

Decision 08-12-052 December 18, 2008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Shasta County Telecom, Inc. for a Certificate of Public Convenience and Necessity to Construct Telecommunications Facilities and to Provide Local Exchange and Interexchange service to and within certain previously-unserved territory in the Northeastern Intermountain area of Shasta County.

Application 08-07-025
(Filed July 17, 2008)

**DECISION GRANTING CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY FOR PRE-CONSTRUCTION ESTABLISHMENT
OF FACILITIES-BASED COMMUNICATION SERVICES**

1. Summary of Decision

Shasta County Telecom, Inc. (Shasta) is granted a certificate of public convenience and necessity (CPCN) under Public Utilities Code Section 1001 to construct telecommunications facilities and provide local exchange and interexchange service to and within previously-unserved territory in the Northeastern Intermountain area of Shasta County, subject to the terms and conditions set forth in the Order.

This proceeding is closed.

2. Background

2.1. Applicant

Shasta is a California corporation in good standing with its principal place of business in San Diego.

2.2. Project Proposal

Shasta filed this application for authority from the Commission to establish facilities-based fixed Internet protocol (IP)-based wireless telephone service in a rural area of Shasta County that currently lacks telecommunication service.¹ The proposed system will be capable of providing high-quality voice grade telephone service to area residents, and will also have broadband data capability that can be used to access the Internet, communicate by e-mail, and utilize other broadband applications. The system will enable area residents and visitors to communicate from points other than fixed wireless telephone terminals using mobile cell phones equipped with Wi-Fi access capability.

Provision of this service will require Shasta to install equipment and facilities consisting of small solar-powered transmitters where power is not available, and antennas and other equipment on existing structures or new towers and in new shelters at sites to be developed by the Indian Springs School District (District). In Resolution (Res.) T-16943, the Commission authorized the disbursement of funds to the District, as fiscal agent under the Rural Telecommunications Infrastructure Grant Program, for the construction of 10 cell tower sites within the area that Shasta plans to serve. Shasta's application is predicated on the assumption that it will utilize the District's towers for the system it plans to establish.²

¹ At the request of the assigned administrative law judge (ALJ), Shasta filed an Amendment to the Application on October 6, 2008, to furnish the requisite showing of financial qualification to support the Application.

² The District had not commenced construction of the sites at the time Shasta filed this application, as no carriers had yet expressed interest in joining with the District to establish telecommunications service in the area. Res. T-16943 reflects the

Footnote continued on next page

Shasta plans to provide service using IP-CDMA2000 (3G) mobile communications technology, a technology that has been successfully deployed around the world and, according to Shasta, is well-suited for use in the proposed service area. Shasta has tentatively selected UTStarcom as its vendor. The UTStarcom system uses IP transmission for all on-net communications and communications with other IP networks. Communications between Shasta's network and the public switched telephone network (PSTN) or other non-IP networks will be routed via a gateway that Shasta will install.

Shasta will use a CDMA radio access network (RAN), which consists of a UTStarcom iCell compact radio frequency system (RFS), an iCell Pico IP Base Transceiver System (BTS), and an iCell Soft Base Station controller (sBSC). This equipment is compact, and can fit in a 27.5" x 36.5" x 34" case. If it is installed on a rack, it has a 19" rack-mount footprint. A RAN will be installed at each tower site constructed by the District and, where an existing source of power is available, will be powered by 240 V single phase power generated by an array of solar photovoltaic panels at the site. The antennas accompanying each RAN will include an omni antenna and a 1.8 meter K-band iDirect remote satellite terminal/antenna, with lightning arrestors, installed on the District's towers.

The RANs will be connected via a DAMA (Demand Assigned) VSAT satellite network, which will also connect the RANs to Shasta's core voice and data network equipment located at the District's Indian Springs School site. The core equipment will consist of a UTStarcom Sonata SE mobile switching center (MSC) server, home location register (HLR), intelligent media gateway (IMG),

Commission's concern that the current absence of service endangers the health and safety of residents and visitors throughout the county.

signaling gateway (SGW), and operations maintenance center (OMC), and a Total Control 200 packet data switching module (PSDN).

Shasta states that this project will require no trenching for installation of cables, and very little other outside plant construction. Shasta contends that the equipment it intends to install in existing structures is no different than that which may be installed by a competitive local carrier (CLC) pursuant to a limited facilities-based authorization granted in accordance with Decision (D.) 99-10-025 in *Re Competition for Local Exchange Service* (1999) 2 CPUC3d 700. That decision granted CPCNs to applicants whose equipment would be located in previously existing structures, but deferred granting full facilities-based authority until any pending environmental issues were resolved. Thus, the decision granted authority that is limited to the use of existing structures, because it could be seen with certainty that there is no possibility that such facilities installations might have a significant adverse effect on the environment.

With respect to facilities other than those to be constructed or installed in existing structures by Shasta, Shasta contends that it is likely the project will be exempt from review under the California Environmental Quality Act (CEQA), Public Resources Code 21000 et seq., because it will fall within one or more categorical exemptions established by the CEQA Guidelines (Tit. 14 Code of California Regulations, Section 15000 et seq.) However, the specific locations at which some of the components of Shasta's system will be installed depend upon the sites that the District selects for construction of its towers. For this reason, some environmental impacts are unforeseeable at this juncture. Shasta consequently proposes to utilize the procedure adopted in D.06-04-030, in *Application for NewPath Networks, LLC for a Modification of its Certificate of Public Convenience and Necessity in Order to Provide Competitive Local Exchange, Access and*

Non-Dominant Interexchange Services (April 13, 2006) to address the construction of the distributed antenna networks that it plans to utilize.

The Commission recently adopted this procedure in D.08-05-07 *In the Matter of the Application of Channel Islands Telephone Company, for a Certificate of Public Convenience and Necessity to Construct Telecommunications Facilities and to provide Local Exchange and Interexchange Service to and within certain previously unserved Channel Islands* (May 15, 2008). The Commission approved the application of Shasta's affiliate, Channel Islands Telephone Company, to build a telecommunications system to serve rural territory in the Channel Islands, but deferred environmental review for reasons similar to those presented here. If this decision follows the modified CEQA review process adopted in that decision, once Shasta has identified the specific siting for all of the components of its project, it will submit detailed documentation to the Commission's Energy Division to enable it to determine whether the project is exempt from CEQA review, as Shasta expects it will be. The Energy Division will accordingly either issue a Notice to Proceed and file a Notice of Exemption with the State Clearinghouse, or issue a letter of denial, in which event the project will become subject to the normal application and environmental review process under CEQA.³

³ According to representations in the District's Rural Telecommunications Infrastructure grant application, the District will be required to apply for use permits from the County of Shasta and permits from the United States Forest Service before constructing its towers. These two agencies, respectively, will take lead responsibility for compliance with the requirements of CEQA and the National Environmental Policy Act, 42 U.S.C. § 4321 et seq., concerning those permitting activities.

The final scope of Shasta's system will depend upon the extent to which the District builds out tower sites with its Rural Telecommunications Infrastructure grant. Assuming complete build-out, Shasta estimates that the total cost of constructing its proposed system will be \$3,239,915.⁴ Shasta proposes to finance construction and individual start-up costs primarily through private investors. Following the startup of operations, Shasta expects to meet ongoing operating costs through revenues generated by the sale of its services, ongoing federal universal service funding, and revenues recovered through its participation in National Exchange Carrier (NECA) access pooling.

3. Financial Qualifications

To be granted a CPCN, an applicant for authority to provide facilities-based local exchange and/or interexchange services must demonstrate that it has a minimum of \$100,000 of cash or cash equivalent to meet its start-up expenses. An applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LECs) and/or interexchange carriers (IECs) in order to provide the proposed service.⁵ Shasta has provided documentation in the form of an intercorporate guarantee from affiliate North County Communications Corporation (North County), irrevocable for a period of one year following Shasta's receipt of a CPCN in this matter, covering all liabilities and obligations of Shasta due and payable prior to termination of the guarantee, up to a limit of \$100,000. The guarantee is

⁴ A detailed breakout of this estimated construction cost is furnished in Exhibit C to the Application.

⁵ The financial requirements for LECs are set forth in D.95-12-056, Appendix C. For IECs, the requirements are found in D.91-10-041 and D.93-05-010.

accompanied by a bank statement which demonstrates that North County has cash and cash equivalent in excess of \$100,000.

4. Technical Qualifications

An applicant for local exchange and interexchange authority is required to make a reasonable showing of technical expertise in telecommunications or a related business. Shasta submitted biographical information for Todd Lesser, its Chief Executive Officer, that shows that he has more than 20 years of industry experience.

Lesser is the founder and Chief Executive Officer of North County, which has provided facilities-based telecommunications services in California and other states since 1996. Prior to that, he founded Info Connection, Inc., a manufacturer of voicemail and teleconferencing equipment, and was previously employed by Comtel Communications, a telephone interconnect concern.

Lesser is also the founder of Channel Islands Telephone Company, which recently received authority from the Commission to establish telephone service in previously unserved areas of the Channel Islands under D.08-05-007, *supra*.

Shasta expects to retain CCG Consulting LLC to design and install its proposed system. CCG is a full-service telecommunications consulting and engineering firm based in Riverdale, Maryland, with substantial experience in telecommunications facilities design and construction management.

5. Fitness

Shasta represents that (i) neither Shasta, nor any affiliate, officer, director, partner, or owner of more than 10% of Shasta, or any person acting in that capacity whether or not formally appointed, has been sanctioned by the Federal Communications Commission (FCC) or any state regulatory agency for failure to comply with any regulatory statute, rule, or order; and (ii) neither the applicant,

nor any affiliate, officer, director, partner, or owner of more than 10% of Shasta, or any person acting in that capacity whether or not formally appointed, held one of those positions with a telecommunications carrier that filed for bankruptcy, or has been found either criminally or civilly liable by a court of appropriate jurisdiction for violation of Section 17000 et seq. of the California Business and Professions Code, or for any actions which involved misrepresentations to consumers, or is currently under investigation for similar violations.

6. Rates and Tariffs

Shasta intends to provide local exchange service as a general rate case (GRC) carrier. Shasta proposes initially to establish rates and charges for its services that will mirror the standard rates and/or charges of Pacific Bell Telephone Company d/b/a AT&T for the same services. Once Applicant has completed construction of its facilities and has sufficient operating experience to enable it to determine test-year revenue requirements on a separated basis and to adopt a company-specific rate design, Shasta will establish new rates pursuant to the rules applicable to GRC carriers. Until that time, Shasta will not request any subsidies from California High Cost Fund-A.⁶

Shasta submitted draft tariffs for local exchange service as Exhibit D to its application, with the disclaimer that the rates and services set forth in the draft are for illustrative purposes only, and are subject to change prior to the actual initiation of service.

⁶ At the time that Shasta applies for subsidies from the California High Cost Fund-a, it will also be designated as a Carrier of Last Resort.

7. Discussion

The Application, as amended, satisfies our requirements for demonstrating financial, managerial and technical fitness for certification as a facilities-based competitive LEC and IEC. Accordingly, we will approve the application subject to the terms and conditions set forth in the Order.

8. Motion to File Confidential Information Under Seal

Shasta has filed a motion to file confidential financial information submitted as the Amendment to the Application under seal. We have granted these motions in similar cases, and we do so here.

9. Categorization and Need for Hearings

In Resolution ALJ 176-3218, dated July 31, 2008, the Commission preliminarily categorized this application as Ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. There is no apparent reason why the application should not be granted. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

10. Comments on Proposed Decision

Public Utilities Code Section 311, subdivision (g)(1), provides that a decision must be served on all parties and be subject to at least 30 days review and comment prior to a vote of the Commission. Subdivision (g)(2) provides that this 30-day comment period may be waived for an uncontested matter in which the decision grants the relief requested. This is such a matter. Shasta has requested a waiver of the 30-day waiting period required by subdivision (g)(1) on the grounds that the District's receipt of grant funds for construction depends upon the issuance of this decision during the 2008 calendar year. Inasmuch as this matter qualifies for the waiver, the public review and comment period is

waived to enable the District to receive the underlying funding for construction of the system.

11. Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and Victor D. Ryerson is the assigned ALJ in this proceeding.

Findings of Fact

1. Shasta is a California corporation in good standing with its principal place of business in San Diego.

2. Shasta intends to establish facilities-based fixed IP-based wireless telephone service in a rural area of Shasta County that currently lacks telecommunication service. Its proposed system will be capable of providing high-quality voice grade telephone service to area residents, and will also have broadband data capability that can be used to access the Internet, communicate by e-mail, and utilize other broadband applications.

3. Provision of this service will require Shasta to install equipment and facilities consisting of small solar-powered transmitters where power is not available, and antennas and other equipment on existing structures or new towers and in new shelters at sites yet to be developed. It is unlikely that the installation of Shasta's equipment and facilities will involve trenching or other significant outside plant construction, because it will utilize existing sites or sites to be developed by the District.

4. In Resolution (Res.) T-16943, the Commission authorized the disbursement of funds to the District, as fiscal agent under the Rural Telecommunications Infrastructure Grant Program, for the construction of ten cell tower sites within the area that Shasta plans to serve. Shasta's application is predicated on the

assumption that it will utilize the District's towers for the system it plans to establish.

5. The District had not commenced construction of the sites at the time Shasta filed this application, as no carriers had yet expressed interest in joining with the District to establish telecommunications service in the area. The specific locations at which some of the components of Shasta's system will be installed depend upon the sites that the District selects for construction of its towers, and for this reason some environmental impacts are unforeseeable at this time.

6. Shasta intends to obtain private financing to construct its system, and will rely in part upon system revenues to meet its operating expenses. Shasta has at least \$100,000 cash or cash equivalent in the form of an intercorporate guarantee from North County, an affiliate, to cover all liabilities and obligations of Shasta due and payable within the first year of the grant of authority under this application. These funds are reasonably liquid and readily available to meet its start-up expenses.

7. Shasta has sufficient additional cash or cash equivalent under the terms of the same guarantee to cover any deposits that may be required by other telecommunications carriers in order to provide the proposed service.

8. Shasta's management possesses sufficient relevant industry experience and knowledge to provide the telecommunications services described in the application.

9. As part of its application, Shasta submitted a draft of the form of its anticipated initial tariff. Except for any deficiencies noted in Attachment A to this decision, the form of Shasta's draft tariffs complies with the Commission's requirements.

Conclusions of Law

1. The application demonstrates that Shasta is financially, managerially and technically fit for certification as a facilities-based local exchange and interexchange carrier in accordance with applicable requirements of the Commission.

2. Public convenience and necessity require Shasta's limited facilities-based local exchange and interexchange services, subject to the terms and conditions set forth in the Order.

3. Since Shasta will not be constructing any outside facilities pursuant to the CPCN granted herein, it can be seen with certainty that granting the application subject to the terms and conditions set forth in the Order will have no significant effect on the environment.

4. The application should be granted to the extent set forth in the Order.

5. Applicant's motion to file the confidential financial documents submitted as Exhibit G to the application under seal should be granted.

6. Because of the public interest in establishing competitive local exchange and interexchange services in the area Shasta proposes to serve, and because of impending deadlines that must be met for the District's receipt of grant money, this decision should be effective immediately.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity (CPCN) is granted to Shasta County Telecom, Inc. (Applicant) to construct telecommunications facilities and provide local exchange services and interexchange services subject to the terms and conditions set forth below.

2. Applicant is authorized to provide local exchange service and interexchange service in the service territories of Pacific Bell Telephone Company, Verizon California Inc., SureWest Telephone, and Citizens Telecommunications Company of California Inc., and specifically in the service area designated in the map included as Exhibit B to the Application in this proceeding.

3. Applicant is authorized to file tariff schedules for the provision of competitive local exchange services in the form indicated by Exhibit D to the Application. The final tariff schedules must be reviewed and approved by Commission staff as to form and content before they are permitted to be filed, and Applicant may not offer services until tariffs are on file. Applicant's initial filing shall be made in accordance with General Order (GO) 96-B. Applicant shall comply with its tariffs.

4. The certificate granted, and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

5. The corporate identification number assigned to Applicant, U7129C, shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

6. Applicant shall comply with all applicable rules adopted in the Local Exchange Competition proceeding (Rulemaking 95-04-043/ Investigation 95-04-044), the Commission's rules and regulations for interexchange carriers set forth in Decision (D.) 93-05-010 and D.90-08-032, as well as other applicable Commission's rules, decisions, General Orders, and statutes that pertain to California public utilities, subject to the exemptions granted in this decision.

7. Applicant shall comply with the requirements applicable to competitive local exchange carriers included in Attachment A to this decision.

8. Applicant is not authorized to construct facilities, except for the installation of those in or on existing buildings or structures, until Applicant undergoes any required environmental review and applies for and obtains full facilities-based authority, under the procedure adopted by the Commission in D.06-04-030 in *Application for NewPath Networks, LLC for a Modification of its Certificate of Public Convenience and Necessity in Order to Provide Competitive Local Exchange, Access and Non-Dominant Interexchange Services* (April 13, 2006).

9. Applicant is not eligible for funding from California High Cost Fund-A until it has filed a general rate case (GRC) with the Commission in accordance with D.91-09-042 and the implementing guidelines set forth in the Appendix of that decision and the Commission has issued a decision on the GRC.

10. Applicant's motion, dated October 6, 2008, to file the documents submitted by Amendment to its Application as Exhibit E thereto under seal is granted.

11. The confidential documents of Applicant, which have been filed under seal as an attachment to the motion for leave to file confidential materials under seal dated October 6, 2008, shall remain under seal for a period of two years from the date of this decision, and during that period, the information shall not be accessible or disclosed to anyone other than Commission staff except on the further order or ruling of the Commission, the assigned Commissioner, the Chief Administrative Law Judge (ALJ), the assigned ALJ, or the ALJ then designated as Law and Motion Judge. If Applicant believes that further protection of this information is needed after two years, Applicant may file a motion stating the justification for further withholding the information from public inspection, or

for such other relief as the Commission Rules may then provide. This motion must be filed no later than 30 days before the expiration of this protective order.

12. Application 08-07-025 is closed.

This order is effective today.

Dated December 18, 2008, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners

ATTACHMENT A

List of deficiency in form of tariff filed by Shasta County Telecom, Inc. in Application 08-07-025 to be corrected in its tariff compliance filing:

Tariff Sheet Format: CPUC assigned utility ID number (U#) should be included on each sheet in the upper left header along with Company name and address. (General Order 96-B, Section 8.4.1).

(END OF ATTACHMENT A)

ATTACHMENT B

REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS

1. Applicant shall file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. Applicant is subject to the following fee and surcharges that must be regularly remitted per the instructions in Appendix E to D.00-10-028. The Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is zero.

3. Revenues collected for the California Advanced Services Fund (CASF) at the surcharge rate of 0.25% shall be held by the carrier in a memorandum account tracking system and the account will accrue monthly interest on the accumulated balance at the short-term commercial paper rate. Carriers shall continue to hold custody of all the collected CASF surcharge revenues and accumulated interest until the Commission provides further direction on the disposition of these revenues.

- a. The current 1.15% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service Trust Administrative Committee Fund (Pub. Util. Code § 879; Resolution T-17071, dated March 1, 2007, effective April 1, 2007);
- b. The current 0.20% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (Pub. Util. Code § 2881; D.98-12-073 and Resolution T-17127, dated December 20, 2007, effective January 1, 2008);

- c. The user fee provided in Pub. Util. Code §§ 431-435, which is 0.18% of gross intrastate revenue (Resolution M-4819), dated June 7, 2007, effective July 1, 2007;
- d. The current 0.13% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (Pub. Util. Code § 739.3; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-17128, dated December 20, 2007, effective January 1, 2008);
- e. The current 0.25% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F.; D.07-12-054);
- f. The current 0.25% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Advances Services Fund (D.07-12-054); and
- g. The current 0.79% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G; Resolution T-17142, dated April 24, 2008, effective June 1, 2008).

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, you should check the joint tariff for surcharges and fees filed by Pacific Bell (dba SBC California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised.

- 4. Applicant is a competitive local exchange carrier (CLC). The effectiveness of its future tariffs is subject to the requirements of General Order (GO) 96-B and the Telecommunications Industry Rules (D.07-09-019).
- 5. Applicant is a non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirements of GO 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings shall reflect all fees and surcharges to which Applicant is subject, as reflected in 2 above.

7. Applicant shall file a service area map as part of its initial tariff.

8. Prior to initiating service, Applicant shall provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information shall be updated if the name or telephone number changes, or at least annually.

9. Applicant shall notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

10. Applicant shall notify the Director of the Communications Division in writing of the date interLATA service is first rendered to the public within five days after service begins, and again within five days after intraLATA service begins.¹

11. Applicant shall keep its books and records in accordance with the Generally Accepted Accounting Principles.

12. In the event Applicant's books and records are required for inspection by the Commission or its staff, it shall either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

¹ California is divided into ten Local Access and Transport Areas (LATAs), each containing numerous local telephone exchanges. InterLATA describes services, revenues and functions relating to telecommunications originating within one LATA and terminating in another LATA. IntraLATA describes services, revenues and functions relating to telecommunications originating within a single LATA.

13. Applicant shall file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

14. Applicant shall file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment D.

15. Applicant shall ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

16. Within 60 days of the effective date of this order, Applicant shall comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

17. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in 2 above, the Communications Division shall prepare for Commission consideration a resolution that revokes Applicant's CPCN unless it has received written permission from the Communications Division to file or remit late.

18. Applicant is exempt from Rule 3.1(b) of the Commission's Rules of Practice and Procedure.

19. Applicant is exempt from Pub. Util. Code §§ 816-830.

20. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

21. If Applicant decides to discontinue service or file for bankruptcy, it shall immediately notify the Communications Division's Bankruptcy Coordinator.

22. Applicant shall send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

(END OF ATTACHMENT B)

ATTACHMENT C
ANNUAL REPORT

An original copy and a machine readable copy using Microsoft Word or compatible format shall be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Sections 2107 and 2108 of the Public Utilities Code.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
- b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.

For answers to any questions concerning this report, call (415) 703-2883.

(END OF ATTACHMENT C)

ATTACHMENT D
CALENDAR YEAR AFFILIATE TRANSACTION REPORT

1. Each utility shall list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership);
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility shall prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart should have the controlling corporation (if any) at the top of the chart; the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary should be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility's annual Affiliate Transaction Report and verified in accordance with Sections I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

(END OF ATTACHMENT D)