

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**RESOLUTION T- 17622
July 26, 2018**

RESOLUTION

**Resolution T-17622 Approving Supplemental CASF Grant of \$98,795 to
Cal.net, Inc. for its El Dorado North Broadband Project**

I. SUMMARY

This Resolution approves a supplemental California Advanced Services Fund (CASF) grant of \$98,795 to Cal.net, Inc. (Cal.net). This amount will reimburse Cal.net 60 percent of the California Environmental Quality Act (CEQA) review cost overage for its El Dorado North Broadband Project (El Dorado North Project).

II. APPLICANT REQUEST

On May 11, 2018, Cal.net submitted a letter to the Communications Division (CD) seeking additional CASF funding of \$98,795 for the El Dorado North Project. Cal.net asserted that the initial budget for the El Dorado North Project was prepared in 2014, although it was submitted to the California Public Utilities Commission (Commission) in 2015, and that the economic boom in recent years has led to much higher costs to complete the CEQA review which increased from the initial budget of \$258,500 to \$423,159. This cost overage resulted in a CASF reimbursable shortfall of \$98,795.¹

III. BACKGROUND

On January 14, 2016, the Commission adopted Resolution T-17497 approving a CASF grant of \$1,139,755 to Cal.net to build last-mile fixed wireless infrastructure to deliver broadband services to underserved rural communities in northern El Dorado County. This grant amount represents 60 percent of the total project cost of \$1,899,591, of which \$258,500 was allocated for CEQA review.

¹\$98,755 is 60% greater than the original request of \$258,500.

Resolution T-17497 also provides the following directives:

Cal.net must provide the Proponent’s Environmental Assessment (PEA) prior to the first 25% payment. Should the Energy Division recommend that a full CEQA analysis is required, the applicant may either pay for the analysis itself or seek a supplemental CASF grant to cover the 60 percent cost increase.²

IV. DISCUSSION

For the CEQA review, Cal.net designated El Dorado Community Development Agency as the Lead Agency which issued the Initial Study/Mitigated Negative Declaration (IS/MND) in compliance with the CEQA Act for the El Dorado North Project. On April 27, 2018, the Commission adopted Resolution T-17603 approving the release of CASF grant monies and certifying the IS/MND as compliant with CEQA.

In the supplemental grant request, Cal.net provided copy of paid invoices for the CEQA review which are broken down as follows:

CEQA Consultants	\$344,046
Permit Fees	\$21,412
Legal Fees	\$12,871
Pollution Insurance	\$2,650
Tower Inspection	\$1,680
Site Acquisitions	\$40,500
Total	\$423,159

CD Staff reviewed the invoices and determined that Cal.net’s request is consistent with directives set forth in Resolution T-17497. Since the Commission approved the IS/MND in Resolution T-17603, Cal.net’s request seeking additional CASF funding of \$98,795 is reasonable and should be approved. The Commission should reimburse Cal.net in accordance with the payment guidelines adopted in Resolutions T-17497.

² Resolution T-17497, p. 12. ³ Resolution T-17497, p. 11.

V. PERFORMANCE/REQUIREMENTS

Cal.net is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in Decision (D.)12-02-015, D.14-02-048, and Resolution T-17443.³ Cal.net is also required to comply with the terms of its CASF grant as set forth in Resolution T-17497.⁴ In the event that Cal.net fails to complete the project in accordance with the terms of Commission approval, Cal.net must reimburse some or all of the CASF funds that it has received.

VI. COMMENTS ON DRAFT RESOLUTION

In compliance with Pub. Util. Code, § 311(g), a notice letter was emailed on June 22, 2018, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's documents website at <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at the same website. CD received no comments.

VII. FINDINGS

1. Resolution T-17497 directed Cal.net to provide the PEA prior to the first 25% payment, and should the Energy Division recommend that a full CEQA analysis is required, directed Cal.net to either pay for the analysis itself or seek a supplemental CASF grant to cover the 60 percent increase of the original budgeted cost.
2. On May 11, 2018, Cal.net submitted a letter to CD seeking additional CASF funding of \$98,795. This amount will reimburse Cal.net for the 60 percent increase of the CEQA review cost for the El Dorado-North Project.
3. Cal.net asserted that the initial budget for the El Dorado North Project was prepared in 2014 and that the economic boom in recent years has led to much higher costs to complete the CEQA review, which increased from the initial budget of \$258,500 to \$423,159.

³ Resolution T-17497, p. 11.

⁴ Resolution T-17497, p. 13.

4. For the CEQA review, Cal.net designated El Dorado Community Development Agency as the Lead Agency which issued the IS/MND in compliance with the CEQA Act for the El Dorado North Project.
5. On April 27, 2018, the Commission adopted Resolution T-17603 approving the release of CASF grant monies and certifying the IS/MND as compliant with CEQA.
6. CD Staff reviewed the invoices associated with the CEQA review and determined that Cal.net's request is consistent with directives set forth in Resolution T-17497 and should be approved.
7. The Commission should reimburse Cal.net in accordance with the payment guidelines adopted in Resolutions T-17497.
8. Cal.net must comply with all guidelines, requirements, and conditions associated with the CASF funds awards as specified in D.12-02-015, D.14-02-018, and Resolutions T-17443 and T-17497.
9. Should Cal.net fail to complete the project in accordance with the terms of Commission approval, Cal.net must reimburse some or all of the CASF funds that it has received.
10. A notice letter was emailed on June 22, 2018, informing parties on the CASF Distribution List that the draft of this Resolution is available for public comments. CD received no comments.

THEREFORE, IT IS ORDERED:

1. A CASF supplemental grant of \$98,795 to Cal.net, Inc. for its El Dorado North Broadband project is approved.
2. The Commission shall reimburse Cal.net, Inc. in accordance with the payment guidelines adopted in Resolutions T-17497.
3. Cal.net shall comply with all guidelines, requirements, and conditions associated with the CASF funds awards as specified in D.12-02-015, D.14-02-018, and Resolutions T-17443 and T-17497.
4. In the event that Cal.net fails to complete the project in accordance with the terms of Commission approval, Cal.net must reimburse the CASF funds that it has received.

Resolution T-17622
CD/AYY

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 26, 2018. The following Commissioners approved it:

/s/ Alice Stebbins

ALICE STEBBINS
Executive Director

MICHAEL PICKER

President

CARLA J. PETERMAN

MARTHA GUZMAN ACEVES

LIANE M. RANDOLPH

CLIFFORD RECHTSCHAFFEN

Commissioners

