modifies the terms of this Settlement Agreement. At the evidentiary hearing on June 27, 2017, we admitted into the record of this proceeding:

(1) Calaveras's opening testimony (served on October 3, 2016, in support of its Application) consisting of the testimony of Chad Duvall, Dale Lehman, Joanne Reuter, Dan Richardson, James Tower, and its list of acronyms; (2) Calaveras's supplemental opening testimony (served on January 19, 2017) consisting of the testimony of Chad Duvall; (3) ORA's testimony (served on March 10, 2017) consisting of the testimony of Laura Roman, Patrick Hoglund, James Ahlstedt, Quang Pham, Enrique Gallardo, and its list of acronyms; and (4) ORA's corrected testimony of Patrick Hoglund (served June 27, 2017).⁴³

The parties submitted certain reports, exhibits and testimony designated as "confidential." The marking of these reports, exhibits and testimony as "confidential" is deemed to be a request by each party for leave to file those reports, exhibits, and testimony under seal pursuant to Rule 11.4.⁴⁴ These materials, including the confidential work papers and exhibits to Calaveras's Application and/or testimony, and the confidential testimony of Chad Duvall, the confidential supplemental testimony of Chad Duvall, and the confidential testimony of Dan Richardson, and ORA's confidential testimony of Laura

⁴³ See, RT at 15-18, 31-33.

⁴⁴ *Id.*

Roman, Patrick Hoglund, James Ahlstedt, Quang Pham, and Enrique Gallardo, along with attached confidential reports, materials and recommendations, that contain sensitive financial data, operational and other privileged information, the disclosure of which could place the moving party in serious disadvantage or unfair business disadvantage. Accordingly, the requests to place these materials under seal pursuant to Rule 11.4 are granted as set forth in the Ordering Paragraphs below.

11. Categorization and Need for Hearing

In Resolution ALJ 176-3386, dated October 13, 2016, the Commission preliminarily categorized this Application as ratesetting, and preliminarily determined that hearings were necessary. ORA filed a protest, and this proceeding was scheduled for evidentiary hearings. Although the parties stated they resolved all outstanding issues through the Settlement Agreement adopted by this decision, evidentiary hearings did occur on June 27, 2017.

12. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on March 29, 2018, by Calaveras, and reply comments were filed on April 3, 2018, by ORA.

We have carefully considered the suggested changes proposed by Calaveras and ORA in their comments. The proposed changes that we have accepted are reflected in this revised document in underline and strikeout. Specifically, Calaveras "strongly endorses the overall conclusions in the

Proposed Decision,”⁴⁵ and “supports the Proposed Decision overall,”⁴⁶ but seeks five modifications to clarify and update the proposed decision. First, Calaveras seeks to change Ordering Paragraph 12 in a manner that does not have the Commission adopt the specific figures in the Results of Operations table in Appendix 2 as the results of this case. Second, Calaveras contests the February 2, 2018, submission date. Third, Calaveras argues that the end user rates for its residential and business customers are higher than it proposed and the proposed decision should be changed to reflect that characterization. Fourth, Calaveras would have the proposed decision add a citation to the supplemental opening testimony of Chad Duval in the background and procedural history section of the proposed decision, and include that testimony in the summary of testimony submitted in this proceeding. Fifth, Calaveras seeks to increase its CHCF-A support by \$9,647.48 to reflect updated federal universal service support and incorporate the Lifeline reimbursement nonrecurring adjustment.

ORA agrees with Calaveras with respect to the first four issues,⁴⁷ but disagrees with the CHCF-A adjustment figure included by Calaveras.⁴⁸ ORA argues that the CHCF-A fund draw should be reduced by \$176,282 to reflect the actual 2018 interstate universal service amount released on October 1, 2017 by the National Exchange Carrier Association. ORA also takes issue with the

⁴⁵ Opening Comments of Calaveras Telephone Company (U1004C) to the Proposed Decision of ALJ Haga Adopting All-Party Settlement (Opening Comments of Calaveras), March 29, 2018, at 1.

⁴⁶ *Id.* at 2.

⁴⁷ Reply Comments of the Office of Ratepayer Advocates (ORA Reply Comments), April 3, 2018, at 3.

⁴⁸ ORA Reply Comments at 2-3.

inclusion of prior year adjustments that are outside of test year 2018, in particular the 2017 revenue shortfalls and Lifeline cost figures reflected in Resolution T-17585 Appendix A, lines 3(a)-(c). ORA argues that these 2017, non-recurring amounts requested by Calaveras are not costs for test year 2018, and that if they were included Calaveras would earn \$185,929 above the agreed upon total 2018 revenue requirement of \$6,200,154.⁴⁹

The first two issues raised by Calaveras are related. As explained to the parties at the evidentiary hearing,⁵⁰ the All-Party Settlement Agreement did not fully resolve all the issues in the case.⁵¹ By not including a complete and agreed upon Results of Operations in the Settlement Agreement, the parties did not provide the Commission with complete information needed to reach an informed decision.⁵² Thus, the evidentiary hearing was convened to resolve issues that were not included in the Settlement Agreement, but that were part of the scope of the case.⁵³ At the June 2017 evidentiary hearing the parties presented jointly an “illustrative” and “demonstrative” Results of Operations that was explained on the record.⁵⁴ It is not that “illustrative” and “demonstrative” Results of Operations that is adopted in this decision. What we

⁴⁹ ORA Reply Comments at 3, *citing*, Settlement Agreement at 3; Joint Response of Calaveras Telephone Company (U1004C) and the Office of Ratepayer Advocates to the May 25, 2017 ALJ Amended Ruling Seeking Additional Information Regarding Proposed Settlement (June 13, 2017) at Exhibit B (Results of Operations).

⁵⁰ RT at 28:7-15.

⁵¹ *See*, Scoping Memo at 2.

⁵² RT at 28:7-15.

⁵³ RT at 13:19-28 – 14:1-3.

⁵⁴ RT at 20-28.

adopt in this decision is the Results of Operations that meets the full scope of the Commission's requirements, after having reviewed and considered all the information in the record, our legal requirements, and the public interest. Accordingly all of the references to the Results of Operations adopted herein need not be modified.

Calaveras also argues that because no hearings or filings took place after August 15, 2017, that date should be adopted as the submission date for this case. However, there is no specific requirement in the rule that the submission date be the last date that hearings or filings took place, and Calaveras provides no explanation as to why such a rigid interpretation must be adopted here. In this case the parties' failure to provide the Commission with a complete Results of Operations table prevented the case from being submitted before February 2, 2018, which is the earliest date we could conclude the record was complete. According to Rule 13.14, a proceeding stands submitted for decision after the taking of evidence, the filing of briefs, and presentation of oral argument as prescribed. This is a technical procedural step to close the evidentiary record which must occur before the Commission considers the evidence and proposes a decision. In this case, we could not close the record until February 2, 2018. Once the record was closed and the proceeding submitted we were able to complete our independent review. We did not know whether we would need additional evidence submitted into the record until after we completed our review of figures that should be included in the Results of Operation table. The Results of Operations table was completed on February 2, 2018, thus, we could not conclude before February 2, 2018, that we could close the record and deem the proceeding record complete. Accordingly, no change need be made to the submission date included in this decision.

Calaveras is correct in pointing out the error in the decision regarding the comparison of rates it proposed to what is proposed in the Settlement Agreement. Calaveras proposed to align the rates in its two exchanges through an increase in its residential basic rate to \$22.50 per month (exclusive of the Subscriber Line Charge and the other surcharges), and an increase its single-line business rate to \$26.00. We adopt the rates agreed upon in the Settlement Agreement of \$25 for basic residential service (exclusive of surcharges, fees or taxes), and \$27.33 for business service (exclusive of surcharges, fees, or taxes). The proposed decision has been modified accordingly.

The fourth issue Calaveras raises would have us specifically include the citation to the supplemental opening testimony of Chad Duval in the background and procedural history section of the proposed decision, and include that testimony in the summary of testimony submitted in this proceeding. While we believe the phrasing of the identification of the testimony of Mr. Duval intended to include both his original and supplemental testimony, we can be more specific and have modified the proposed decision accordingly.

Finally, Calaveras seeks to increase its CHCF-A support by \$9,647.48 to reflect updated federal universal service support and incorporate the Lifeline reimbursement nonrecurring adjustment. ORA opposes this change.⁵⁵ ORA states that the Settlement Agreement used an estimated Interstate USF amount that was lower than the actual 2018 Interstate USF amount released by the National Exchange Carrier Association on October 1, 2017. ORA argues that this increase in federal support should reduce the CHCF-A draw from \$2,932,899 to

⁵⁵ Reply Comments of ORA at 2-3.

\$2,756,617 (a \$176,282 reduction). ORA further argues that the additional adjustments proposed by Calaveras in its opening comments to the proposed decision are inappropriate to include as they are comprised of prior-year adjustments that are outside the 2018 test year.⁵⁶ Calaveras argues the proposed decision should be modified to reflect all adjustments to its CHCF-A support for revenue effects of regulatory changes of industry-wide effect.⁵⁷ Calaveras explains that Resolution T-17585 said that federal High Cost Loop Support adjustments should be reflected and updated in the pending GRC Settlement Agreement between Calaveras and ORA, and that all other adjustments should be addressed in Calaveras's rate case.⁵⁸ Calaveras states that all of the adjustments are required to properly reflect all revenue impacts resulting from regulatory changes of industry-wide effect. Calaveras then asserts that it would be "extremely prejudicial and unfair" to include one adjustment that decreases its CHCF-A support, but to exclude adjustments that increase its CHCF-A support.⁵⁹ Calaveras notes that while the Settlement Agreement says that all adjustments would be handled via the CHCF-A annual advice letter process, Resolution T-17585 says they should be sought in the rate case.⁶⁰ Finally Calaveras asserts that if its CHCF-A support amount is modified pursuant to

⁵⁶ *Id.*

⁵⁷ Opening Comments of Calaveras at 8.

⁵⁸ *Id.*, *citing*, Resolution T-17585 at 12-14.

⁵⁹ Opening Comments of Calaveras at 8.

⁶⁰ *Id.*, Calaveras has applied for rehearing of Resolution T-17585. (*See*, A.18-02-014.)

comments on the proposed decision, that the parties must be given an opportunity to accept or reject those changes and to submit comments.⁶¹

In the Settlement Agreement the parties agreed to a forecast interstate high cost support amount of \$1,613,488. As recited above, the Settlement Agreement states that any adjustments to federal funding from that forecasted amount would be subject to the normal annual process dealing with CHCF-A support. Responding to comments on the proposed decision is not the normal annual process for addressing changes to CHCF-A support amounts. Thus, Calaveras is correct when it argues that an adjustment to its CHCF-A support amount in this decision would be contrary to the terms of the Settlement Agreement. We see no benefit to ratepayers or the parties to modifying the Settlement Agreement that would surely result in additional litigation and would likely end up with nearly the same amount of CHCF-A support for the test year, as any and all adjustments could be considered. Accordingly, we decline to modify the proposed decision to decrease the CHCF-A support provided to Calaveras for TY 2018.

Resolution T-17585 disallowed all adjustments for Calaveras, pending the completion of its general rate case. That Resolution states, “the GRC process is the opportunity to include all costs for the test year including the final High Cost Loop Support adjustment from NECA on October 1, every year. Seeking additional adjustments outside the GRC process is contradictory to D.91-09-042.”⁶² The non-recurring amounts requested by Calaveras in the annual

⁶¹ Opening Comments of Calaveras at 8-9, *citing*, Commission Rules 14.1(d), 14.3, 12.4(c).

⁶² Resolution T-17585 at 12.

CHCF-A process addressed by T-17585 are for 2017, not for TY 2018. Allowing the 2017 non-recurring amounts of \$185,929.41 would increase Calaveras's CHCF-A 2018 support to \$2,942,546.48. The parties could have included an allowance for these changes in the settlement agreement, but they did not. As noted above, the Settlement Agreement states that adjustments for revenue effects of regulatory changes of industry-wide effect from that forecasted amount would also be subject to the normal annual process dealing with CHCF-A support. In addition, ORA is correct in pointing out it is not appropriate to include these prior year adjustments in the 2018 GRC, and making these proposed adjustments in response to comments on the proposed decision is not the normal annual process for addressing changes to CHCF-A support amounts. Accordingly, we decline to alter the Settlement Agreement to make them here.

Further, the Commission's policy has been adjustments to CHCF-A support are not allowed when a decision has established a carrier's upcoming TY CHCF-A support amount. Thus, the rehearing of Resolution T-17585 is the appropriate forum to consider these specific changes for Calaveras,⁶³ and Phase 2 of the CHCF-A rulemaking is the appropriate forum to consider overarching policy changes.

13. Assignment of Proceeding

Carla J. Peterman is the assigned Commissioner and Robert Haga is the assigned ALJ in this proceeding.

⁶³ Should the Commission find merit in the rehearing application, we would expect all changes, including the increased federal high cost support, to be considered as part of the "normal annual process."

Findings of Fact

1. On October 3, 2016, Calaveras filed this GRC Application seeking to update its intrastate rates and charges, adopt an intrastate revenue requirement, establish a rate design, and increase its draw from the CHCF-A.

2. The Commission preliminarily categorized this Application as ratesetting, and determined that evidentiary hearings were necessary.

3. ORA filed its protest in this proceeding on November 2, 2016.

4. ORA and Calaveras are the only parties in this proceeding.

5. On May 26, 2017, a PPH took place in Copperopolis, California, to obtain comments and feedback from Calaveras's customers.

6. Calaveras and ORA served direct testimony of witnesses prepared to testify in support of their respective positions.

7. The parties engaged in significant data exchanges, contests and analysis of each other's positions and arguments, after which substantive settlement negotiation occurred between the parties.

8. On April, 7, 2017, the parties held a duly-noticed all-party formal settlement conference in compliance with Rule 12.1(b).

9. The parties have arrived at an All-Party Settlement Agreement resolving all issues in this proceeding.

10. On April 18, 2017, the parties filed a Joint Motion with the Commission for adoption of the Settlement Agreement.

11. On June 13 and August 15, 2017, the parties filed additional information with the Commission in support of, and to explain, the Settlement Agreement as directed in rulings issued by the ALJ on May 25 and July 26, 2017, respectively.

12. The parties submitted Exhibit B "Results of Operations with Additional Details for Illustrative Purposes Only" to the Joint Response of Calaveras and

ORA to the May 25, 2017 ALJ Amended Ruling Seeking Additional Information Regarding Proposed Settlement. This document is attached to this decision as Appendix 2.

13. On June 27, 2017, limited evidentiary hearings were held to receive exhibits into the record, request clarification from the applicant regarding reporting of non-regulated revenues, and to discuss the TY 2018 Results of Operations.

14. Based on our review of all the information in the record we can independently determine and adopt the figures contained in the Results of Operations for Calaveras for the TY 2018 (Appendix 2).

15. Appendix 2 is reasonable, wholly consistent with the Settlement Agreement, and it reflects TY 2018 Results of Operations for Calaveras based on the record in this proceeding.

16. The Settlement Agreement resolves all issues in Calaveras's GRC Application for TY 2018.

17. Based on the Settlement Agreement, it is reasonable to approve intrastate revenue requirements of \$6,200,000 (inclusive of \$2,932,899 in CHCF-A subsidy draw), based on the currently approved 8.91 percent cost of capital adopted in D.16-12-035, for Calaveras for the TY 2018.

18. Based on the Settlement Agreement, it is reasonable to approve Calaveras's rate design based on the following forecasted revenues:

- a) \$1,431,708 in Local Network Services revenues;
- b) \$1,613,488 in Interstate Universal Service Fund support for intrastate revenue requirement;
- c) \$135,094 in intrastate access revenues;
- d) \$86,811 in miscellaneous and uncollectible revenues; and

- e) The remainder necessary to fulfill revenue requirement from the CHCF-A, based on the \$6,200,000 revenue requirement. Under the current approved 8.91 percent cost of capital, a CHCF-A draw of \$2,932,899.

19. Based on the Settlement Agreement, it is reasonable to approve new requirements and/or rules for Calaveras and its affiliates as set forth in the Settlement Agreement.

20. Based on the Settlement Agreement, it is reasonable to approve new requirements relating to Calaveras's service quality, safety and project reporting as set forth in the Settlement Agreement.

21. Based on the Settlement Agreement, it is reasonable to approve new end-user rates for Calaveras's residential and business customers as set forth in the Settlement Agreement; and revision of Calaveras's rates for other services as set forth in the Settlement Agreement.

22. Based on the Settlement Agreement and the changes to the income tax rate made after the Settlement Agreement was submitted, it is reasonable to require Calaveras to file a Tier 2 Advice Letter informing the Commission of the revised revenue requirement within 30 days of the effective date of this decision.

23. Given that this decision addressing Calaveras's GRC is not effective on January 1, 2018, and recognizing that the revenue requirement is based on a full year of data, we anticipate a revenue shortfall could result in Calaveras not being able to recover its full revenue requirement.

24. The record in this proceeding, including the Settlement Agreement, provides sufficient information to enable the Commission to enforce its terms and discharge the Commission's future regulatory responsibilities with respect to the parties and interests in this proceeding.

25. Approving the Settlement Agreement grants the relief requested by the parties, and this relief is not opposed by any party in this proceeding.

26. Pursuant to Rule 11.4, the parties have requested to file under seal confidential materials, including reports, work papers, and testimony.

Conclusions of Law

1. Calaveras's Application for new intrastate rates and charges for telephone services in California, and draw from the CHCF-A should be granted without modification as set forth in the Settlement Agreement between the parties (Appendix 1).

2. The Settlement Agreement between the parties complies with Rule 12.1(d) and is reasonable in light of the record, consistent with law and in the public interest and should be adopted. Nothing in the Settlement Agreement contravenes any statute or Commission decision or rule.

3. The Settlement Agreement is reasonable because it affords Calaveras the opportunity to provide "adequate, efficient, just and reasonable service" in a way that promotes the "safety, health, comfort, and convenience of [their] patrons, employees, and the public."

4. The Settlement Agreement is reasonable because it sets basic rates for Calaveras's residential customers within the Commission's established all-inclusive reasonable range for residential customers, and ensures that CHCF-A support for Calaveras "is not excessive so that the burden on all contributors to the CHCF-A program is limited."

5. The Settlement Agreement is reasonable because it requires Calaveras to implement new requirements relating to dealings with its affiliates and new requirements relating to Calaveras's service quality, safety and project reporting designed to lead to greater accountability and benefits to ratepayers.

6. The Settlement Agreement is binding on all parties, resolves all issues in the proceeding, saves time and resources by avoiding lengthy and costly litigation, and protects public interests and safety by imposing new accountability and service quality requirements.

7. The benefits of the Settlement Agreement to the public outweigh the benefits and/or burden and uncertainties of continued litigation.

8. The agreed-to intrastate revenue requirement of \$6,200,000 (inclusive of \$2,932,899 in CHCF-A subsidy draw), based on the currently approved 8.91 percent cost of capital in D.16-12-035 for the TY 2018, is reasonable and supported by the record in this proceeding, and should therefore be approved. The agree-to intrastate revenue requirement for the TY 2018 reflected needed adjustments (deductions) to Calaveras's requested intrastate revenue requirement.

9. Calaveras' rate design as proposed in the Settlement Agreement and based on the following forecasted revenues should be approved:

- a) \$1,431,708 in Local Network Services revenues;
- b) \$1,613,488 in Interstate Universal Service Fund support for intrastate revenue requirement;
- c) \$135,094 in intrastate access revenues;
- d) \$86,811 in miscellaneous and uncollectible revenues; and
- e) The remainder necessary to fulfill revenue requirement from the CHCF-A, based on the \$6,200,000 revenue requirement. Under the current approved 8.91 percent cost of capital, a CHCF-A draw of \$2,932,899.

10. Calaveras should be required to abide by the requirements relating to its affiliates as set forth in the Settlement Agreement.

11. Calaveras should be required to abide by the requirements relating to service quality, safety and project reporting as set forth in the Settlement Agreement.

12. Calaveras should be authorized to adopt new end-user rates for its residential and business customers as set forth in the Settlement Agreement; and revise its rates for other services as set forth in the Settlement Agreement.

13. Calaveras should be required to file a Tier 2 Advice Letter informing the Commission of the revised revenue requirement within 30 days of the effective date of this decision based on changes to the income tax rate made after the Settlement Agreement was submitted.

14. The Commission should rely upon the figures provided in Appendix 2 – “Calaveras Telephone Company, TY 2018 Results of Operations” to (1) perform the means test to determine Calaveras’s annual CHCF-A support beyond calendar year 2018, and (2) for all purposes consistent with established and historical GRC processes practiced by all Commission Industry Divisions, including the Communications Division.

15. The CHCF-A support for TY 2018 should be the CHCF-A amount adopted and reflected in Appendix 2 to this decision.

16. Calaveras should submit a Tier 2 Advice Letter within 30 days of this decision to request any revenue shortfall resulting from this decision not being approved as of January 1, 2018, through the CHCF-A fund. The Advice Letter should provide a calculation to “true up” the revenue differential.

17. Within 30 days of the issuance of this decision, Calaveras should file a Tier 2 Advice Letter with the revised tariff schedules that implement the Settlement Agreement in Appendix 1. The advice letter should be effective for tariffs and services rendered as of the first day of the next month following the

adoption of this decision. Within seven days of the date that the advice letter is effective, Calaveras should notify its customers of the revised tariffs and rates.

18. The parties' requests to file confidential materials, including confidential work papers, exhibits, and testimony discussed in Section 10 above, under seal should be granted for three years.

19. All pending motions in this proceeding not specifically addressed in this decision, or previously addressed, should be denied as moot.

O R D E R

IT IS ORDERED that:

1. The April 18, 2017 Joint Motion by the Commission's Office of Ratepayer Advocates and the Calaveras Telephone Company (U1004C) for the Commission's Adoption of the All-Party Settlement Agreement in Application 16-10-004 is granted pursuant to Article 12.1 of the Commission's Rules of Practice and Procedure.

2. The All-Party Settlement Agreement between the parties (attached hereto as Appendix 1) is approved. Pursuant to the terms of the All-Party Settlement Agreement, the Calaveras Telephone Company's Application for new intrastate rates and charges for telephone services in California, and draw from the California High Cost Fund-A is granted.

3. The terms of the All-Party Settlement Agreement are adopted for the purpose of determining the Calaveras Telephone Company's intrastate revenue requirement for the Test Year (TY) 2018, end-user rates, and other service rates included in the All-Party Settlement Agreement (Appendix 1), such as rate of return, income tax liabilities, depreciation, affiliates rules, and requirements relating to service quality, safety and project reporting for the TY 2018.

4. The Calaveras Telephone Company's rate design for Test Year 2018 shall be based on the following forecasted revenue sources:

- a) \$1,431,708 in Local Network Services revenues;
- b) \$1,613,488 in Interstate Universal Service Fund support for intrastate revenue requirement;
- c) \$135,094 in intrastate access revenues;
- d) \$86,811 in miscellaneous and uncollectible revenues; and
- e) The remainder necessary to fulfill revenue requirement from the California High Cost Fund-A, based on a \$6,200,000 revenue requirement.

5. Basic residential rate of \$25.00 per month, exclusive of any surcharges, fees, or taxes (which may include items such as access recovery charge, subscriber line charge, and Extended Area Service) is adopted for the Calaveras Telephone Company (Calaveras), and is effective on the first day of the next month following the adoption of this decision. Within 30 days of the issuance of this decision, Calaveras shall file a Tier 2 Advice Letter with revised tariffs setting the basic residential rate at \$25.00 per month, exclusive of any surcharges, fees, or taxes, effective January 1, 2018. Within seven days of the effective date of the advice letter, Calaveras shall notify its customers of the revised tariffs and rates.

6. Basic business rate of \$27.33 per month, exclusive of any surcharges, fees, or taxes is adopted for the Calaveras Telephone Company (Calaveras), and is effective on the first day of the next month following the adoption of this decision. Within 30 days of the issuance of this decision, Calaveras shall file a Tier 2 Advice Letter with revised tariffs setting the basic business rate at \$27.33 per month, exclusive of any surcharges, fees, or taxes, effective January 1, 2018. Within seven days of the effective date of the Advice Letter, Calaveras shall notify its customer of the revised tariffs and rates.

7. The revision of Calaveras Telephone Company (Calaveras) rates for other services as set forth in Attachment 1 to the Settlement Agreement is approved effective the first day of the next month following the adoption of this decision. Within 30 days of the issuance of this decision, Calaveras shall file a Tier 2 Advice Letter with revised tariffs setting forth the revised rates for other services (as provided in the Settlement Agreement), effective January 1, 2018. Within seven days of the effective date of the advice letter, Calaveras shall notify its customers of the revised tariffs and rates.

8. The Calaveras Telephone Company (Calaveras) is authorized to utilize its current income tax rate for purposes of this Order. Because the income tax rate changed after the submission of the All-Party Settlement Agreement, Calaveras shall file a Tier 2 Advice Letter within 30 days of this decision with revised revenue requirement reflecting changes to the income tax rate made after the All-Party Settlement Agreement was submitted. Calaveras shall submit a revised Results of Operation updating all items in Appendix 2 with the Advice Letter.

9. The Calaveras Telephone Company is authorized to submit a Tier 2 Advice Letter to the Communications Division within 30 days of this decision to request any revenue shortfall resulting from this decision not being approved as of January 1, 2018, through the California High Cost Fund-A. The Advice Letter should provide a calculation to “true up” the revenue differential for the Test Year 2018.

10. The Calaveras Telephone Company shall disclose all non-regulated revenues, including any and all revenues derived from General Order 69-C transactions, in its next general rate case application and testimony.

11. Pursuant to the Settlement Agreement, Calaveras Telephone Company's assumed intrastate revenue requirement of \$6,200,000 (inclusive of \$2,932,899 in California High Cost Fund-A subsidy draw) is approved based on the currently approved 8.91 percent cost of capital in Decision 16-12-035, for its 2018 test year.

12. The Results of Operations (Appendix 2) is adopted for the Calaveras Telephone Company for all purposes consistent with established and historical General Rate Case processes practiced by all Commission Industry Divisions, including Communication Division, such as the California High Cost Fund-A means test.

13. Subject to the terms of, and actual language in, the Settlement Agreement:

- a. The Calaveras Telephone Company (Calaveras) and each of its affiliates must be held in separate legal entities.
- b. Calaveras shall maintain separate books from its affiliates as to all transactions.
- c. Calaveras shall maintain separate bank accounts from its affiliates as to all transactions.
- d. The cost of any advertising or marketing conducted jointly on behalf of Calaveras and any of its affiliates shall be apportioned according to the extent that the advertising or marketing benefits each company. Calaveras's share of the cost of such advertising or marketing shall not exceed an even division of the cost amongst all companies involved in the joint advertising or marketing.
- e. Calaveras shall not include in its regulated expenses the costs of any joint sponsorships, fundraisers, or charitable donations with its affiliates.
- f. Calaveras shall not transfer any physical assets that are used and useful without first obtaining necessary approvals from the Commission.
- g. Calaveras shall conduct financial transactions with its affiliates at "arms-length."

- h. Calaveras shall ensure that affiliate transactions are conducted at rates and upon terms no less advantageous than those otherwise available to Calaveras from unaffiliated third parties for similar transactions.

14. Subject to the specific terms of, and actual language in, the Settlement Agreement, Calaveras Telephone Company (Calaveras) shall abide by the following requirements relating to service quality, safety and project reporting:

- a. Calaveras shall serve Office of the Ratepayer Advocates (ORA) and the Commission on an ongoing basis with an Annual Progress Report (Report) on the status of its plant additions. The Report shall be submitted on or before September 15 of each year with information covering an annual period. The Report shall be submitted in excel format, and shall be submitted using the format attached herein as Attachment 3 to the Settlement Agreement.
- b. If Communications Division facilitates a workshop on the topic of service quality and investments in broadband infrastructure projects, Calaveras shall actively participate with ORA in such workshop.
- c. Calaveras shall make good-faith best effort to establish formal Mutual Aid Agreements with other utilities, emergency responders, and local organizations.
- d. Calaveras shall incorporate its emergency equipment list into its emergency planning documents.
- e. Calaveras shall incorporate its recovery and restoration strategy into its emergency planning documents.

15. The specific terms of the Settlement Agreement as approved and adopted herein shall be binding on all parties. The terms of the All-Party Settlement shall be enforceable by the Commission against the Calaveras Telephone Company (Calaveras) and any violation of its terms may subject Calaveras to Commission actions, including penalties or sanctions.

16. All testimony served in this proceeding is admitted into the record of this proceeding. Confidential testimony is admitted and placed under seal.

17. The provisions of the Settlement Agreement shall not be construed as precedent and in no way bind the Commission.

18. The Commission shall have exclusive jurisdiction over all issues related to the Settlement Agreement.

19. The parties' request to place the confidential materials under seal as specifically identified at the June 27, 2017 evidentiary hearing is granted for three years from the date of this decision. The above confidential materials shall remain under seal for three years. During the three-year period, this information shall not be publicly disclosed except on further Commission order or by an Administrative Law Judge ruling. If the parties believe that it is necessary for this information to remain under seal for longer than three years, the parties may file new motions showing good cause for extending this order by no later than 30 days before the expiration of this order.

20. All pending motions in this proceeding that are not specifically addressed in this decision, or previously addressed in this proceeding, are denied.

21. Application 16-10-002 is closed.

This order is effective today.

Dated April 26, 2018, at San Francisco, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners