

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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

**RESOLUTION T- 17752  
December 16, 2021**

**RESOLUTION**

**RESOLUTION T-17752: Approves up to \$5,509,185 from the California Advanced Services Fund for the Broadband Infrastructure Grant Account applications of Plumas-Sierra Telecommunications (U-7218-C) for the Sierra Valley Project and Nevada County Fiber (U-7375-C) for the Buckeye Road Community and Banner Mountain South Community Project.**

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**I. SUMMARY**

This Resolution approves grant funding in the amount of up to \$5,509,185 from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account (Infrastructure Account) for the grant applications of Plumas-Sierra Telecommunications (PST) for the Sierra Valley Project and Nevada County Fiber (NCF) for the Buckeye Road Community and Banner Mountain South Community Project. Collectively, these projects will serve 168 households.

The two projects approved are:

<b>Applicant</b>	<b>Project</b>	<b>Households</b>	<b>Requested Amount</b>	<b>Approved Amount</b>
PST	Sierra Valley	140	\$4,887,905	\$4,887,905
NCF	Buckeye Road and Banner Mountain South Community Broadband	28	\$589,648	\$621,280 <sup>1</sup>

**II. BACKGROUND**

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<sup>1</sup> The revised project budget proposed by NCF on September 10, 2021 was \$559,152, based on removal of ineligible census blocks. Awarding 100 percent of the proposed budget would equate to \$621,280.

The Infrastructure Account provides grant funding to Internet service providers to build or upgrade broadband infrastructure in areas that are unserved by existing broadband providers. The CASF program was initiated in 2008, after the program was first adopted by the California Public Utilities Commission (Commission) in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)<sup>2</sup> into law. This legislation amended the statute governing the CASF program, Public Utilities Code § 281. The Commission issued D.18-12-018 adopting the programmatic changes to the CASF. Appendix 1 of D.18-12-018 sets forth the rules, application requirements and guidelines for the CASF Infrastructure Account.

The most recent Infrastructure Account grant application deadline was May 4, 2020.<sup>3</sup>

On June 29, 2020, Governor Newsom signed AB 82 into law, amending Public Utilities Code § 281 to authorize leveraging of CASF Infrastructure grant funding to supplement the costs of broadband infrastructure already funded, in whole or in part, by the federal Rural Digital Opportunity Fund (RDOF).<sup>4</sup> In an effort to effectively utilize both state and federal funding toward meeting the CASF program goals, the Commission has deferred project applications that include areas eligible to receive RDOF for consideration until after the results of the RDOF Phase I (Auction 904) have been published.<sup>5,6</sup>

On March 10, 2021, the Commission issued D. 21-03-006, modifying data submission requirements, and requiring open access for CASF projects. Revised CASF program guidelines were set forth in Appendix A of D.21-03-006.

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<sup>2</sup> AB 1665 is codified at Public Utilities (Pub. Util.) Code § 281.

<sup>3</sup> The Commission extended the CASF Infrastructure application deadline from April 1 to May 4, 2020, and all subsequent deadlines are moved back by five weeks due to the COVID-19 public health emergency. *See* Executive Director Letter to CASF Distribution and Service Lists, Postponement of the 2020 CASF Infrastructure Application Deadlines, March 20, 2020.

<sup>4</sup> *See* Public Utilities Code § 281(b)(1)(B)(ii)(II).

<sup>5</sup> *See* D.21-01-003, p. 23.

<sup>6</sup> *See* March 26, 2021 “Postponement of the Deadline for Action on Pending CASF Infrastructure Applications and the Deadline for Submitting 2021 CASF Infrastructure Applications” Letter to CASF Service and Distribution Lists, available at <https://www.cpuc.ca.gov/casf/>.

On July 20, 2021, Governor Newsom signed historic broadband legislation to help bridge the digital divide.<sup>7</sup> Among other things, SB 156, authored by the Committee on Budget and Fiscal Review instituted several changes to the CASF program. The bill changed the definition of “unserved area” to “an area for which there is no facility-based broadband provider offering at least one tier of broadband service at speeds of at least 25 mbps downstream, 3 mbps upstream...”<sup>8</sup> However, in the interests of administrative efficiency and to ensure proper notice to project applicants, the Commission will use the standard of 6 mbps downstream and 1 mbps upstream to determine eligibility for funding for project applications submitted in 2020.

Further, SB 156 changed the requirements for the infrastructure that could be funded by the CASF program. Pursuant to Pub. Util. Code Sec. 281(f)(5), the Commission may only fund projects that "deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream..." This is a clear legislative directive to the Commission, which the Commission must implement immediately. All infrastructure funded by the CASF program must be capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream. In addition, the legislature added the requirement that each entity that receives CASF funding must report when it uses a licensed contractor or subcontractor with a contract in excess of \$25,000 for work funded by CASF and that the Commission must post this information on a monthly basis.<sup>9</sup>

Among other things, the broadband legislation also includes a \$3.25 billion statewide middle-mile plan to build, operate and maintain an open access, state-owned middle-mile network of high-capacity fiber lines that carry large amounts of data at higher speeds over longer distances between local networks.<sup>10</sup>

### III. APPLICANT REQUESTS AND NOTICE

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<sup>7</sup> <https://www.gov.ca.gov/2021/07/20/governor-newsom-signs-historic-broadband-legislation-to-help-bridge-digital-divide/>.

<sup>8</sup> See Pub. Util. Code Sec. 281(b)(1)(B)(ii)(I).

<sup>9</sup> See Pub. Util. Code Sec. 281(1).

<sup>10</sup> <https://www.gov.ca.gov/2021/07/12/governor-newsom-legislative-leaders-announce-historic-broadband-budget-bill/>; SB 156, Chapter 112, available at [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=20210220SB156](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20210220SB156).

On May 4, 2020, the Communications Division received 54 applications<sup>11</sup> for the CASF Infrastructure Account. On May 18, 2020, Staff posted the proposed project area map, census block groups (CBGs) and Zone Improvement Plan (ZIP) Codes for PST's Sierra Valley Project and NCF's Buckeye Rd & Banner Mountain South Community Broadband Project on the Commission's CASF webpage<sup>12</sup> under "CASF Application Project Summaries" and sent notice regarding the project to the CASF Distribution List.<sup>13</sup>

#### IV. CONDITIONAL APPROVAL OF MIDDLE-MILE COMPONENTS

Through SB 156, the legislature developed a statewide strategy to build, operate and maintain an open access, state-owned middle-mile network of high-capacity fiber lines that carry large amounts of data at higher speeds over longer distances between local networks. The middle-mile component of projects funded by the CASF Program should complement this statewide strategy. Thus, the CASF grant award for the middle-mile components of the Sierra Valley project is conditioned on whether the Director of the California Department of Technology (CDT) or designee finds that the middle-mile components of the projects complement the California middle-mile initiative described in SB 156.

This approval process should take place within three months from the approval of this Resolution. However, the time allowed for the CDT Director or designee to approve the middle-mile components of the Sierra Valley project may be extended an additional three months, or longer, by mutual agreement between the CDT Director or designee and PST. PST will send written notice of time extensions, if any, to the CD Director.

If the CDT Director or designee notifies the CD Director in writing that the CDT Director or designee approves the middle-mile component of the project, the CD Director or designee shall, in writing, approve release of CASF funding for the middle-mile component of the project. At that time Staff may proceed with project funding

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<sup>11</sup> See <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-project-summaries> for project summaries and <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-grant/casf-infrastructure-approved-projects> for approved projects.

<sup>12</sup> See <https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/california-advanced-services-fund/casf-infrastructure-grant>.

<sup>13</sup>

[https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc\\_public\\_website/content/utilities\\_and\\_industries/communications\\_-\\_telecommunications\\_and\\_broadband/service\\_provider\\_information/casfdistributionlist.xlsx](https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/communications_-_telecommunications_and_broadband/service_provider_information/casfdistributionlist.xlsx).

activities. If the CDT Director or designee does not approve the middle-mile component of the project, CASF Program funding for the middle-mile component of the Sierra Valley project is automatically rescinded on the date that the CD Director receives written notice that CDT did not approve the middle-mile component.

The CASF Program operates more efficiently if it is clear which projects actually are being deployed, so that funds are not encumbered for projects that will not be built. Thus, PST has 90 days from the date that the CDT Director or designee does not approve the middle-mile component of the Sierra Valley project to inform the CD Director by a written letter that it still plans to deploy the last-mile components of the project, even though it will not receive any funding for the middle-mile component. The written letter must include the following:

- Identifying information for the project(s) such as the grantee organization name, project name, project address, any identifying project number, the date of the award, and the grant amount.
- A statement that PST will deploy the last-mile component of the project(s) and comply with all the guidelines, requirements, and conditions associated with the grant of the CASF funds.

## **V. APPLICATION REVIEW AND EVALUATION**

Staff reviewed all applications according to the guidelines, requirements, and evaluation adopted in D.21-03-006, as follows:

- I. Project Area Eligibility
- II. Minimum Performance Criteria
- III. Funding Determination
- IV. Safety and Community Support

Staff's review and evaluation of the applications are summarized below.

### **A. Sierra Valley Mid-Mile / Last-Mile Broadband Project**

On May 4, 2020, PST submitted a CASF Infrastructure application requesting 100 percent funding of \$5,123,342 to deploy middle and last-mile fiber optic wireline and fixed wireless technology to the Sierra Valley area of Plumas and Sierra counties. The project would serve a total of 233 CASF-eligible households and enable wireline

broadband access at speeds of up to 1 Gbps download and 1 Gbps upload and wireless broadband access at speeds of up to 50 Mbps download and 3 Mbps upload.

### **Applicant**

PST is an experienced Internet service provider that operates terrestrial and wireless networks in Plumas and Eastern Sierra counties. PST, a CPCN holder, is a wholly owned subsidiary of Plumas-Sierra Rural Electric Cooperative (PSREC). Founded in 1937, PSREC is a member-owned electric distribution utility providing electrical power and related services to over 7,500 member/owners in Plumas, Lassen, and Sierra counties in California, and portions of Washoe County in Nevada. In 1987, PSREC management and the board of directors formed its PST subsidiary to offer affordable telecommunication and internet services in PSREC's electrical service areas where communications were not previously available. Since the mid-1990s, PST has offered satellite television, dial-up Internet access, satellite high-speed broadband, Wi-Fi Internet access, and wireless cellular telephone services in several areas within its service territory.

### **Project Area Eligibility**

No provider filed a valid "right-of-first refusal" for the Sierra Valley Project area by January 15, 2020,<sup>14</sup> nor do the proposed project areas include census blocks identified by the Federal Communications Commission's (FCC) Connect America Fund Phase II program.<sup>15</sup> There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area. According to the latest 2019 California Interactive Broadband Map,<sup>16</sup> the area is unserved; only dial-up service is available.<sup>17</sup>

On September 10, 2020, PST revised its application due to an accounting error. On June 25, 2021, Staff requested PST remove twenty census blocks shown as served on the 2019 California Interactive Broadband Map. On July 12, 2021, PST submitted a revised application, removing the census blocks and increasing funding to \$4,887,905.<sup>18</sup> On July

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<sup>14</sup> Pub. Util. Code § 281(f)(4)(A)(ii), repealed in 2021, prohibited the Commission from awarding CASF funding to a project applicant if an existing facility-based broadband provider demonstrated, in response to the Commission's annual offer, that it would deploy broadband or upgrade existing broadband service throughout the proposed project area within 180 days.

<sup>15</sup> Pub. Util. Code § 281(f)(5)(C)(i), repealed in 2021, prohibited the Commission, prior to July 1, 2020, from awarding CASF funding to a project applicant where an existing facility-based broadband provider had accepted federal funds for broadband deployment from Phase II of the Connect America Fund.

<sup>16</sup> With data as of December 31, 2019.

<sup>17</sup> Dial-up provides speed less than 200 Kbps downstream and 200 Kbps upstream.

<sup>18</sup> The increased costs reflected increased pole attachment and permitting costs associated with the rising cost of deploying broadband infrastructure.

30, 2021, PST submitted an updated application as the July 12, 2021 version reflected data based on census block groups and not census blocks as required by CASF guidelines. The revised Sierra Valley Project Summary was posted on the Commission's webpage on August 6, 2021. See Table 1 below for a summary of the Sierra Valley Project application revisions.

**Table 1: Sierra Valley Project Revisions**

Submission Dates	Census Blocks	Unserved Households	Funding Requested
05/04/2020	53	233	\$5,123,342
07/30/2021	33	140	\$4,887,905

Staff finds the grant funding request reasonable even with the reduction of households from 233 to 140 because 89.65% of the project costs are attributed to middle-mile infrastructure that is indispensable to provide access to the last-mile fiber-to-the-home (FTTH) service.

#### **Middle-Mile Infrastructure**

PST proposes adding approximately 47.7 miles of middle-mile fiber and 74.3 miles of last-mile fiber to its network and upgrading equipment at its existing facilities to provide last-mile service to 140 households (138 served with FTTH and two served by fixed wireless (FWA)). PST proposes to extend its existing middle-mile infrastructure previously funded with ARRA and CASF grants. Currently, there is no middle-mile infrastructure along the project area; this infrastructure is indispensable to providing last-mile service. Therefore, Staff determined the middle-mile infrastructure is necessary to provide last-mile service to the proposed communities and thus eligible for CASF funding, pursuant to Pub. Util. Code § 281(b)(2)(A). This middle-mile infrastructure must be offered at reasonable rates to other carriers.<sup>19</sup>

Table 2 below, summarizes PST's middle-mile and last-mile proposed project costs for its Sierra Valley Project application.

**Table 2: Summary of Sierra Valley Project Funding Requests**

Submission Date	Middle-Mile Funding Request	Last-Mile Funding Request	Total Funding Request
05/04/2020	\$4,489,696	\$633,646	\$5,123,342
07/12/2021	\$4,382,242	\$505,663	\$4,887,905

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<sup>19</sup> Pursuant to the requirements of Decision 21-03-006

i. Challenges

Pursuant to Public Util. Code Sec. 281(f)(8) and as required by D.18-12-018, the Commission provided an opportunity for entities to challenge the applications. Challenges were due on June 8, 2020.

Digital Path Inc. (Digital Path) filed a timely challenge. However, the challenge was based on the 2018 California Interactive Broadband Map (with data as of December 31, 2018) and is a year behind the updated 2019 California Interactive Broadband Map (with data as of December 31, 2019).

The Commission updates its California Interactive Broadband Map once a year after collecting broadband deployment data from providers and validating that data using a number of resources, including technical information such as loop length, consumer feedback and location of subscribers. The latest map is based on December 2019 data and was published in December 2020. The latest map should reflect (or should have reflected) the challenges claimed by the challenger if the provider submitted correct broadband data to the Commission for the annual data submission. Therefore, the challenge is denied since the latest 2019 California Interactive Broadband Map shows the project area is eligible.

ii. RDOF

While some portions of the Sierra Valley Project overlap with areas for which LTD Broadband, LLC has RDOF eligibility, LTD Broadband, LLC has not received Eligible Telecommunications Carrier (ETC) designation in these areas.<sup>20</sup> Staff did not remove the RDOF-eligible areas from this project.

**Minimum Performance Criteria**

Staff reviewed PST's application and determined that the Sierra Valley project meets the minimum performance criteria pursuant to D.21-03-006, Appendix A, Section 6, as summarized in Table 3.

Pursuant to the CASF Program rules, project construction must be completed, following receipt of permits, within 12 months if the project is categorically exempt from CEQA, and within 24 months for all other projects. However, the Sierra Valley Project may need additional time to ensure that the CDT Director or designee approves the middle-

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<sup>20</sup> LTD Broadband, LLC has applied for an expansion of its ETC authority to participate in the RDOF program on July 8, 2021, in A.21-07-005, which is pending review.



mile component. As additional time is needed to ensure that the middle-mile component of CASF projects complement California’s initiatives for broadband deployment, a waiver in the CASF Program rules regarding project completion is required. Thus, the Sierra Valley Project must be completed in 15 months. If the time necessary for the CDT Director or designee to approve the middle-mile component is extended by mutual agreement between the CDT Director or designee and PST, Staff is authorized to also extend the time for completion of the project by the period of time specified by the CDT Director or designee.

**Table 3: Minimum Performance Criteria**

	<b>CASF Performance Criteria</b>	<b>Proposed Project</b>
<b>Project Completion</b>	CEQA-exempt projects must be completed within 15 months (unless further extended by CD); and all other projects shall be completed within 27 months (unless further extended by CD), to allow for CDT approval of middle-mile component	9 months <sup>21</sup> (CEQA exempt)
<b>Pricing</b>	Prices committed for two years after completion of the project	2-years
<b>Speed</b>	At least 100/20 Mbps <sup>22</sup>	1 Gbps / 1 Gbps <sup>23</sup>
<b>Latency</b>	Maximum of 100 ms of latency	< 100 ms
<b>Data Caps</b>	Minimum of 190 GBs per month	No data cap
<b>Affordability</b>	Must offer low-income plan	\$15 monthly

### **Project Completion and CEQA**

PST’s Sierra Valley Project is categorically exempt from California Environmental Quality Act (CEQA) review. The project is located in the Sierra Valley area of the Plumas and Sierra Counties. The project area is mostly open agricultural land with sparse population and limited access due to the agricultural production fields. There are also portions of the project consisting of dense trees and mountainous topography. The project consists of 74.25 miles of fiber optic cabling adjacent to Highway 70,

<sup>21</sup> For projects that contain a middle-mile component, PST may request an extension of time to allow for CDT approval of middle-mile components. However, CEQA exempt projects shall be completed within 15 months and all other projects shall be completed within 27 months, unless the time is further extended by the Director of CD.

<sup>22</sup> SB 156, enacted on July 20, 2021, and effective immediately, increased the speed requirements for CASF projects to 100 Mbps download and 20 Mbps upload. *See* Pub. Util. Code Sec. 281(f)(5).

<sup>23</sup> Project will provide speeds up to 1 Gbps download and 1 Gbps upload to 138 of the 140 households and 50 Mbps download and 3Mbps upload to 2 of the eligible households.

Highway 49, Highway 89, and Dyson Lane. PST has provided the Commission with its plan to use existing roads, rights-of-way (ROW), and utility easements for the installation of aerial and underground fiber cable.

PST's Sierra Valley Project includes 68.28 miles of aerial fiber installation on existing overhead electrical pole structures and 5.97 miles of underground fiber installed in conduit and placed in existing public utility easements considered previously disturbed. Plumas-Sierra Rural Electric Cooperative (PSREC) will follow guidelines for proper trenching and backhoe usage. Upon completion of conduit and cable placement, the site will be returned to its original condition.

PST's methods of aerial installation will follow General Order 95 pole safety and loading requirements. If pole-loading calculations do not initially meet GO 95 requirements, PST will replace poles to comply with GO 95. PST is expected to obtain Caltrans Encroachment permits for road crossings and a lease agreement with Liberty Utilities for joint use of their existing infrastructure when necessary.

Based on the above information, the Commission's Energy Division has confirmed that the project meets the criteria of the CEQA categorical exemptions found in CEQA Guidelines, 14 C.C.R. § 15301 (Existing Facilities) and 14 C.C.R. § 15303 (New Construction or Conversion of Small Structures). Thus, the entirety of the Sierra Valley Project is categorically exempt from CEQA.

### **Pricing, Speed, Latency, Data Caps, and Affordability**

PST commits to residential and low-income broadband pricing plans, as summarized in Table 4 and Table 5, for two years after completion of the project. PST will waive the activation and installation fees during the two-year commitment period. Moreover, PST will offer a broadband service plan to low-income customers at \$15 monthly. PST's service offerings are for broadband access only and do not include interconnected voice services.

**Table 4: PST's Broadband Pricing Plan**

<b>Technology</b>	<b>Download Speeds</b>	<b>Upload Speeds</b>	<b>Monthly Price</b>
Wireline	15 Mbps	5 Mbps	\$65
Wireless	15 Mbps	3 Mbps	
Wireline	20 Mbps	10 Mbps	\$75
Wireless	20 Mbps	3 Mbps	
Wireline	25 Mbps	10 Mbps	\$85

Wireless	25 Mbps	3 Mbps	
Wireline	50 Mbps	10 Mbps	\$95
Wireless	50 Mbps	3 Mbps	
Wireline	100 Mbps	20 Mbps	\$109

**Table 5: PST's Broadband Low-Income Pricing Plans**

Download Speed	Upload Speed	Monthly Price
10 Mbps	1 Mbps	\$15
15 Mbps	5 Mbps	\$25
20 Mbps	5 Mbps	\$35

The proposed FTTH speed offerings (up to 100 Mbps download and up to 20 Mbps upload) meet the 100/20 minimum performance requirement and can provide Internet service with speeds of up to 1 Gbps download and 1 Gbps upload, which will be available to customers upon request and at specific pricing. Broadband service will be available to residential customers, anchor institutions and small businesses.

### Funding Determination

PST is eligible to receive 100 percent funding to cover the cost of its Sierra Valley Project. Staff considered the statutory factors to determine the grant funding level, as described by Pub. Util. Code § 281(f)(11) and CASF program rules adopted in D.21-03-006, Appendix A.

Table 6, below, details Staff's funding level determination for the Sierra Valley Project.

**Table 6: Criteria for Project Funding Level for Sierra Valley Project**

Funding Criteria	Proposed Project
Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (up to 40%)	40%
Low Income – (up to 40%) <ul style="list-style-type: none"> <li>Median Household Income for community is less than CARE standard for family of 4, which is currently \$53,000 (30%)<sup>24</sup></li> <li>Applicant serves low-income customers for no more than \$15/month (10%)</li> </ul>	0%  10%

<sup>24</sup> <https://www.cpuc.ca.gov/care/>

Others: PU Code § 281(f)(11) Criteria – (up to 20%) <ul style="list-style-type: none"><li>• Inaccessible Location (10%)</li><li>• Uses Existing Infrastructure (10%)</li><li>• Makes a Significant Contribution to the Program Goal (10%)</li></ul>	10% 10% 10%
<b>Total Funding Level</b>	<b>100%<sup>25</sup></b>

**Baseline for an Eligible Project qualifies for 60 percent funding.** The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified Sierra Valley Project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference qualifies for an additional 40 percent funding.** According to the latest 2019 California Interactive Broadband Map, Staff confirmed all the proposed project areas are unserved by wireline or fixed wireless broadband service and are therefore eligible for an additional 40 percent funding.

**Low Income Consideration qualifies for an additional 10 percent funding.** The weighted<sup>26</sup> median income of the census block groups in the proposed project area is \$53,607, and thus does not qualify for an additional 30 percent funding. PST commits to offer broadband service for eligible low-income subscribers at \$15/month, which meets the criteria for an additional 10 percent funding.

**Other Factor Considerations qualify for an additional 20 percent funding.** The Sierra Valley Project meets all three criteria defined in Pub. Util. Code § 281(f)(11) and qualifies for the additional 20 percent funding.

**The proposed project meets the inaccessible location criteria for an additional 10 percent funding.** The project areas are located in the Sierra Valley region of the remote northern Sierra Nevada mountains. The project areas consist of mostly open agricultural land with limited access and is relatively inaccessible to advanced broadband communications infrastructure. Additionally, the proposed project areas are in rural census blocks as defined by the U.S. Census.

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<sup>25</sup> D.21-03-006, Summary of Funding Criteria - Maximum funding level is 100 percent.

<sup>26</sup> Staff performed a weighted average calculation of the census block groups median household incomes to accurately represent the income distribution of the households in the project area.

**The proposed project is eligible for an additional 10 percent funding for use of existing infrastructure.** PST estimates the project to be 92 percent overhead installation and proposes to use existing utility poles for deployment of broadband service.

**The proposed project makes a significant contribution to the program goal and is eligible for an additional 10 percent funding.** The Sierra Valley Project area is located within the Northeast California Connect Consortium region, which is at 89 percent served,<sup>27</sup> and below the CASF program goal. Therefore, this project will make a significant contribution to the program goal.

### **Safety and Community Support**

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, emergency services, and to allow first responders to communicate with each other and collaborate during emergencies. The Sierra Valley Project will provide enhanced communications services that will promote public safety capabilities in an area located nearby a Tier 2 Fire-Threat District.<sup>28</sup>

The Sierra Valley Project is greatly supported by the community to increase opportunities for individuals to attain education, skills and training needed to obtain employment and contribute to economic and workforce development, to improve health care, education, public safety, and quality of life for community members. A broad range of elected officials, educational institutions and community stakeholders including: United States House Representative Doug LaMalfa (District 1), California Senator Brian Dahle (District 1), California Assemblywomen Megan Dahle (District 1), Plumas County Board of Supervisors, Lassen County Board of Supervisors, Plumas County Office of Education/United School District, Feather River College, Lassen County Chamber of Commerce, Plumas County Public Health Agency, East Sierra Valley Chamber of Commerce, Mohawk Valley Stewardship Council, and the Sierra Nevada Journeys, sent letters of support for the Sierra Valley Project.

### **B. Buckeye Road Community and Banner Mountain South Community Broadband**

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<sup>27</sup> See 2020 Annual Report on the CASF Program, California Public Utilities Commission, Issued April 2021, Page 14, Table 7: Remaining Unserved Households in Each Consortia Region.

<sup>28</sup> See <https://ia.cpuc.ca.gov/firemap/>.

On May 4, 2020, Nevada County Fiber (NCF) submitted a CASF Infrastructure application for the Buckeye Road Community and Banner Mountain South Community Broadband Project (Buckeye and Banner Project) requesting 90 percent funding of \$589,648 to deploy underground distribution fiber-optic infrastructure that will enable high-speed Internet services to 50 CASF-eligible households in Nevada County at speeds of up to 1 Gbps downstream and 1 Gbps upstream.

### **Project Area Eligibility**

No provider filed a valid “right-of-first refusal” for NCF’s Buckeye and Banner Project area by January 15, 2020,<sup>29</sup> nor does the proposed project area include census blocks identified by the Federal Communications Commission’s (FCC) Connect America Fund Phase II program.<sup>30</sup> There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area.

On September 10, 2021, Staff received NCF’s revised application summary and project budget wherein NCF removed two census blocks deemed ineligible based on the review of the 2019 California Interactive Broadband Map.<sup>31</sup> The project area was revised to four census blocks, and the eligible households reduced from 50 to 28. After further review of NCF’s revised summary and project budget, Staff determined that a miscalculation had occurred in the analysis of the initial May 4, 2020, application. Staff erroneously omitted census block (60570007012154) from the project area. This Resolution now reflects five eligible census blocks with 28 eligible households. See Table 7 below for details of the revised project.

**Table 7: NCF Buckeye and Banner Project Revision**

Submission Date	Census Blocks	Unserved Households	Funding Requested
05/04/2020	6	105	\$589,648
09/10/2021	5	28	\$559,152

#### **i. Challenges**

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<sup>29</sup> Pub. Util. Code § 281(f)(4)(A)(ii), repealed in 2021, prohibited the Commission from awarding CASF funding to a project applicant if an existing facility-based broadband provider demonstrated, in response to the Commission’s annual offer, that it would deploy broadband or upgrade existing broadband service throughout the proposed project area within 180 days.

<sup>30</sup> Pub. Util. Code § 281(f)(5)(C)(i), repealed in 2021, prohibited the Commission, prior to July 1, 2020, from awarding CASF funding to a project applicant where an existing facility-based broadband provider had accepted federal funds for broadband deployment from Phase II of the Connect America Fund.

<sup>31</sup> <https://www.broadbandmap.ca.gov/>.

Pursuant to Public Util. Code Sec. 281(f)(8) and as required by D.18-12-018, the Commission provided an opportunity for entities to challenge the applications. Challenges were due on June 8, 2020.

Digital Path Inc. (Digital Path) filed a timely challenge. However, the challenge was based on the 2018 California Interactive Broadband Map (with data as of December 31, 2018) and is a year behind the updated 2019 California Interactive Broadband Map (with data as of December 31, 2019).

The Commission updates its California Interactive Broadband Map once a year after collecting broadband deployment data from providers. The data are validated using a number of resources, including technical information such as loop length, consumer feedback and location of subscribers. The latest map is based on December 2019 data and was published in December 2020. The latest map should reflect (or should have reflected) the challenges claimed by the challenger if the provider submitted correct broadband data to the Commission for the annual data submission. Therefore, the challenge is upheld since the latest 2019 California Interactive Broadband Map shows the project area is ineligible. NFC has removed the census block from the Buckeye and Banner Project area application.

ii. RDOF

Portions of this project area overlap with areas for which LTD Broadband, LLC has RDOF-eligibility. However, LTD Broadband, LLC has not received Eligible Telecommunications Carrier (ETC) designation in these areas; therefore, Staff did not remove the RDOF-eligible areas from this project.<sup>32</sup>

**Minimum Performance Criteria**

Staff reviewed NFC's application and determined the Buckeye and Banner Project meets the minimum performance criteria pursuant to D.21-03-006, Appendix A, Section 6, as summarized in Table 8.

**Table 8: Minimum Performance Criteria**

	<b>CASF Performance Criteria</b>	<b>Proposed Project</b>
<b>Project Completion</b>	CEQA-exempt projects must be completed within 12 months, and all other projects	24 months (CEQA Exempt)

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<sup>32</sup> LTD Broadband, LLC has applied for an expansion of its ETC authority to participate in the RDOF program on July 8, 2021, in A.21-07-005, which is pending review.

	shall be completed within 24 months after receiving authorization to construct	
<b>Pricing</b>	Prices committed for two years after completion of the project	2-year
<b>Speed</b>	At least 100/20 Mbps <sup>33</sup>	1 Gbps / 1 Gbps
<b>Latency</b>	Maximum of 100 ms of latency	< 100 ms
<b>Data Caps</b>	Minimum of 190 GBs per month	No data cap
<b>Affordability</b>	Must offer low-income plan	\$15 monthly

### **Project Completion and CEQA**

The Buckeye and Banner Project is categorically exempt from California Environmental Quality Act (CEQA) review. NFC has provided the Commission with its plan to use existing conduits and private property for the installation of underground fiber cable. The project area is located approximately 4.5 miles east of Nevada City in a heavily forested terrain that varies between 3,200 and 3,500 feet in elevation. The rural residential parcels in the area typically average between three and eight acres. The project would serve homes along Banner Lava Cap Road, Buckeye Road, Dusty Drive, and Lolas Echo/Oak Ridge Area.

The Buckeye and Banner last-mile Project would include a primary distribution conduit approximately 2,893 feet long to connect homes along Banner Lava Cap Road, and primary distribution conduit approximately 6,523 feet long that passes through the Lolas Echo areas to reach the Buckeye Road area. In addition, there will be drop cable and conduit to each home served from the primary distribution conduit. No above ground structures are planned, which will help protect the network from wild land fire.

The project would connect to homes through at grade distribution vaults and suitable existing conduits where available. New fiber would be placed underground, utilizing privately owned existing conduits where possible or conduits placed along private roads. New primary distribution conduits will be installed in previously undisturbed ground on private property.

NFC received a Notice of Exemption determination from Nevada County on January 19, 2021. Based on the above information, the Commission's Energy Division has confirmed that the project meets the criteria of the CEQA categorical exemption found in CEQA Guidelines, 14 C.C.R. § 15304 (Minor Alterations to Land). Thus, the entirety of the NFC Buckeye and Banner Project is categorically exempt from CEQA.

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<sup>33</sup> SB 156, enacted on July 20, 2021, and effective immediately, increased the speed requirements for CASF projects to 100 Mbps download and 20 Mbps upload. *See* Pub. Util. Code Sec. 281(f)(5).



In the original May 4, 2020, application NFC requested a 24-month deployment schedule citing risk factors for weather and wildfire events. However, under the CASF Program rules, project construction must be completed, following receipt of permits, within 12 months if the project is categorically exempt from CEQA. Staff acknowledges that weather and catastrophic events may delay construction but notes that the project scope has been reduced from 50 households to 28 households and recommends adherence to the 12-month deployment schedule.

### **Pricing, Speed, Latency, Data Caps, and Affordability**

NFC commits to residential and low-income broadband pricing plans, as summarized in Table 9, for two years after completion of the project. Additionally, NFC will waive the activation and installation fees for two years from completion of the project and offer a broadband service plan to low-income subscribers for \$15 monthly at 10 Mbps download and 1 Mbps upload speeds.

**Table 9: NFC Broadband Pricing Plan**

<b>Download Speed</b>	<b>Upload Speed</b>	<b>Monthly Price</b>
10 Mbps	1 Mbps	\$15
10 Mbps	10 Mbps	\$60
50 Mbps	50 Mbps	\$75
100 Mbps	100 Mbps	\$90
1 Gbps	1 Gbps	\$120

The proposed speed offerings (up to 1 Gbps download and up to 1 Gbps upload) meet the 100 Mbps download and 20 Mbps upload minimum performance requirement. NFC will also be capable of providing service to anchor institutions and small businesses near the project area.

### **Funding Determination**

NFC is eligible to receive 100 percent funding to cover the cost of its Buckeye and Banner Project. Staff considered the statutory factors to determine the grant funding level, as described by Pub. Util. Code § 281(f)(11) and CASF program rules adopted in D.21-03-006, Appendix A. Because the project is eligible for 100 percent funding, Staff is recommending that 100 percent funding be granted notwithstanding NCF's original funding request of 90 percent.<sup>34</sup> While NCF is new to the CASF Infrastructure Grant Program, NCF has demonstrated successes in securing a two County-based grants and

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<sup>34</sup> NCF is a first-time CASF applicant, with limited experience of the program's requirements, which led NCF to a funding request of 90 percent, instead of 100 percent.

have completed construction to eight of 38 homes, that are adjacent to the proposed CASF project area.<sup>35</sup> The construction methods and equipment used build to these eight homes are similar to those that will be used in the CASF project area. NCF is attempting to leverage available resources to help meet CASF program goals and providing 100 percent funding will assist in that endeavor.

Table 10, below, details Staff's funding level determination for the Buckeye and Banner Project.

**Table 10: Criteria for Project Funding Level**

<b>Funding Criteria</b>	<b>Proposed Project</b>
Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (up to 40%)	40%
Low Income – (up to 40%) Median Household Income for community is less than CARE standard for family of 4, which is currently \$53,000 (30%) <sup>36</sup> <ul style="list-style-type: none"> <li>Applicant serves low-income customers for no more than \$15/month (10%)</li> </ul>	0% 10%
Others: PU Code § 281(f)(11) Criteria – (up to 20%) <ul style="list-style-type: none"> <li>Inaccessible Location (10%)</li> <li>Uses Existing Infrastructure (10%)</li> <li>Makes a Significant Contribution to the Program Goal (10%)</li> </ul>	10% 0% 10%
<b>Total Funding Level</b>	<b>100%<sup>37</sup></b>

**Baseline for an Eligible Project qualifies for 60 percent funding.** The CASF program is intended to finance capital costs of projects deploying broadband facilities in unserved areas of California. The identified Buckeye and Banner Project area meets all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference qualifies for an additional 40 percent funding.** According to the latest California Interactive Broadband Map, Staff confirmed all the proposed project areas are unserved by wireline or fixed wireless broadband service and are therefore eligible for an additional 40 percent funding.

<sup>35</sup> [Last-Mile Broadband Grants Program | Nevada County, CA \(mynevadacounty.com\).](https://www.cpuc.ca.gov/care/)

<sup>36</sup> <https://www.cpuc.ca.gov/care/>

<sup>37</sup> D.21-03-006, Summary of Funding Criteria - Maximum funding level is 100 percent.

**Low Income Consideration does not qualify for additional 10 percent funding.** The weighted<sup>38</sup> median income of the census block groups in the proposed project area is \$67,083, which does not meet the CASF low-income eligibility threshold. NCF commits to offer broadband service for eligible low-income subscribers at \$15/month, which meets the criteria for an additional 10 percent funding.

**Other Factor Considerations qualify for an additional 20 percent funding.** The Buckeye and Banner Project meets the inaccessible location criteria and makes a significant contribution to the programs goal as defined in Pub. Util. Code § 281(f)(11) and qualifies for the additional 20 percent funding.

The proposed project area is eligible for 10 percent funding as it is located in a heavily-forested area in the Sierra Nevada mountains at altitudes above 3,000 feet which is relatively inaccessible to advanced broadband communications infrastructure.

The project also makes a significant contribution to the program goal and is eligible for an additional 10 percent funding. The Buckeye and Banner Project area is located within the Gold Country Broadband Consortium region, which is at 95.7 percent served, below the CASF program goal.<sup>39</sup> Therefore, this project will make a significant contribution to the program goal.

### **Safety and Community Support**

The CASF program encourages the deployment of broadband throughout the State to enable the public to access Internet-based safety applications, telehealth services, emergency services, and to allow first responders to communicate with each other and collaborate during emergencies. The Buckeye and Banner Project will provide enhanced communications services that will promote public safety capabilities in an area located in a Tier 3 High Fire Threat District.<sup>40</sup>

Letters of support were received from the Nevada County Board of Supervisors, the Sierra Business Council, and the Tahoe Prosperity Center. These entities support the Buckeye and Banner Project and cite the need for high-speed internet service to increase opportunities for education, employment, telehealth, and community development.

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<sup>38</sup> Staff performed a weighted average calculation of the census block groups median household incomes to accurately represent the income distribution of the households in the project area.

<sup>39</sup> See 2020 Annual Report on the CASF Program, California Public Utilities Commission, Issued April 2021, Page 14, Table 7: Remaining Unserved Households in Each Consortia Region.

<sup>40</sup> See <https://ia.cpuc.ca.gov/firemap/>.

## **VI. COMPLIANCE REQUIREMENTS**

PST and NCF are required to comply with all the guidelines, requirements, and conditions associated with the Infrastructure Account grant funding as specified in D.21-03-006, its Appendix A and this Resolution. Such compliance includes, but is not limited to those listed in Appendices A and B.

## **VII. PAYMENTS TO CASF RECIPIENTS**

The Commission may reimburse PST's and NCF's expenses in accordance with Pub. Util. Code § 281(f)(10). Details of reimbursable expenses are in Appendix B.

## **VIII. COMMENTS**

In compliance with Pub. Util. Code section 311(g)(1), a Notice of Availability (NOA) was e-mailed on November 12, 2021, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution, and of the opportunity to comment, at the Commission's website at <http://www.cpuc.ca.gov/>. This NOA also served to inform parties that the final conformed Resolution the Commission adopts will be posted and available on this same website.

No formal comments were received specifically for this Draft Resolution. However, Etheric Communications, LLC (Etheric) and California Internet, L.P. dba GeoLinks ("GeoLinks") (Joint Commenters) submitted formal comments on Draft Resolutions T-17749, T-17750, T-17751 and T-17754 and noted that those comments be carried over to all resolutions approving CASF applications that overlap with RDOF service areas.<sup>41</sup>

### **Staff's Response to Joint Commenters Comments**

Claims by Joint Commenters that awarding CASF funding in this Resolution is contrary to the law and public interest that govern the CASF program do not have merit and should not be considered. While some portions of the PST Sierra Valley Project overlap with RDOF-eligible areas, the commenting parties have not received ETC designation in

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<sup>41</sup> Comments of Etheric Communications, LLC and California Internet, L.P. dba GeoLinks Opposing Draft Resolution T-17749, page 2, November 23, 2021; Comments of Etheric Communications, LLC and California Internet, L.P. dba GeoLinks Opposing Draft Resolution T-17750, page 2, November 29, 2021; Comments of Etheric Communications, LLC and California Internet, L.P. dba GeoLinks Opposing Draft Resolution T-17751, page 2, November 24, 2021; Comments of Etheric Communications, LLC and California Internet, L.P. dba GeoLinks Opposing Draft Resolution T-17754, page 2, November 23, 2021.

these areas. Therefore, staff will not remove these RDOF-eligible areas from the projects. Furthermore, the companies referenced were designated by the Federal Communications Commission (FCC) as announced winning bidders in Auction 904. The areas in California covered by those announced winning bids for these providers have not been awarded any funds by the FCC, nor approved by the FCC to receive awards.

The FCC requires companies to obtain a high-cost ETC designation that covers its winning bid areas. In California, the Commission designates ETCs. The Commission has been working with the companies to make determinations on each ETC application. The FCC is simultaneously evaluating the same providers, along with scores of others across the country.<sup>42</sup>

## FINDINGS

1. On May 4, 2020, the Communications Division received 54 applications for the CASF Infrastructure Account.
2. On May 18, 2020, Staff posted the project summaries, including a listing of the census blocks and ZIP Codes covered by the project, and the proposed project area map. The summary was posted on the "CASF Applications Project Summaries" webpage, which may be found on the Commission's CASF webpage.
3. Pub. Util. Code Sec. 281(f)(5) requires the Commission to fund projects that "deploy infrastructure capable of providing broadband access at speeds of a minimum of 100 mbps downstream and 20 mbps upstream."
4. The middle-mile component of Sierra Valley Project funded by the CASF Program should complement California's middle-mile initiatives.

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<sup>42</sup> Federal Communications Commission, Notice of Proposed Rulemaking In the Matter of Rural Digital Opportunity Fund Connect America Fund, WC Docket No. 19-126, WC Docket No. 10-90 and AU Docket No. 2-34, Adopted: August 1, 2019 Released: August 2, 2019; Federal Communications Commission Public Notice DA 20-1422, Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes and Winning and Bidders Announced, December 7, 2020.

5. The CASF Program operates more efficiently if it is clear which projects actually are being deployed, so that funds are not encumbered for projects that will not be built.
6. As additional time is needed to ensure that the middle-mile component of CASF projects complement California's initiatives for broadband deployment, a waiver in the CASF Program rules regarding project completion for the Sierra Valley Project is required.
7. Staff received one challenge to the PST Sierra Valley Project. The latest California Interactive Broadband Map should reflect the challenge claimed by GeoLinks if the providers submitted correct broadband data to the Commission for the annual data submission. Therefore, the challenge is denied since the 2019 California Interactive Broadband Map shows the project area as eligible.
8. Staff received one challenge to the NFC Buckeye and Banner Project from Digital Path Inc, which met the criteria for a successful challenge. The challenged census block is reflected on the 2019 California Interactive Broadband Map and NFC has removed the census block from the Buckeye and Banner Project area application.
9. While some portions of the Sierra Valley Project overlap with areas for which LTD Broadband, LLC has RDOF eligibility, LTD Broadband, LLC has not received Eligible Telecommunications Carrier (ETC) designation in these areas. Staff did not remove the RDOF-eligible areas from this project.
10. Some portions of the Buckeye and Banner project area overlap with areas for which LTD Broadband, LLC has RDOF eligibility. However, LTD Broadband, LLC has not received California Eligible Telecommunications Carrier (ETC) designation in these areas; therefore, Staff did not remove the RDOF-eligible areas for this project.
11. Based on its review, Staff determined that the projects qualify for funding pursuant to D. 21-03-006 and its Appendix A and recommends Commission approval of CASF funding for the PST Sierra Valley Project up to the amount of \$4,887,905 and the NFC Buckeye and Banner Project up to the amount of \$621,280.

12. The Commission has determined that the Sierra Valley Project is categorically exempt from CEQA review, pursuant to CEQA guidelines at 14 C.C.R § 15301 regarding exemption for existing facilities and 14 C.C.R § 15303 regarding new construction or conversion of small structures.
13. For the Buckeye and Banner Project, NFC received a Notice of Exemption determination from Nevada County on January 19, 2021. Based on this information, the Commission has determined that the project meets the criteria of the CEQA categorical exemption found in CEQA Guidelines, 14 C.C.R. § 15304 regarding minor alterations to land and therefore the entirety of the Buckeye and Banner Project is categorically exempt from CEQA.
14. In the original application of May 4, 2020, NFC requested a 24-month period for deployment of the Buckeye and Banner Project. Staff determined that a 12-month deployment period is appropriate based on a reduction in project scope and the requirement that projects that are categorically exempt from CEQA review be completed in a 12-month period.
15. A notice letter was e-mailed on November 12, 2021, informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the draft of this Resolution, and of the opportunity for comment, at the Commission's website <http://www.cpuc.ca.gov/>. While no comments or reply comments were received for this Resolution, we take notice of comments that were submitted on Etheric Communications, LLC and California Internet, L.P. dba GeoLinks, on November 23, 2021 on Draft Resolutions T-17749, on November 29, 2021 on Draft Resolution T-17750, on November 24, 2021 on Draft Resolution T-17751, and on November 23, 2021 on Draft Resolution T-17754, that address subject matter similar to that in this Resolution. No reply comments were received.

**THEREFORE, IT IS ORDERED that:**

1. The CASF Infrastructure Account funding for the PST Sierra Valley and NFC Buckeye and Banner Projects, as discussed in this resolution, are adopted.

2. The total approved from the CASF Infrastructure Account is up to \$5,509,185, as follows:

APPLICANT	PROJECT	CASF APPROVED AMOUNT
PST	Sierra Valley	\$4,887,905
NCF	Buckeye and Banner	\$621,280

3. PST and NCR shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D.18-12-018 and its Appendix 1, D. 21-03-006, Appendix A, and all requirements for this project included in this Resolution, including Appendices A – D.
4. PST must offer open access to last-mile communications service providers requesting to use middle-mile infrastructure funding by CASF grants, as set forth in D.21-03-006.
5. The CASF grant award for the middle-mile component of the Sierra Valley Project is conditioned on whether the Director of the California Department of Technology (CDT) or designee finds that the middle-mile component of the project complements the California middle-mile initiative described in SB 156.
6. This process for CDT approval of the middle-mile component of the Sierra Valley Project should take place within three months from the approval of this Resolution. However, the time allowed for the CDT Director or designee to approve the middle-mile component of Sierra Valley Project may be extended an additional three months, or longer, by mutual agreement between the CDT Director or designee and PST. PST will send written notice of this time extension to the CD Director.
7. If the CDT Director or designee approves the middle-mile component of the project, the CD Director shall, in writing, approve release of CASF funding for the middle-mile component. At that time, Staff may proceed with project funding activities. If the CDT Director or designee does not approve the middle-mile component of the project, CASF Program funding for the middle-mile component of the Sierra Valley project is automatically rescinded on the date that the CD Director receives written notice that CDT did not approve the middle-mile component.



8. In the event that the CDT Director or designee does not approve the middle-mile component of the Sierra Valley project, PST has 90 days from the date that the CD Director receives written notice that CDT did not approve the middle-mile component to inform the CD Director by a written letter that it still plans to deploy the last-mile component of the Sierra Valley project, even though it will not receive any funding for the middle-mile component. The written letter must include the information specified in this resolution.
9. The Sierra Valley Project must be completed in 15 months. If the time necessary for CDT to approve the middle-mile component is extended by mutual agreement between CDT and PST, Staff is authorized to also extend the time for completion of the project by the period of time specified by the CDT Director or designee.
10. If PST or NCF fail to complete the project in accordance with the CASF guidelines and requirements outlined in D.21-03-006 and its Appendix A, and the terms outlined in this Resolution, PST or NCF must reimburse some or all of the CASF funds that it has received.
11. PST and NCF must complete and execute the consent form (to be sent to the Grantee after this Resolution is adopted) agreeing to the conditions set forth in this Resolution and return it the CASF Staff within 30 calendar days from the date of the adoption of this Resolution. Failure to submit the consent form within 30 calendar days from the adoption date of this Resolution may result in the Commission voiding the grant awards.

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:

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Rachel Peterson  
Executive Director

## **APPENDIX A**

### **Compliance Requirements**

#### **A. Deployment Schedule**

The Commission expects PST to complete the project within 15 months and NCF to complete the project within 12 months from the start date (whereby the applicants have secured CEQA approval from the Commission and all required permits), and the applicants have committed to do so. If the applicant is unable to complete the proposed project within the timeframe requirement specified in this Resolution, applicants must notify the Director of the Communications Division as soon as the applicant becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement of timely notification to the Director.

#### **B. Execution and Performance**

Staff and the grantee shall determine a project start date after the CASF grant recipient has obtained all approvals, including CEQA permits. Should PST and NCF or any contractor they retain fail to commence work by the designated date, upon five days written notice the Commission may terminate the grant. In the event that PST or NCF fails to complete the project in accordance with the terms of Commission approval as set forth in this resolution, PST and NCF shall reimburse some or all of the CASF funds that it has received. PST and NCF must complete all construction covered by the grant on or before the grant's termination date.

#### **C. Letter of Credit**

The Commission exempts Certificate of Public Convenience and Necessity (CPCN) holders from providing a letter of credit, on the basis that the company submitted a performance bond to the Commission to maintain its CPCN and that the Commission has other means to enforce compliance. In its application, PST and NCF provided proof of CPCN registration and thus is exempt from the requirement of providing a letter of credit.

#### **D. Project Audit**

The Commission has the right to conduct any necessary audit, verification, and discovery during project implementation/construction to ensure that CASF funds are spent in accordance with Commission approval.

PST's and NCF's invoices will be subject to a financial audit by the Commission at any time within three years of completion of the work.

E. Reporting

All grantees must submit biannual progress reports on the status of the project, irrespective of whether grantees request reimbursement or payment. These reports are due semi-annually, in March and September, until the project is completely built and operational. Progress reports shall report the schedule for deployment, major construction milestones and costs submitted in the proposal; indicate the actual date of completion of each task/milestone as well as problems and issues encountered, and the actions taken to resolve these problems and issues during project implementation and construction; and identify future risks to the project.

Before full payment of the project is made, PST and NCF must submit a project completion report. PST and NCF shall also include test results on the download and upload speeds by census block in the final completion report. PST and NCF must certify that each progress report is true and correct under penalty of perjury.

F. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. PST and NCF have committed to follow state prevailing wage requirements with regards to these projects.

G. Contractor Reporting

PST and NCF must comply with the contractor reporting requirements of Section 281(l)(1) of the California Public Utilities Code, which requires reporting of certain information for all contractors and subcontractor undertaking a contract or subcontract in excess of twenty-five thousand dollars (\$25,000) on CASF-subsidized projects.

## **APPENDIX B**

### **Payments to CASF Recipients**

Pub. Util. Code § 281(f)(10) defines the costs the Commission may reimburse as follows:

- Costs directly related to the deployment of infrastructure;
- Costs to lease access to property or for Internet backhaul services for a period not to exceed five years; and
- Costs incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

Additionally, D.21-03-006 (Appendix A, Section 7) caps administrative expenses directly related to the project at 15 percent of the grant amount.<sup>43</sup>

The grantee may submit reimbursement requests at the following intervals:

- 10 percent completion;
- 35 percent completion;
- 60 percent completion;
- 85 percent completion; and
- 100 percent completion.

The final 15 percent payment request (from 85 to 100 percent) will not be paid without an approved completion report. Payments are based on submitted receipts, invoices and other supporting documentation showing expenditures incurred for the project in accordance with the approved CASF funding budget included in the CASF grantee's application.

Payment to grantees shall follow the process adopted for funds created under Public Utilities Code § 270. The Commission generally processes payments within 20-25 business days, including Communications Division and Administrative Services review time. The State Controller's Office (SCO) requires an additional 14- 21 days to issue payment from the day that requests are received by SCO from Administrative Services.

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<sup>43</sup> Administrative costs are defined as "indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself." Applicants seeking additional funds will require a Commission exemption included in a draft resolution.

**APPENDIX C**  
**PST's Sierra Valley**  
**CASF Application Key Information**

<i>Project Name</i>	<b>Sierra Valley Project</b>
<i>Project Plan</i>	The project proposes to deploy middle-mile and last-mile fiber optic and fixed wireless technology to the communities of Sierra Valley in Plumas and Sierra Counties to enable high-speed Internet service to 140 unserved households.
<i>Project Size (in square miles)</i>	4.63
<i>Download/Upload speed</i>	100 Mbps / 20 Mbps (fiber optic network – will serve 138 households) 50 Mbps /3 Mbps (fixed wireless network - will serve 2 households)
<i>Location</i>	Plumas and Sierra Counties
<i>Community Name</i>	Sierra Valley
<i>Census Blocks (15)</i>	060630003004626; 060630003004685; 060630003004676; 060630003004606 060630003004679; 060630003004303; 060630003004630; 060630003004694 060630003004629; 060630003004304; 060630003004761; 060910100002010 060910100002043; 060910100001134; 060910100004004; 060910100002018 060910100001124; 060910100001123; 060910100001116; 060910100001122 060910100002025; 060910100002091; 060910100002042; 060910100002099 060910100002039; 060910100005164; 060910100005170; 060910100005169 060910100005174; 060910100005175; 060910100005134; 060910100005133 060910100005168
<i>Weighted Median Household Income</i>	\$53,607
<i>Estimated Potential Subscriber Size</i>	140 households
<i>Applicant Expectations</i>	42 customers (30 percent take rate)

<i>Pricing Plan ((Monthly- (stand-alone pricing)</i>	<b>Low Income Pricing:</b> 10 Mbps/1 Mbps \$15; 15 Mbps/5 Mbps \$25; 20 Mbps/5 Mbps \$35  <b>Regular Pricing:</b> 15 Mbps / 5 Mbps \$65; 20 Mbps/5 Mbps \$75; 25 Mbps/10 Mbps \$85; 50 Mbps/10 Mbps \$95; 100 Mbps/20 Mbps \$109; 1Gbps/1Gbps \$299
<i>Deployment Schedule (from permit approval date)</i>	9 months
<i>Proposed Project Budget (Total)</i>	\$4,887,905 (Middle-Mile Budget: \$4,382,242; Last-Mile Budget: \$505,663)
<i>Grant Requested Amount</i>	\$4,887,905
<i>CASF Grant Amount (100 percent)</i>	\$4,887,905
<i>Recommended Grant per household</i>	\$34,914

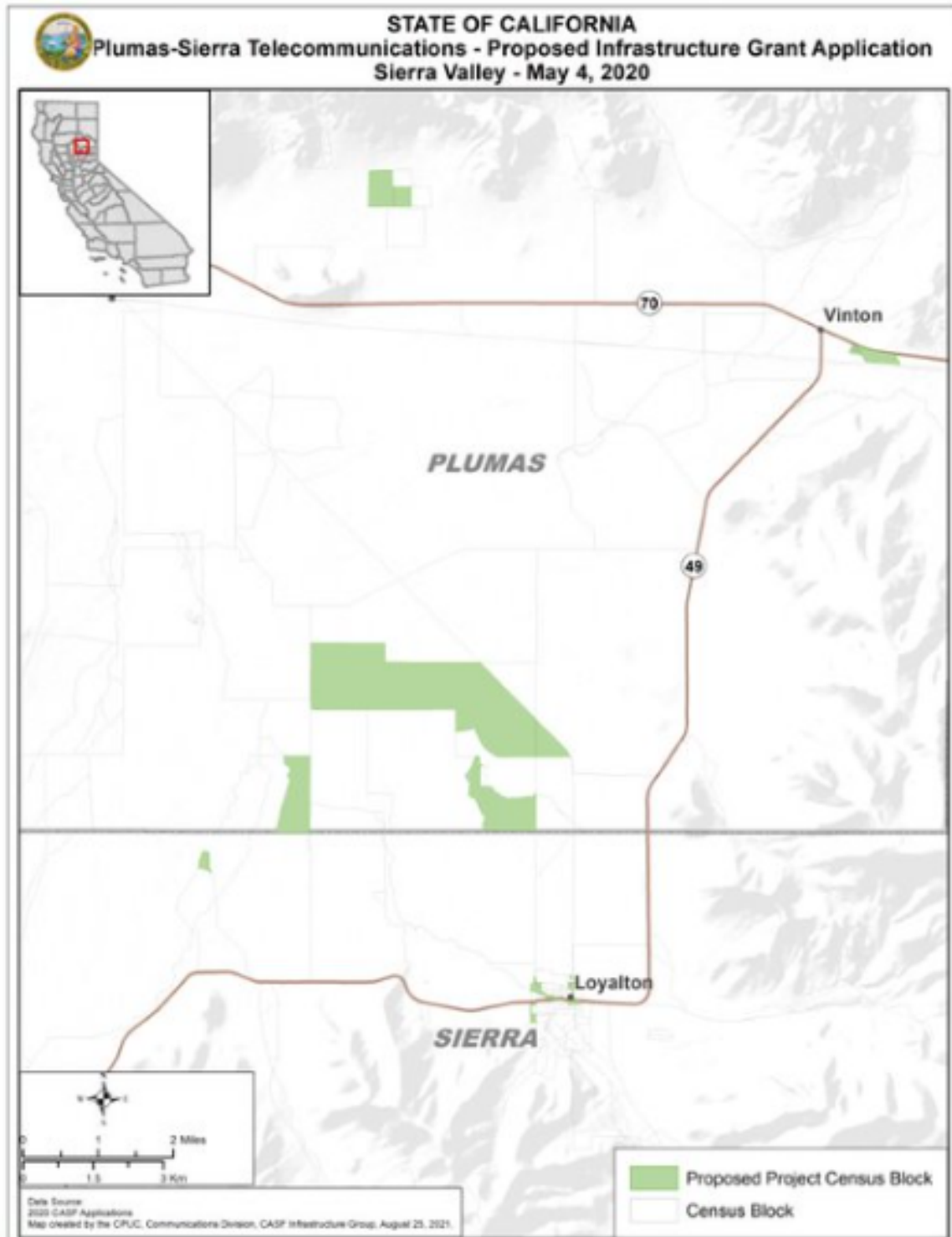
## APPENDIX C

### Nevada County Fiber – Buckeye Road Community and Banner Mountain South Community Project. CASF Application Key Information

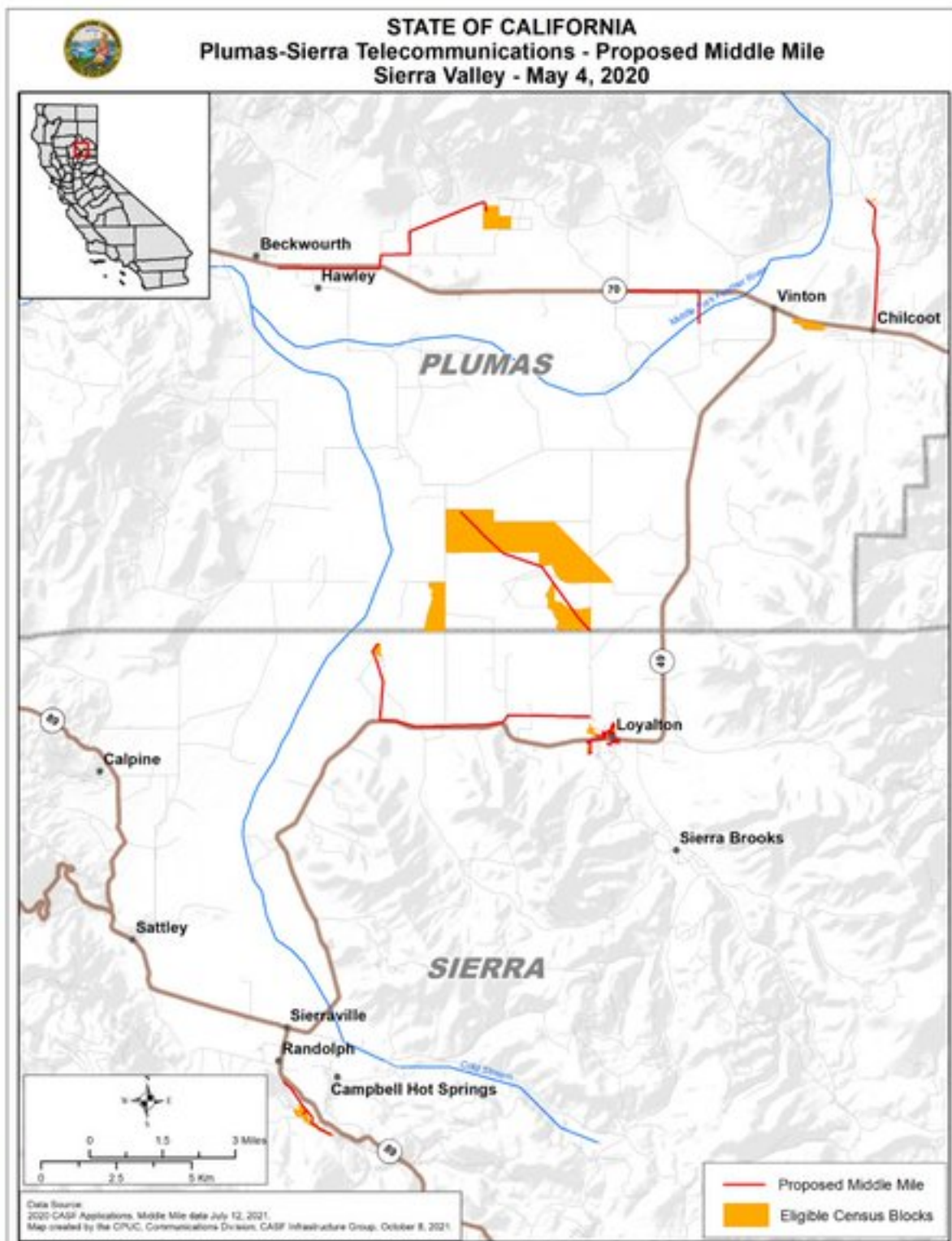
<i>Project Name</i>	<b>Buckeye and Banner Project</b>
<i>Project Plan</i>	The project proposes to deploy last-mile fiber optic technology to the Buckeye and Banner communities in Nevada County to enable high-speed Internet service to 28 unserved households.
<i>Project Size (in square miles)</i>	0.944
<i>Download/Upload speed</i>	1Gbps /1Gbps
<i>Location</i>	Nevada County
<i>Community Name</i>	Buckeye Road and Banner Mountain South Communities
<i>Census Blocks (5)</i>	60570007012154 60570007011006 60570007012132 60570007012130 60570007012133
<i>Median Household Income</i>	\$67,083
<i>Estimated Potential Subscriber Size</i>	28 households
<i>Applicant Expectations</i>	20 customers (71.4 percent take rate)
<i>Pricing Plan (Monthly- stand-alone pricing):</i>	10 Mbps / 1 Mbps for \$15.00 (Low Income) 10 Mbps / 10 Mbps for \$69.00 50 Mbps / 50 Mbps for \$75.00 100 Mbps / 100 Mbps for \$90.00 1 Gbps / 1 Gbps for \$120.00
<i>Deployment Schedule (from permit approval date)</i>	12 months
<i>Proposed Project Budget (Total)</i>	\$621,280
<i>Grant Requested Amount</i>	\$589,648
<i>CASF Grant Amount (100 percent)</i>	\$621,280
<i>Recommended Grant per household</i>	\$22,189



**APPENDIX D**  
**PST Sierra Valley**  
**Location Map (Last-Mile)**



APPENDIX D  
PST Sierra Valley  
Location Map (Middle-Mile)



**APPENDIX D**  
**Nevada County Fiber Buckeye Road Community and Banner Mountain South**  
**Community Project**  
**Location Map**

