

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**RESOLUTION T-17653
June 13, 2019**

RESOLUTION

Resolution T-17653: Approving the Categorical Exemption prepared in compliance with the California Environmental Quality Act for the Beasore/Central Camp Unserved and Underserved Broadband Project; and authorizing the release of California Advanced Services Fund grant monies to the Ponderosa Telephone Company (U-1014-C) to Construct the Beasore/Central Camp Unserved and Underserved Broadband Project

I. SUMMARY

This Resolution approves a categorical exemption prepared in compliance with the California Environmental Quality Act (CEQA)¹ for the Beasore/Central Camp Unserved and Underserved Broadband Project (Beasore/Central Camp Project). This Resolution also authorizes the release of California Advanced Services Fund (CASF) grant funding to the Ponderosa Telephone Company (Ponderosa) to construct the Beasore/Central Camp Project. The Beasore/Central Camp Project will extend high-speed internet service to 3.49 square miles covering the Beasore and Central Camp communities of unincorporated Madera County and provide safety-enhancing landline telephone service in an area where there currently is none.

II. BACKGROUND

On December 19, 2013, the Commission adopted Resolution T- 17424, conditionally authorizing a CASF grant of \$1,755,042 to Ponderosa to construct the Beasore/Central Camp Project, subject to the Commission's completion of CEQA review. Ponderosa targeted the area for broadband deployment after determining that the project is economically feasible with a CASF grant of \$1,755,042, which is 61.6 percent of the total project costs, to match Ponderosa's internal funding of \$1,092,264.

¹ California Public Resources Code Sections 21000 et seq.

Ponderosa has been a provider of local exchange service since 1908. Beyond local exchange service, it also provides communities with broadband services. With the Beasore/Central Camp Project, Ponderosa would install fiber-to-the-home (FTTH) connections capable of 50 Mbps downstream throughput and 20 Mbps upstream throughput in the Beasore and Central Camp areas of Madera County. This system would provide Internet, telephone and, potentially, video services to an area that is currently completely unserved by landlines and has a mix of underserved and unserved coverage from wireless providers.

The proposed project covers about 3.5 square miles in aggregate, distributed in two nearby but non-contiguous areas in adjoining, contiguous Census Block Groups (CBG). The northern section is an irregularly shaped region centered on County Road 5S07 (aka Beasore Road) and the southern section is a near-exact square centered on County Road 8029 in the area known as Central Camp. These areas are north of the communities of Bass Lake and North Fork in the Sierra National Forest. Ponderosa would provide backhaul for the Beasore/Central Camp Project via ADSS fiber on Pacific Gas & Electric Company (PG&E) poles to the Central Camp area and Beasore area would receive its backhaul from a microwave radio installation with solar power and a back-up generator powering the radio, fiber GPON, and subscriber terminating equipment.

When completed, the project will reach an estimated 159 housing units at maximum advertised speeds of 50 Mbps download/20 Mbps upload, which is well above the served threshold of 6 Mbps download/1.5 Mbps upload. Ponderosa estimates that the project will eventually yield 111 potential customers in the proposed area.

III. ENVIRONMENTAL COMPLIANCE DISCUSSION

As noted in Resolution T-17424, the Commission could not release funds for construction activities before completing environmental review pursuant to CEQA. Ponderosa completed a lengthy federal permitting process and subsequently provided a Proponent's Environmental Assessment (PEA) and US Department of Agriculture, Forest Service (Forest Service) Decision Memos² for Special Use Permits to the Energy Division's Infrastructure Permitting and CEQA Section on January 25, 2019. Subsequently Energy Division staff deemed the PEA complete. After reviewing the information contained in the PEA, it has been determined that the project is categorically exempt from CEQA.

² U.S. Department of Agriculture, Forest Service Decision Memo for New Telephone System for Beasore Meadows, October 2017; U.S. Department of Agriculture Forest Service Decision Memo for Central Camp New Fiber Optic Cable, September 2018.

The entire project is located on federal lands (Sierra National Forest). The northern portion of the project, Beasore, consists of approximately 7,287 feet of underground conduit for telephone copper/fiber cable. The Beasore project would affect 3.59 acres of land and disturbance will be mostly roadside. The southern portion of the project, Central Camp, consists of approximately 20,704 feet of fiber optic cable, will be placed on 67 existing PG&E poles. The Central Camp portion of the project would affect less than 5 acres of land where fiber will be placed on existing power poles with minimal ground disturbance. On October 25, 2017 and September 27, 2018, the Forest Service issued categorical exclusions from the National Environmental Policy Act for the project.

Based on the information contained in the PEA and the Forest Service Decision Memos, the entire project qualifies for the following categorical exemptions from CEQA: CEQA Guidelines Section 15061 – Review for Exemption, involving activities covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

IV. RELEASE OF CASF FUNDS

Resolution T-17424 awarded Ponderosa a CASF grant of \$1,755,042 to construct the Beasore/Central Camp Project contingent on compliance with applicable environmental requirements.³ Given the CEQA Unit's conclusion as discussed in the prior section, Ponderosa has satisfied the CEQA Compliance Requirements stated in Resolution T-17424. Therefore, the Commission shall authorize CASF grant funds to be released for the construction of the Beasore/Central Camp Project, in accordance with the scope and budget specifications provided in Resolution T-17424.

V. SAFETY IMPACT

The construction of this project could have significant positive safety impacts. Communication with emergency services is currently difficult in the project area because there is no existing landline telephone service to either Beasore or Central Camp and wireless phone service is spotty because of the hilly terrain. This project has the potential to connect residents to reliable wireline voice service that would improve communications with emergency services, including E911.

CD staff's communications with agencies such as the USFS Sierra National Forest-Bass Lake Ranger District have revealed the importance of expanding voice and broadband

³ Resolution T-17424, p. 7.

services in this area. USFS officials confirmed to CD Staff that residents, including many senior citizens, live in Central Camp year-round. These officials noted that mobile telephone service is spotty due to the terrain, and access to broadband, voice service and emergency communications such as 911 is critical. The project could potentially provide a low-vulnerability communications infrastructure in this fire-prone area.

VI. COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code, §311(g), a notice letter was emailed on May 8, 2019, 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.

VII. FINDINGS

1. Resolution T-17424 (adopted December 19, 2013) conditionally authorized a CASF grant of \$1,755,042 to Ponderosa to construct the Beasore/Central Camp Project, subject to the Commission's completion of CEQA review.
2. The Commission is the lead agency under CEQA for environmental review of the Beasore/Central Camp Project.
3. The applicant provided the required PEA on January 25, 2019, and Energy Division's CEQA Unit deemed the PEA complete on February 15, 2019.
4. Based on the information contained in the PEA and the Forest Service Decision Memos, the project is categorically exempt from CEQA, consistent with CEQA Guidelines Section 15061 – Review for Exemption, involving activities covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
5. With the adoption of this Resolution, Ponderosa has satisfied the conditions required to release funds for the construction of the Beasore/Central Camp, as set forth in Resolution T-17424.
6. Ponderosa is required to comply with all provisions in Resolutions T-17424 and T-17653.

7. A notice letter was e-mailed on May 8, 2019, informing all parties on the CASF distribution list of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/documents/>. This letter also informed parties that the final confirmed Resolution adopted by the Commission will be posted and available at this same website.

THEREFORE, IT IS ORDERED THAT:

1. The Commission authorizes \$1,755,042 in CASF grant funds to be released for the construction of the Beasore/Central Camp Project, in accordance with the scope, budget specifications, and payment guidelines provided in Resolution T-17424.
2. Ponderosa shall comply with all guidelines, requirements, and conditions associated with the CASF funds award as specified in D.12-02-015, Resolutions T-17424 and T-17653.
3. In the event that Ponderosa fails to complete the project in accordance with the terms of approval granted by the Commission in Resolutions T-17424 and T-17653, Ponderosa must reimburse some or all of the CASF funds that it has received.

This Resolution is effective today.

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

Alice Stebbins
Executive Director