



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company (U39E) for a certificate of public convenience and necessity to provide: (i) full facilities-based and resold competitive local exchange service throughout the service territories of AT&T California, Frontier California Inc., Consolidated Communications of California Company, and Citizens Telecommunications Company of California; and (ii) full facilities-based and resold non-dominant interexchange services on a statewide basis.

Application 17-04-010

ADMINISTRATIVE LAW JUDGE'S RULING REQUIRING APPLICANT TO FILE A RESPONSE TO INFORMATION REQUEST WITHIN 30 DAYS

On April 6, 2017, Pacific Gas and Electric Company (PG&E or Applicant) filed an application for a Certificate of Public Convenience and Necessity (CPCN) pursuant to Public Utilities (Pub. Util.) Code § 1001 to provide resold and full facilities-based local exchange telecommunications services and interexchange services (Application). Following review of the submitted materials, the Commission finds the Application to be insufficient to establish that PG&E has met the certification requirements to merit approval of the Application.¹ Accordingly, Applicant shall respond to the following:

¹ See Decision (D.)13-05-035 at Attachment A.

Footnote continued on next page

1. Description of Services (Rule 3.1(e))²: Please describe in detail the services to be provided by Applicant. Address in detail what technologies and protocols will be used to provide these services, including whether these services will be offered over broadband facilities and whether services will be offered using Time-Division Multiplexing, Internet Protocol or other protocols. Also address the extent to which the services will be provided over the public switched telephone network, specifically whether voice telephone services will be provided now or in the future. Explain how the services PG&E plans to offer under the CPCN are different than dark fiber services PG&E currently offers.
2. For Applicants who do not list voice service as a potential offering: Please provide the legal basis on which Applicant claims the Commission can grant it the requested CPCN and why the Applicant believes the requested authority is necessary. Among other things, Applicant's response should address Pub. Util. Code §§ 216, 233-234, 239, 710, and 1001; and 47 USC Code §§ 153(11), 153(51) and 251; and any other applicable statutes or case law.
3. For Applicants who do not plan to offer voice service now but plan to offer voice service in the future³: The Applicant shall confirm by sworn affidavit under penalty of perjury under the laws of the State of California that it is a Common Carrier as defined by §153 of the Federal Telecommunications Act of 1996 (Act) eligible to interconnect with the public switched telephone network pursuant to §§ 251 and 252 of the Act, and that if granted a CPCN, it will operate as a telephone corporation under Pub. Util. Code § 234(a), and obey the Pub. Util. Code and all Commission rules, decisions, and orders applicable to telephone corporations.
4. Expected Customer Base: Provide a more detailed estimate of the number of customers expected after one and five years of operation. PG&E's

² Hereinafter, all references to Rules shall refer to the Commission's Rules of Practice and Procedure.

³ Applicants who do not plan to offer voice services now or at some point in the future should seek Commission registration as a voice over internet protocol (VoIP) provider if providing VoIP services, rather than a CPCN.

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statement that it expects to have “more than [five] customers by the fifth year” is overly vague.⁴

5. Proposed rates (Rule 3.1 h): Please provide a statement of the proposed rates to be charged for service to be rendered.
6. Technical and Managerial Competence (D.95-12-056, Appendix C and D): Provide any information on managerial and technical qualifications of the Applicant’s key personnel specific to operating a telecommunications company.
7. Technical and Managerial Competence (D.95-12-056, Appendix C and D): Provide an explanation of the circumstances and events preventing PG&E from certifying to the language in D.13-05-035 Ordering Paragraph (OP) Number (#) 14. Applicant’s response may be limited to the past ten years and to persons directly associated with the management or operation of the proposed telecommunications services; but must include affiliates, officers, directors, partners, or owners of more than ten percent of PG&E, or anyone acting in a management capacity for PG&E.
 - a. With regard to any bankruptcies, state the date of the bankruptcy, indicate whether the bankruptcy has been discharged, and provide an explanation of steps the person took to avoid financial problems in the future.
 - b. With regard to past regulatory issues or other issues identified in D.13-05-035 OP # 14, 1) explain the problem, 2) discuss the status of any pending investigations or proceedings, and 3) explain if the person has come into full compliance with all requirements and paid all fines and penalties. Also, please list the steps the person has taken to prevent future violations.
8. Financial Qualifications: Provide acceptable financial documentation. Pursuant to D.14-11-004, applicants who have profitable interstate operations may meet the minimum financial requirement by submitting an audited balance sheet and income statement demonstrating sufficient cash flow for a period of 12 months. Checking account statements or unaudited financial statements unaccompanied by an audited balance sheet and income statement as to the most recent fiscal year-end or more recent period, are not acceptable.

⁴ Application at 13.

However, new applicants are permitted to use any of the following financial instruments to satisfy the applicable unencumbered cash requirements established by D.14-11-004:

- a. Cash or cash equivalent, including cashier's check, sight draft, performance bond proceeds, or traveler's checks;
- b. Certificate of deposit or other liquid deposit, with a reputable bank or other financial institution;
- c. Preferred stock proceeds or other corporate shareholder equity, provided that use is restricted to maintenance of working capital for a period of at least twelve (12) months beyond certification of the applicant by the Commission;
- d. Letter of credit, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission;
- e. Line of credit or other loan, issued by a reputable bank or other financial institution, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;
- f. Loan, issued by a qualified subsidiary,⁵ affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission, and payable on an interest-only basis for the same period;
- g. Guarantee, issued by a corporation, co-partnership, or other person or association, irrevocable for a period of at least twelve (12) months beyond certification of the applicant by the Commission; and

⁵ A qualified subsidiary, affiliate, or corporation holding a controlling interest in the Applicant must be either 1) a certificated going concern with active interexchange operations in California, or 2) a going concern with active interexchange operations outside California.

- h. Guarantee, issued by a qualified subsidiary, affiliate of applicant, or a qualified corporation holding controlling interest in the applicant, irrevocable for a period of at least twelve (12) months beyond the certification of the applicant by the Commission.

Within 30 days of the date of this ruling, the Applicant must provide all of the necessary clarifications and requests for additional information discussed above. If needed, Applicant may request an extension of time to file a response within 30 days of the date of this ruling. Failure to provide the requested information may result in dismissal of the Application for failure to prosecute. Applicant's filing must be titled "Response to Administrative Law Judge Inquiry," otherwise a new protest period will be triggered.

If there are questions regarding the required information, Applicant may contact Administrative Law Judge Zita Kline at Zita.Kline@cpuc.ca.gov by e-mail, cc-ing the service list on all communications.

IT IS SO RULED.

Dated August 2, 2018, at San Francisco, California.

/s/ ZITA KLINE
Zita Kline
Administrative Law Judge