

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Communications Division  
Broadband, Video and Market Branch

RESOLUTION T-17843  
DECEMBER 5, 2024

RESOLUTION

Resolution T -17843 reduces the funding amount and geographical area of the Cal.net Tuolumne Mariposa project previously approved by Resolutions T-17502 and T-17737, thereby releasing \$2,389,727 in California Advanced Services Fund (CASF) grant awards for future applicants.

---

**I. SUMMARY**

This Resolution rescinds a portion of the \$3,608,224 in California Advanced Services Fund (CASF) funding granted by Resolutions T-17502<sup>1</sup> on December 15, 2016, and T-17737<sup>2</sup> on June 24, 2021 and releases \$2,389,727 in funding for future CASF projects. The reduced grant amount to Cal.net is up to \$1,218,497, subject to further review of supporting progress and payment reimbursement request, for an estimated 2,604 (33.77% of the original 7,711) households served in the 130 Census Blocks (CBs) which Cal.net claims to have subscribers to the deployed broadband service. The remaining CBs (704) in the original project area that are not currently shown as served by other service providers will be potentially eligible for funding by CASF or other California Public Utilities Commission (Commission) grant programs.

**II. BACKGROUND**

The CASF Infrastructure Account provides grant funding to Internet service providers (ISPs) and other eligible entities 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 Commission in Decision (D.) 07-12-054 and enacted into statute pursuant to Senate Bill (SB) 1193. On February 8, 2012, the

---

<sup>1</sup> Resolution T-17502 available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M171/K293/171293428.PDF>.

<sup>2</sup> Resolution T-17737 available at: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M389/K956/389956148.PDF>.

Commission approved Decision (D.) 12-02-015 to include modifications to the CASF program.

Cal.net, a CASF grantee, is a Wireless Internet Service Provider (WISP) based in Shingle Springs, CA, that serves the communities of Davis, Woodland, and western El Dorado County area. The company provides fixed wireless service over both licensed and unlicensed spectrum, including unlicensed 900 MHz, 2.4 and 5 GHz bands, lightly licensed 3.65 GHz WiMAX, and television white space for heavily obstructed non-line-of-sight situations.

On December 15, 2016, the Commission approved Resolution T-17502 to conditionally authorize a grant of \$3,608,224 to Cal.net to construct the Tuolumne Mariposa Project<sup>3</sup> comprising a last-mile fixed wireless network over a 420.31 square mile area in rural communities of Tuolumne and Mariposa Counties. The network would provide speeds of up to 25 Mbps download and 4 Mbps upload to 7,711 households, 19 anchor institutions and 16 firehouses across a topography consisting of rolling hills and mountainous terrain. In 2016, when the project was originally approved, these speeds met the minimum to qualify for a CASF grant for broadband deployment. However, these speeds are currently obsolete. For example, current projects must be capable of providing speeds of at least 100 Mbps download and 20 Mbps upload to qualify for funding.

Cal.net's service offerings and pricing approved by Resolution T-17502 are noted in Table 1 below:

**Table 1: Cal.net's Tuolumne Mariposa Project ~ Pricing Plan**

<b>Account Type</b>	<b>Maximum Speed (Download / Upload)</b>	<b>Monthly Cost<sup>4</sup></b>
Wireless Power	6.0 Mbps / 2.0 Mbps	\$69.95
Wireless Express	10.0 Mbps / 3.0 Mbps	\$84.95
Wireless Supreme <sup>5</sup>	15.0 Mbps / 3.0 Mbps	\$99.95
Wireless Extreme <sup>6</sup>	25.0 Mbps / 4.0 Mbps	\$159.95

---

<sup>3</sup> The grant was subject to the Commission's completion of CEQA review and the procurement of a performance bond during the construction phase.

<sup>4</sup> Local, State, or Federal fees are not included in these prices, and may be subsequently added.

<sup>5</sup> Wireless Supreme and Extreme require specific equipment and signal strength and may not be available in all areas. (T-17502, pg. 8.)

<sup>6</sup> Ibid.

Resolution T-17502 was approved conditionally and stipulated that the Commission (or another entity acting as the Lead Agency) must complete California Environmental Quality (CEQA) review prior to disbursing CASF funds for construction activities and that Cal.net must send an executed bond equal to the total amount payable under the CASF award within five days after submission of the Proponent's Environmental Assessment (PEA.)

On February 9, 2017, the Commission granted Cal.net a Certificate for Public Convenience and Necessity (CPCN) and deemed Cal.net a certified telephone corporation subject to full regulatory authority by the Commission and therefore not obligated to post a construction bond for the project.

On June 24, 2021, the Commission approved Resolution T-17737 to grant a Petition for Modification of Resolution T-17502 to remove the construction phase performance bond requirement and approve the Categorical Exemption prepared in compliance with CEQA, thereby authorizing the release of \$3,608,224 in CASF funds to construct the Project. Ordering paragraph 4 of Resolution T-17737 states:<sup>7</sup>

*If Cal.net fails to complete the project in accordance with the terms of approval granted by the Commission in Resolutions T-17502 and T-17737, Cal.net may be required to reimburse some or all of the CASF funds that it has received.*

On August 4, 2021, staff approved a payment to Cal.net in the amount of \$669,386.73 for expenses related to permitting, legal consultation and vehicle usage. To date, Cal.net has not submitted further requests for reimbursement for the Tuolumne Mariposa project.

In 2016, the Commission approved a total of four Cal.net projects, two of which were withdrawn by Cal.net in response to requests by Commission Staff citing lack of progress and non-compliance. Table 2 shows the details and current dispositions of the four projects.

**Table 2: Cal.net CASF Projects Approved by Commission**

Resolution	Project	Approved	Funding	# HHs	Disposition
T-17497	El Dorado North <sup>8</sup>	01/14/2016	\$1,139,755	1,537	In progress

<sup>7</sup> T-17737, page 7.

<sup>8</sup> Resolution T-17497 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=157804324>

T-17498	El Dorado South & East <sup>9</sup>	06/23/2016	\$1,256,524	1,350	Withdrawn <sup>10</sup>
T-17501	Amador, Calaveras & Alpine <sup>11</sup>	11/15/2016	\$2,862,388	4,878	Withdrawn <sup>12</sup>
T-17502	Tuolumne Mariposa	12/15/2016	\$3,608,224	7,711	Recommendation to reduce

### III. DISCUSSION

Resolution T-17756,<sup>13</sup> approved on December 16, 2021, authorizes Communications Division (CD) Staff to rescind CASF grants when staff ascertains that the project is not meeting program requirements, and no funds have been disbursed. Resolution T-17756 also provided guidance to the Commission as to which CASF projects are out of compliance and should be rescinded. CD recommends that the Commission amend the award based on the following condition:

*The Grantee has not completed the funded project within the timeframe set forth in the authorizing resolution and has requested no extension of time to complete the project.*<sup>14</sup>

In ordering paragraph 8 of Resolution T-17502, approved on June 24, 2021, the Commission required Cal.net to notify the Director of CD if they are unable to complete the proposed project within the 24-month time frame requirement. Resolution T-17737 required Cal.net to be in accordance with the terms of approval granted in Resolution T-17502 and represented the start of the 24-month period to complete the project or notify the Director of CD if this was not possible.

Staff sent a courtesy letter to Cal.net on August 9, 2024, notifying them that the grant was out of compliance and could be rescinded via the Resolution process, pursuant to the criteria described in Resolution T-17756. Staff submitted an original Draft version of

---

<sup>9</sup> Resolution T-17498 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=163983528>

<sup>10</sup> Withdrawn on July 1, 2022, per letter from Cal.net.

<sup>11</sup> Resolution T-17501 available at:

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=169866700>

<sup>12</sup> Withdrawn on July 1, 2022, per letter from Cal.net.

<sup>13</sup> Resolution T-17756, approved on December 16, 2021, available at

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M432/K752/432752653.PDF>

<sup>14</sup> Ibid., Appendix A, ¶6.

T-17843 on September 13, 2024. Cal.net did not notify the Director of CD at the end of the 24-month period (June 24, 2023) and had not formally requested an extension of time to complete the Tuolumne-Mariposa project until October 11, 2024, which was two months after receiving the August 9, 2024 courtesy letter from staff and approximately one month after the original September 13, 2024 mailing of the draft Resolution.

Because Cal.net has not demonstrated the capability to complete the project and provide broadband service to unserved areas as outlined in Resolution T-17502, staff recommends reducing the amount of the grant and the geographical footprint of the project to align with the area currently served by Cal.net. This will return an estimated 5,107 households in 704 census blocks (CBs) to the pool of potential eligibility for funding in other Commission grant programs.

#### **IV. COMMENTS ON DRAFT RESOLUTION**

In compliance with PU Code Section 311(g), a notice was e-mailed on September 13, 2024, for an earlier voting meeting (October 17, 2024) informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the draft of the initial version of this Resolution, and of the opportunity for comment at the Commission's website at: <http://www.cpuc.ca.gov/documents>.

In compliance with PU Code Section 311(g), a new notice letter was e-mailed on November 1, 2024, informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the amended draft of this Resolution, and of the opportunity for comment at the Commission's website at: <http://www.cpuc.ca.gov/documents>.

Comments on the original version (to rescind the full grant) were submitted by Tuolumne County Board of Supervisors (Tuolumne County) on October 1, 2024, and by Cal.net on October 3, 2024. Reply Comments were submitted by Cal.net on October 7, 2024.

##### **Tuolumne County's Comments**

In its comments, Tuolumne County supported the Commission's approval of draft Resolution T-17843, to rescind the full grant award and enable funding by CASF or other programs for unserved areas.

### **Cal.net's Comments**

In its comments, Cal.net requested that draft Resolution T-17843 to rescind CASF funding, be withdrawn or modified for the following reasons: Cal.net had not exceeded the 24-month timeframe for completion and many of the delays were due to issues beyond Cal.net's control. The penalty to return the \$669,386.73 payment approved on August 4, 2021, is excessive. Rescinding the project would not serve the public interest. Cal.net proposed to surrender 574 households in Mariposa and 379 households in Tuolumne County (reducing the award by 12.3%, from \$3,608,224 to \$3,163,380.)

### **Cal.net's Reply Comments**

Cal.net's reply comments sent on October 7, 2024, stated that Tuolumne County's comments are based on an incomplete understanding of the facts. Cal.net stated they have 19 sites capable of providing broadband to 4,113 locations in the project area, of which 3,877 can receive up to 100/20 Mbps service whereas the remaining 236 locations are limited to 25/4 Mbps. Cal.net will not challenge areas where Tuolumne County seeks BEAD funds (197 CBs, 2,039 households) but added that the County cannot provide broadband quicker than Cal.net.

### **Staff's Response to Comments and Reply Comments and Recommendation**

Staff recommends reducing the Cal.net grant to a total of up to \$1,218,497 for work that has been completed, that provides the capability to serve the 2,604 households in the 130 CBs where Cal.net has current proof of subscribers. This reflects 33.77% of the 7,711 households in the original project area approved by Resolution T-17502. The remaining \$2,389,727 from the original grant will be dis-encumbered from this project and made available for funding in future CASF grant cycles. The remaining 5,107 households in the 704 CBs will be potentially eligible for funding future CASF funding cycles or other broadband programs.

Further, Cal.net's October 11, 2024 request for extension to complete sites in-progress for this project is denied.

Cal.net may submit payment request for up to \$549,110.27<sup>15</sup> within 90 calendar days of the approval of this Resolution. Payments should be based on submitted reports, receipts, invoice and other supporting documentation showing expenditures incurred for the project in accordance with this Resolution and CASF program rules.

---

<sup>15</sup> \$549,110.27 is calculated by subtracting the payment Cal.net received on August 4, 2021 (\$1,218,497-\$669,386.73).

## FINDINGS

1. On December 15, 2016, the Commission approved Resolution T-17502 in the amount of \$3,608,224 for Cal.net, Inc. to construct a last-mile fixed wireless access (FWA) project providing broadband speeds up to 25 Mbps download and 4 Mbps upload to 7,711 underserved households, 19 anchor institutions, and 16 firehouses in parts of Tuolumne and Mariposa Counties across 834 Census Blocks.
2. In 2016, when the project was approved, speeds of 25 Mbps download and 4 Mbps upload were eligible for California Advanced Services Fund (CASF) grants. However, currently, projects must be capable of providing at least 100 Mbps download and 20 Mbps upload.
3. On June 24, 2021, the Commission approved Resolution T-17737 to remove the performance bond requirement (needed for construction), approve the Categorical Exemption per the guidelines of the California Environmental Quality Act (CEQA) and authorize the release of \$3,608,224 in California Advanced Services Fund (CASF) grant monies to construct the Project.
4. Resolution T-17756, approved on December 16, 2021, authorizes Communications Division Staff to rescind CASF grants via Ministerial Letter when staff ascertains that the project is not meeting program requirements, and no funds have been disbursed; this resolution provides guidance as to which projects are out of compliance and should be rescinded.<sup>16</sup>
5. On August 4, 2021, staff approved a reimbursement payment to Cal.net in the amount of \$669,386.73 for expenses related to permitting, legal consultation and vehicle usage.
6. Staff determined that Cal.net has not completed the funded project within the timeframe set forth in the authorizing resolution and had not requested an extension (on or before the due date of June 24, 2023) to complete the project.
7. A notice letter e-mailed on September 13, 2024 for a draft Resolution requesting Commission approval to rescind the full grant at the October 17, 2024 voting meeting elicited two comments and one reply comment.

---

<sup>16</sup> See Resolution T-17756, available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M432/K752/432752653.PDF>

8. As a result of comments and reply comments to the original draft Resolution submitted by the Tuolumne County Board of Supervisors and Cal.net, CD Staff recommends a reduction in grant funding instead of a full rescission of the grant.
9. On October 11, 2024, Cal.net submitted a request for extension to complete sites in-progress for the project to CD Director. The Commission should deny Cal.net's request.
10. The Commission should reduce the original funding amount approved by Resolutions T-17502 and T-17737, resulting in a total of up to \$1,218,497 for the proportion (33.77%) of the project completed to date. This represents the \$669,386.73 reimbursed on August 4, 2021 and further reimbursement(s) for deployment expenses incurred by Cal.net in the amount of up to \$549,110.27.
11. The remaining amount of \$2,389,727, will be available for funding by CASF for future grant applications and the 5,107 households and 704 CBs from the original project area will be deemed potentially eligible for funding by CASF or other Commission grant programs.
12. On November 1, 2024, a notice letter for the amended draft Resolution T-17843 was emailed informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of the draft of this amended Resolution, and of the opportunity for a second round of comments at the Commission's website at: <http://www.cpuc.ca.gov/documents/>.

**THEREFORE, IT IS ORDERED that:**

1. The grant amount and project area of Resolutions T-17502 and T-17737 pertaining to the Cal.net project Tuolumne-Mariposa. are reduced; this Resolution (T-17843) provides a reduced total of up to \$1,218,497 in grant funding to Cal.net for the 33.77% of the project completed to date.
2. The amount of \$2,389,727 in grant funding allocated to the project is released and made available for future CASF awards.
3. Cal.net may retain the \$669,386.73 reimbursed on August 4, 2021, and may submit payment request in the amount of up to \$549,110.24 for expenses related to the 2,604 households in the project area that are capable of receiving



service from Cal.net within 90 calendar days of the approval of this Resolution. Payments should be based on submitted reports, receipts, invoice and other supporting documentation showing expenditures incurred for the project in accordance with this Resolution and CASF program rules.

4. The remaining 5,107 households in the original project area and 704 Census Blocks are potentially eligible for funding (e.g. BEAD, FFA, or future CASF grant cycle).
5. Cal.net's October 11, 2024 request for extension to complete sites in-progress for this project is denied.

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:

---

Rachel Peterson  
Executive Director

**Appendix A**  
**Resolution T-17843**

**The following 130 Census Blocks are claimed to be served by Cal.net; the 704 remaining Census Blocks from the original project are potentially eligible for funding (if deemed unserved by any other service provider)**

6109001100200 7	6109002100303 6	6109002200601 0	6109003100561 9	6109004100404 1
6109001100200 8	6109002100402 1	6109002200601 3	6109003100563 8	6109005100102 7
6109001100202 4	6109002100402 2	6109002200601 4	6109003200101 5	6109005100103 1
6109001200100 0	6109002100402 3	6109002200602 5	6109003200102 3	6109005100104 8
6109001200100 1	6109002100600 5	6109003100205 1	6109003200102 6	6109005100201 2
6109001200100 2	6109002100601 0	6109003100407 7	6109003200102 7	6109005100300 2
6109001200100 4	6109002100601 5	6109003100407 8	6109003200201 8	6109005100500 1
6109001200100 7	6109002100602 1	6109003100409 6	6109003200202 0	6109005100502 0
6109001200101 0	6109002100602 3	6109003100506 9	6109003200420 5	6109005100502 3
6109001200101 3	6109002200100 7	6109003100515 3	6109004100100 1	6109005100502 7
6109001200302 9	6109002200101 0	6109003100526 0	6109004100100 7	6109005100502 8
6109002100200 6	6109002200101 3	6109003100539 4	6109004100101 1	6109005100503 2
6109002100201 6	6109002200102 1	6109003100547 0	6109004100102 6	6109005100503 5
6109002100202 4	6109002200102 2	6109003100547 1	6109004100200 2	6109005100503 8
6109002100202 5	6109002200102 5	6109003100547 5	6109004100202 1	6109005100510 0
6109002100203 0	6109002200201 4	6109003100547 6	6109004100206 7	6109005100510 1
6109002100203 6	6109002200201 8	6109003100549 1	6109004100302 9	6109005100601 2
6109002100203 8	6109002200202 7	6109003100549 2	6109004100305 9	6109005100601 3
6109002100204 0	6109002200203 0	6109003100549 9	6109004100400 6	6109005100601 4
6109002100204 1	6109002200302 2	6109003100550 2	6109004100400 8	6109005100601 5

6109002100204 2	6109002200400 5	6109003100550 3	6109004100400 9	6109005100601 8
6109002100205 3	6109002200402 1	6109003100550 4	6109004100401 0	6109005100603 1
6109002100300 0	6109002200500 4	6109003100550 5	6109004100401 3	6109005100603 2
6109002100301 2	6109002200501 3	6109003100550 7	6109004100401 9	6109005100603 7
6109002100301 7	6109002200501 9	6109003100550 8	6109004100402 3	6109005100604 4
6109002100302 9	6109002200600 5	6109003100551 6	6109004100402 5	6109005201113 0

**Appendix B, Resolution T-17843**  
**Full project Map illustrating concentration of existing Subscribers and corresponding**  
**Census Blocks**

