

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**RESOLUTION T-17672
December 5, 2019**

RESOLUTION

Resolution T-17672: Approval of funding for the grant application of Plumas Sierra Telecommunications (U-7218-C), from the California Advanced Services Fund up to the amount of \$1,512,163 for the Keddie Project located in Plumas County.

SUMMARY

This Resolution approves \$1,512,163 in funding from the California Advanced Services Fund (CASF) for the grant application of Plumas Sierra Telecommunications (PST) to construct the Keddie Project. PST proposes to deploy middle-mile and last-mile fiber infrastructure to provide fiber-to-the-home (FTTH) high-speed Internet service in Keddie located in Plumas County. The proposed project will enable broadband access at speeds of at least 100 Megabits per second (Mbps) download and 20 Mbps upload to 36 unserved households. The proposed project will provide ancillary benefits, including improved connectivity in a region located in a Tier 2 Fire-Threat District on the California Public Utilities Commission's (Commission) Fire Map.

BACKGROUND

The CASF Infrastructure Grant Account (CASF Infrastructure) assists 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 Commission in Decision (D.)07-12-054 and enacted into statute pursuant to Senate Bill 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)¹ into law. That legislation amended the statute governing the CASF program, Public Utilities Code, § 281. The Commission issued D.18-12-018 adopting the programmatic changes

¹ AB 1665 is codified at Public Utilities (Pub. Util.) Code § 281.

to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure.²

On May 1, 2019, PST submitted a CASF Infrastructure application, requesting 100-percent funding of \$1,583,660 to deploy middle-mile fiber and last-mile FTTH broadband access to 33 unserved households in the community of Keddie in Plumas County. The CASF grant funding request would cover the complete project deployment costs of the Keddie Project.

PST 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 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. PST headquarters are in Portola, CA, with a second office in Susanville (Lassen County).

PST is an experienced wireless Internet service provider that operates wireless networks in Plumas and Eastern Sierra counties. 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. In 2010, PST accepted CASF and American Reinvestment and Recovery Act (ARRA) grants to build a 198 middle-mile fiber optic network along Highway 395 from Reno, Nevada to Susanville and Quincy. The PST fiber network was completed in 2013 and provides access to wholesale broadband for large anchor institutions and Internet service providers, as well as broadband services to local businesses and communities. Since the completion of the PST fiber network, PST has continued to expand broadband services in the area, acquiring an abandoned cable TV system to provide broadband services in Portola, Quincy, and Graeagle with speeds of up to 25 Mbps download and 10 Mbps upload.

NOTICE

² The Commission extended the CASF Infrastructure application deadline from April 1 to May 1, 2019, and all subsequent deadlines are moved back by one month. Assigned Commissioner's Ruling R.12-10-012, March 14, 2019.

On May 15, 2019, Staff posted the proposed project area map, census blocks, and zip codes for the Keddie Project on the Commission's CASF webpage³ under "CASF Application Project Summaries" and sent notice regarding the project to its CASF Distribution List.⁴

PROTEST/CHALLENGES

On June 5, 2019, DigitalPath Inc. (DigitalPath) challenged the application stating it provides broadband availability at served speeds in the Quincy area.

The outcome of the challenge is addressed in the Discussion, Section I, Project Area Eligibility.

DISCUSSION

In compliance with D.18-12-018, Staff determined PST's revised Keddie Project is eligible to receive \$1,512,163 in CASF Infrastructure grant funding. PST is required to comply with all guidelines, requirements, and conditions associated with the grant of CASF Infrastructure funds. Payments to PST will be made in accordance with Pub. Util. § 281 (f)(11).

Details of Staff analysis are explained in the following sections:

- I. Project Area Eligibility
- II. Minimum Performance Criteria
- III. Funding Determination
- IV. Safety and Community Support
- V. Compliance Requirements
- VI. Payments to CASF Recipients

Key project information and maps are shown in Appendix A and B.

I. Project Area Eligibility

No provider filed a "right-of first refusal" for PST's project area by January 15, 2019, nor does the proposed project area include census blocks identified by the Federal Communications Commission's Connect America Fund Phase II program. Staff requested PST to revise its original application based on the determination of the

³ <https://www.cpuc.ca.gov/General.aspx?id=1040>

⁴ <https://www.cpuc.ca.gov/General.aspx?id=8246>

successful challenge submitted by DigitalPath. The revised Keddie Project Summary was posted on the Commission’s webpage on October 1, 2019. Based on PST’s project revision, Staff determined the Keddie Project, including middle-mile infrastructure, is eligible for a CASF Infrastructure grant.

PST revised its proposed project because two census blocks were identified to be served by DigitalPath. Only households that are unserved are eligible for the CASF Infrastructure grant. Unserved means there is no provider offering access at speeds of 6Mbps downstream and 1 Mbps upstream. In PST’s original application, PST claimed there are 33 unserved households located within the nine census blocks in the Keddie project area. DigitalPath challenged the application stating the company provides broadband availability at served speeds in Quincy area. Based on customer address and billing information submitted by DigitalPath, Staff determined two census blocks in the proposed project area were already served and directed PST to revise its application.

In its revised application, PST reduced the grant funding request to \$1,512,163 and reduced the number of census blocks from nine to seven; but the number of unserved households had increased from 33 to 39. PST claimed several unserved households were inadvertently omitted in the original application; and provided parcel addresses as verification. Staff mapped the address data and found 3 of the 39 households were not in the project area census blocks. Thus, Staff determined the household count for the revised project is 36 unserved households. This number also conforms with the U.S. 2010 Census data. Table 1, below, compares PST’s Original Application to the Revised Application.

Table 1: PST's Revised CASF Infrastructure Grant Application

	Unserved Households	Census Blocks	CASF Fund Request
Original Application	33	9	\$1,583,660
Revised Application	39	7	\$1,512,163
Final Eligible Project Area	36	7	\$1,512,163

The revised Keddie project area is eligible for a CASF grant. There are no existing facilities-based wireline or fixed wireless broadband service providers in the project area. According to the California Interactive Broadband Map, the area only has access to dial-up.⁵

⁵ Dial-up provides speeds of less than 200 Kbps downstream and 200 Kbps upstream.

Middle-Mile infrastructure is eligible for a CASF Infrastructure grant. PST proposes to place approximately 13.7 miles of middle-mile fiber optic cable, connecting Keddie to PST’s core fiber network located in Quincy, and 10.5 miles of last mile fiber optic cable for the FTTH facilities. Currently, the city of East Quincy is served by last-mile fiber infrastructure deployed by PST with the aid of ARRA and CASF grant funds. PST proposes to extend its existing middle-mile infrastructure from East Quincy to Keddie to deliver last-mile service. PST is unable to deliver last-mile service absent building the additional fiber infrastructure. Therefore, Staff has determined the middle-mile infrastructure is indispensable in order to serve the proposed communities.

According to the California Interactive Broadband Map, the Quincy area is partially served by DigitalPath, a fixed wireless service provider, but there is no existing wireline infrastructure to serve households in Keddie. AT&T Communications is the local Incumbent Local Exchange Carrier (ILEC) and does not offer broadband Internet service to households in Keddie. Therefore, Staff determined the middle-mile infrastructure is necessary to serve the proposed communities and thus eligible for CASF funding, pursuant to Pub. Util. Code § 281 (f)(5)(B).

II. Minimum Performance Criteria

Based on Staff’s review, the Keddie Project meets the minimum performance criteria pursuant to D.18-12-018, Appendix 1, Section 6, as summarized in Table 2.

Table 2. Minimum Performance Criteria

	CASF Performance Criteria	Proposed Project
Project Completion	CEQA-exempt projects must be completed within 12 months, and all other projects shall be completed within 24 months after receiving CEQA permit	12 months (CEQA exempt)
Pricing	Prices committed for two years after completion of the project	2-year
Speed	At least 10/1 Mbps	100 / 20 Mbps
Latency	Maximum of 100 ms of latency	25 ms
Data Caps	Minimum of 190 GBs per month	No data cap
Affordability	Must offer low-income plan	\$15/month for 10-monthly discount/1 Mbps Low-Income Program

PST's Keddie Project is categorically exempt from California Environmental Quality Act (CEQA) review. The Commission must review all CASF projects in accordance to CEQA requirements unless the project is statutorily or categorically exempt pursuant to CEQA guidelines.

In its application, PST requested categorical exemption from CEQA and provided the Commission with its plan to use existing PSREC owned poles, public utility easements (PUE), and public rights of ways (ROW) for the installation of underground and aerial fiber cable. The proposed project would cover approximately 0.87 square miles in the Keddie and Quincy area of Plumas County, California.

The majority of the build will consist of 22.95 miles of aerial fiber installation on existing overhead electrical infrastructure and 0.2 miles of underground installation of fiber conduit. The aerial portion will follow existing powerline corridors in federal and county ROWs and PUEs. New underground construction will occur along Highway 89 in the event an aerial route cannot be found. Trenching will be performed with a backhoe in an existing PUE. PST also plans to install one cabinet vault located on a new site also within a PSREC PUE. Following the installation of underground facilities and cabling, the site will be returned to its original condition.

Based on the above information, Energy Division has confirmed that the project is categorically exempt from CEQA review. This project meets the criteria of the CEQA categorical exemptions for CEQA Guidelines, 14 C.C.R. § 15301 (Existing Facilities) and § 15304 (Minor Alterations to Land). Thus, the entirety of the Keddie Project is categorically exempt from CEQA review.

PST's broadband service offering meets CASF minimum performance criteria. PST commits to [residential and low-income](#) broadband pricing ~~plan~~[plans](#), as summarized in [Table 3](#), [Table 3](#) and [Table 4](#), for two years, starting from the beginning date of service.⁶ Activation and installation fees will be waived for this project, in line with CASF requirements. PST's equipment fee will be waived for the first two years and will cost \$99 per year thereafter.

Table 3: Broadband Pricing Plan

Download Speed	Upload Speed	Monthly Price
10 Mbps	1 Mbps	\$55.00
15 Mbps	5 Mbps	\$65.00

⁶ [On November 27, 2019, PST submitted reply comments to address concerns of broadband affordability raised in California Public Advocates Office's comments. PST provided revised broadband pricing for low-income residential customers.](#)

20 Mbps	5 Mbps	\$75.00
25 Mbps	10 Mbps	\$85.00
50 Mbps	10 Mbps	\$95.00
100 Mbps	20 Mbps	\$109.00

Table 4: Low-Income Broadband Pricing Plan

<u>Download Speed</u>	<u>Upload Speed</u>	<u>Monthly Price</u>
<u>10 Mbps</u>	<u>1 Mbps</u>	<u>\$15.00</u>
<u>15 Mbps</u>	<u>5 Mbps</u>	<u>\$25.00</u>
<u>20 Mbps</u>	<u>5 Mbps</u>	<u>\$35.00</u>

The proposed speed offerings (up to 100 Mbps download and up to 20 Mbps upload) meet the 10/1 minimum performance requirement. This project is capable of providing Internet service with speeds of up to 1 Gbps download and 1 Gbps upload, which will be available to customers; however, the standard service offering is 100 Mbps download and 20 Mbps upload. PST’s service offering is for broadband access only; not voice services. The broadband service will be available to the public, as well as anchor institutions and small businesses, such as the Oakland Feather River Camp.

III. Funding Determination

Table 45 is a comparison of PST’s funding request and Staff’s funding recommendation.

Table 45: Summary of PST’s Funding

	Middle-Mile Funding	Last-Mile Funding	Total
PST’s Revised Funding Request	\$1,315,410	\$196,753	\$1,512,163
PST’s Funding Approval	\$1,315,410	\$196,753	\$1,512,163

PST is eligible to receive 100 percent funding for its Keddie Project. AB 1665 authorizes the Commission to award grants to fund all or portion of the project and

requires that it determine, on a case-by-case basis, the level of funding to be provided.⁶⁷ Staff used the statutory factors for consideration of the grant funding level, as described by Pub. Util. Code §§ 281(f)(13) and 281(b)(2)(B)(i), and CASF rules adopted in D.18-12-018. Based on those factors, Staff determined PST’s request of a 100 percent funding level is appropriate; and thereby recommends awarding CASF Infrastructure grant of \$1,512,163 for the Keddie Project. Table 5.6, below, summarizes Staff’s funding level determination for the project.

Table 5.6. Criteria for Project Funding Level for PST

Funding Criteria	Keddie Project
Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (40%)—no fixed or mobile broadband	20%
Low Income - up to 40% <ul style="list-style-type: none"> • Median Household Income for community is less than CARE standard for family of 4, which is currently \$50,200 (30%) • Applicant serves low-income customers for no more than \$15/month (10%) 	0% 0% 10%
Others: PU Code Sec 281 (f)(13) Criteria - up to 20% <ul style="list-style-type: none"> • Inaccessible Location (10%) • Uses Existing Infrastructure (10%) • Makes a Significant Contribution to the Program Goal (10%) 	10% 0% 10%
Total Funding Level	100% ^{z8}

Details of the appropriate funding level are described below.

⁶⁷ Pub. Util. Code, § 281(f)(13). See Bill Analysis prepared by California Assembly Committee on Conveyance, April 26, 2017, p.4. “Arguably since the creation of CASF, most areas that have been served by CASF funds are projects in which applicants feel that their cost, combined with CASF funds, warrant an investment in deploying broadband in such areas. However, this leaves most of the remaining unserved areas of state, mostly in rural and small communities, still without broadband connectivity due to the lack of investment by providers who feel that the difficulties associated with deploying and maintaining such a network in the area for a limited amount of potential customers, even combined with CASF funds, would not result in a positive return on investment. Arguably, the remaining unserved households potentially are households in which even a 70% total cost CASF grant still does not provide enough incentive for a provider to build. Hence, CPUC should consider awarding grants that offer funding for 100% of total costs when warranted.”

~~^z Maximum funding level is 100 percent. See D.18-12-018, Table 1. Summary of Funding Level Determinations.~~

⁸ [Maximum funding level is 100 percent. See D.18-12-018, Table 1. Summary of Funding Level Determinations.](#)

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 community of Keddie meets all of the eligibility criteria, as previously described in the Project Area Eligibility section.

Service Level Preference qualifies for an additional 20 percent funding. Pub. Util. Code § 281(b)(2)(B)(i) encourages the Commission to give preference to projects in areas with no Internet connectivity or where Internet connectivity is available only through dial-up service and are not served by any form of wireline or wireless facility-based broadband service. According to the California Interactive Broadband Map, all of the proposed project areas are unserved by wireline or fixed wireless broadband service. However, Staff identified four out of seven census blocks have access to mobile data service, which is considered as “internet connectivity,” and thus, do not qualify for additional funding. Census blocks that qualify for the Service Level Preference are 060630001006002, 060630002021065, and 060630002021066.

The maximum funding level for Service Level Preference is 40 percent. Staff calculated the percentage of additional funding in proportion to the percentage of households in the project area. The census blocks identified above include 18 of the 36 CASF-eligible households, which represent half of the households in the project area. Therefore, this project should receive half of the Service Level Preference funding, which equates to an additional 20 percent funding for this criterion.

Low Income considerations ~~do not~~ qualify for an additional 10 percent funding. The average median household income of the census block groups in the proposed project area is \$58,029. Based on the proportion of households located in each census block group, the weighted median household income of the proposed project area reduces to \$54,291, which still does not meet the CASF low-income eligibility threshold. ~~PST will offer a \$10 monthly discount on the broadband plan of the customer’s choice for customers~~For those with incomes below 190 percent of the federal poverty level.~~Even with the discount, all the broadband plans are more than \$15 per month; this project does not meet the low income service criteria,~~ PST will offer a \$15 monthly plan and is therefore eligible for an additional 10 percent funding.

Other Factor considerations qualify for an additional 20 percent funding. The Keddie Project meets two of the three criteria and qualifies for an additional 20 percent funding.

Staff determined the proposed project meets the inaccessible location criteria for an additional 10 percent funding. The project area is located in the remote northern Sierra Nevada mountains and Plumas National Forest. Staff considers the project area to be difficult terrain and relatively inaccessible to advanced broadband communications infrastructure. Additionally, the proposed project areas are in rural census blocks as defined by the U.S. Census. Details of geography and topography are shown in Appendix C.

Staff determined the project makes a significant contribution to the program goal and is eligible for an additional 10 percent funding. The Northeast California Connect Consortium region to which the community of Keddie belongs, is at 90.4 percent,⁸⁹ which is below the CASF program goal. Therefore, this project is considered as making a significant contribution to the program goal.

IV. 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, access to emergency services, and to allow first responders to communicate with each other and collaborate during emergencies.

PST's Keddie Project will provide enhanced communications services that will promote public safety capabilities in an area located in a Tier 2 Fire-Threat District.⁹¹⁰

The communities of Keddie and Quincy have been designated by CalFire as "Communities at Risk" of damage from wildfire. The city of Keddie is only accessible by Highway 70, where in an event of a major wildfire, the Keddie area could easily become isolated. East Sierra Valley Chamber of Commerce and Plumas County Public Health Agency filed letters of support for the project emphasizing the importance of broadband access in rural communities for safety and emergency services. Per East Sierra Valley Chamber of Commerce, PST has been providing critical telecommunications services to neighboring rural communities, however, not all have access to high-speed Internet. The Sierra Valley has been overlooked by service providers such as AT&T and Verizon, such that the area is lacking good, reliable communications. For these reasons, Staff finds the project will enhance public safety.

⁸⁹ See 2018 Annual Report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2019, page 4.

⁹¹⁰ See <https://www.cpuc.ca.gov/firethreatmaps/>

The project is greatly supported by the community for its potential to remove barriers to economic and workforce development, health care, education and public safety.

As the only higher education provider in Plumas County, Feather River College supports the project based on the premise that access to high-speed Internet is integral for residents to access academic content essential for community and economic development. Feather River College offers online courses, including video streaming content, for entrepreneurship training and website development. The project brings the prospect of economic growth by attracting new businesses that will provide and create jobs in the region. The project is supported by the community for its potential to remove barriers to economic and workforce development and to improve health care, education, public safety and quality of life for community members.

Letters of Support were also received from US House Representative Doug LaMalfa (District 1), California Assemblyman Brian Dahle (District 1), Plumas County Board of Supervisors, Mohawk Valley Stewardship Council, and Sierra Nevada Journeys.

V. Compliance Requirements

PST is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D. 18-12-018. Such compliance includes, but is not limited to, the items noted below.

A. Deployment Schedule

The Commission expects PST 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 applicant has committed to do so. If PST is unable to complete the proposed project within the 12-month timeframe requirement, PST must notify the Director of the Communications Division as soon as PST becomes aware of this possibility. If such notice is not provided, the Commission may reduce payment for failure to satisfy this requirement of notifying the Director on a timely basis.

B. Execution and Performance

Staff and PST shall determine a project start date after PST has obtained all approvals. The Commission may terminate the grant should PST or any contractor it retains fail to commence work by the designated date, upon five days written notice to PST. In the event that PST fails to complete the project in accordance with the terms of CPUC approval as set forth in this resolution, PST shall reimburse some or all of the CASF funds that it has received. PST 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 provided proof of CPCN registration and thus, is exempt from 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.

The PST 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. Before full payment of the project, the PST must submit a project completion report. Progress reports shall use 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.

Recipients shall also include test results on the download and upload speeds on a census block basis in the final completion report. PST must certify that each progress report is true and correct under penalty of perjury.

E. Submission of Form 477

The Federal Communications Commission (FCC) currently requires broadband providers to semiannually submit Form 477, which includes speed data. While there is an imperfect match between the data that is reported in Form 477 and data relevant to the CASF program, Form 477 data will be useful in documenting CASF deployment for the service provider's new service. Pursuant to General Order 66-C, service providers in California must submit a copy of their Form 477 data directly to the CPUC, concurrent with their submission of the same data to the FCC, for a five-year period after completion of the project.⁴⁹¹¹

⁴⁹¹¹ Approval of the California Advanced Services Fund (CASF) Application Requirements and Scoring Criteria for Awarding CASF Funds (2008) Cal. P.U.C. Res. No. T-17143 at 4.

G. Prevailing Wage

Section 1720 of the California Labor Code specifies that CASF-subsidized projects are subject to prevailing wage requirements. PST has committed to follow state prevailing wage requirements with regards to this project.

VI. Payments to CASF Recipients

The Commission may reimburse PST's expense in accordance to Pub. Util. Code § 281(f)(11). Details of reimbursable expenses are in Appendix D.

COMMENTS ON DRAFT RESOLUTION

In compliance with Public Utilities Code § 311(g), a notice letter was e-mailed on October 31, 2019, informing all parties on the CASF Distribution List of the availability of the draft of this resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website.

[Comments were submitted by the Public Advocates Office \(PAO\) on November 20, 2019. Reply comments were submitted by PST on November 27, 2019.](#)

PAO's Comments

[PAO recommends PST be required to provide an affordable low-income broadband plan starting at \\$15 per month, which is consistent with other CASF applicants' that have opted to provide such a plan. PAO asserts that the proposed Keddie project does not meet the minimum performance criteria pursuant to D.18-12-018 because the discount of \\$10 per month does not satisfy the requirement of "affordability" for low-income customers. PAO also argues the \\$10 discount offered by PST will result in a minimum price of \\$45 per month, which is significantly higher compared to other low-income broadband plans.](#)

PST's Reply Comments

[In response to PAO's comments, PST proposes to revise its low-income broadband plan to start at \\$15 per month for 10 Mbps download/ 1 Mbps upload.](#)

Staff's Response to Comments and Reply Comments

Given PST's proposal to revise its low-income program offering, Staff recommends awarding PST the additional 10 percent funding for the Low-Income funding criteria. The resolution has been revised to reflect the additional 10% funding.

Staff recognizes affordability is the most common barrier to adoption and appreciates PAO's proposal on a reasonable standard for affordability. However, the issue of what is considered an affordable low-income broadband plan is a policy issue that should be addressed in a proceeding.

FINDINGS

1. PST filed an application for CASF funding for its Keddie Project on May 1, 2019. The revised proposed project would deploy middle-mile and last-mile fiber facilities that will enable provision of high-speed Internet service with speeds of up to 100 Mbps download and 20 Mbps upload to 36 households in the unserved community of Keddie in Plumas County.
2. On May 15, 2019, Staff posted a summary of the proposed project, including a listing of the census blocks and zip codes covered, and the proposed project area map. The project summary was posted on the "CASF Applications Project Summaries" webpage, which may be found on the Commission's CASF website.
3. Staff received one challenge to this project from Digital Path, Inc. Based on the review of information submitted, Staff concluded two of proposed census blocks were already served. Staff requested that PST revise its application to remove the served census blocks. On October 1, 2019, Staff posted the revised project summary on the "CASF Applications Project Summaries" webpage. The application eligible areas are in CBGs: 060630001005, 060630001006, and 060630002021.
4. Based on its review, Staff determined that the project qualifies for funding pursuant to CASF guidelines and requirements found in D. 18-12-018 and its Appendix 1 and recommends Commission approval of CASF funding for PST's Keddie Project.
5. The Commission has determined that the project is categorically exempt from CEQA review, under 14 C.C.R. § 15301 regarding exemption for existing facilities and 14 C.C.R. § 15304 regarding minor alterations to land.
6. A notice letter was e-mailed on October 31, 2019, informing all applicants filing for CASF funding and parties on the CASF distribution list of the availability of

the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>. [PAO submitted comments; PST submitted reply comments.](#)

THEREFORE, IT IS ORDERED that:

1. The Commission shall award \$1,512,163 to PST for the Keddie Project as described herein and summarized in Appendix A of this Resolution, which shall be paid out of the CASF Infrastructure Grant Account in accordance with the guidelines adopted in D. 18-12-018 and its Appendix 1, and with the process defined in Appendix D "Payments to CASF Recipients" of this Resolution.
2. PST shall comply with all guidelines, requirements and conditions associated with a CASF award, as specified in D. 18-12-018 and its Appendix 1, and all requirements for this project included in this resolution, and must submit FCC Form 477 to the Commission, as specified in Resolution T-17143.
3. If PST fails to complete the project in accordance with the CASF guidelines and requirements outlined in D.18-12-018 and its Appendix 1, and the terms in this Resolution, PST must reimburse some or all of the CASF funds that it has received.
4. PST 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 award.

This Resolution is effective today.

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

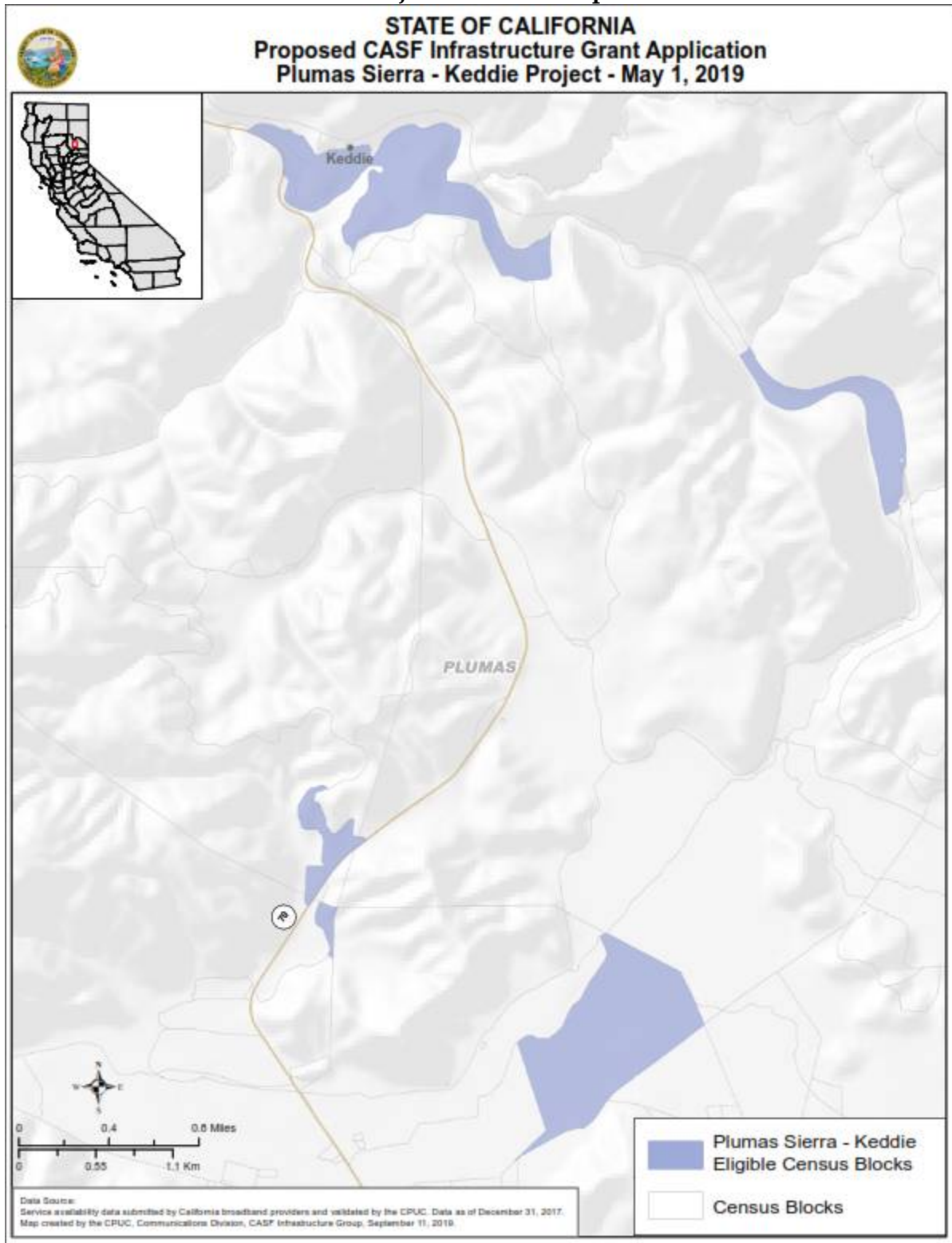
ALICE STEBBINS
Executive Director

APPENDIX A
Resolution T-17672: Plumas Sierra Telecommunications Keddie Project
CASF Applicant Key Information

<i>Project Name</i>	PST Keddie Project
<i>Project Plan</i>	The project proposes to build middle-mile and last-mile fiber infrastructure in Keddie to deploy fiber-to-the-home (FTTH) high-speed Internet service to 36 unserved households. There is no broadband infrastructure currently in existence. Fiber facilities will utilize existing poles and rights of ways. The project will provide up to 100 Mbps download and 20 Mbps upload speeds.
<i>Project Size (in square miles)</i>	0.87
<i>Download/Upload speed</i>	100 Mbps / 20 Mbps
<i>Location</i>	Plumas County
<i>Community Names</i>	Keddie
<i>Census Blocks</i>	060630001005005 060630001006002 060630001006030 060630001006039 060630001006042 060630002021065 060630002021066
<i>Median Household Income (by Census Block Group)</i>	\$ 58,029
<i>Estimated potential subscriber size</i>	36 households
<i>Applicant expectations</i>	11 households (30-percent take rate)
<i>Pricing Plan (Monthly)</i>	10/1 - \$55; 15/5 - \$65; 20/5 - \$75; 25/10 - \$85; 50/10 - \$95; 100/20 - \$109 (no installation fee)
<i>Deployment Schedule (from permit approval date)</i>	6 months
<i>Proposed Project Budget (Total)</i>	\$ 1,512,163 Middle-Mile Budget: \$ 1,315,410 Last Mile Budget: \$ 196,753
<i>Grant Requested Amount (100 percent)</i>	\$ 1,512,163
<i>CASF Grant Amount (100 percent)</i>	\$ 1,512,163
<i>Recommended Grant per household passed</i>	\$ 42,004 \$ 5,465 (last mile costs only)

Appendix APPENDIX B

**Resolution T-17672: Plumas Sierra Telecommunications Keddie Project
Project Location Map**



APPENDIX C

Resolution T-17672: Plumas Sierra Telecommunications Keddie Project Geography and Topography

Geography and Topography: Keddie is city located along the Feather River in the Sierra Nevada Mountains in Plumas County, about 5 miles north of Quincy. Located entirely within the boundaries of the Plumas National Forest, the proposed project's route follows Highway 70 through mountainous terrain of fir and pine forests. The project area also includes unincorporated areas of Quincy.

APPENDIX D

Resolution T-17672: Plumas Sierra Telecommunications Keddie Project Payments to CASF Recipients

Pub. Util. Code § 281(f)(11) 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. 18-12-018 (Appendix 1, Section 7) caps administrative expenses directly related to the project at 15 percent of the grant amount.¹²

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 P.U. 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.

¹² 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.

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