

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

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

**RESOLUTION T-17678  
December 5, 2019**

**RESOLUTION**

**Resolution T-17678:** 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 \$~~1,129,664~~[1,270,872](#) for the Plumas Eureka-Johnsville Project located in Plumas County.

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**SUMMARY**

This Resolution approves \$~~1,129,664~~[1,270,872](#) in funding from the California Advanced Services Fund (CASF) for the grant application of Plumas Sierra Telecommunications (PST) to construct the Plumas Eureka-Johnsville Project. PST proposes to deploy middle-mile and last-mile fiber infrastructure to provide fiber-to-the-home (FTTH) high-speed Internet service in Plumas Eureka-Johnsville 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 51 unserved households. The proposed project will provide ancillary benefits, including improved connectivity in a region located in a Tier 2 Fire-Threat Zone 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 by Senate Bill 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)<sup>1</sup> into law. That legislation amended the statute governing the CASF program, Public Utilities

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<sup>1</sup> The main provisions of AB 1665 are codified at Public Utilities (Pub. Util.) Code §281.

Code, § 281. The Commission implemented AB 1665 by issuing D.18-12-018, adopting programmatic changes to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure.<sup>2</sup>

**On May 1, 2019, PST submitted a CASF Infrastructure application, requesting 100-percent funding of \$1,601,408 to deploy middle-mile fiber and last-mile FTTH broadband access to 83 unserved households in the communities of Plumas Eureka, Blairsden and Johnsville near Plumas Eureka State Park in Plumas County.** The CASF grant funding request would cover the complete project deployment costs of the Plumas Eureka-Johnsville 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 Recovery and Reinvestment Act (ARRA) grants to build a 198-mile 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.

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<sup>2</sup> 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.

## **NOTICE**

On May 15, 2019, Staff posted the proposed project area map, census blocks and zip codes for the Plumas Eureka-Johnsville Project on the “CASF Applications Project Summaries” webpage, which may be found on the Commission’s CASF webpage,<sup>3</sup> and sent notice regarding the project to its CASF Distribution List.<sup>4</sup>

## **PROTEST/CHALLENGES**

On June 5, 2019, DigitalPath Inc. (DigitalPath) challenged the application, stating it provides broadband availability at served speeds in the Sierra Valley 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 Plumas Eureka-Johnsville Project is eligible to received \$~~1,129,664~~1,270,872 in CASF Infrastructure grant funding.

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. Staff requested PST to revise its original application based on the challenge submitted by

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

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

DigitalPath and the presence of Federal Communications Commission (FCC) Connect America Fund Phase II (CAF II) census blocks within the proposed project area, as discussed below. The revised Plumas Eureka-Johnsville Project Summary was posted on the Commission's webpage on October 1, 2019. Based on PST's revisions, Staff determined the Plumas Eureka-Johnsville Project, including middle-mile infrastructure, is eligible for a CASF Infrastructure grant.

**PST revised its proposed project after two census blocks were identified to be served.**

Only households that are unserved are eligible for a CASF Infrastructure grant. Unserved means there is no provider offering access at speeds of 6 Mbps downstream and 1 Mbps upstream. In PST's original application, PST claimed there were 83 unserved households located within the ten census blocks in the Plumas Eureka-Johnsville project area. DigitalPath challenged the application stating that it provides broadband availability at served speeds in the Plumas Eureka 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 first revised application, PST reduced the grant funding request to \$1,541,750 to serve 68 households in the remaining eight census blocks.

**PST revised its proposed project a second time after three census blocks were identified to be funded by CAF II.** Pub. Util. Code § 281(f)(5)(C) prohibits the Commission from approving a project where an existing facilities-based broadband provider has accepted federal funds from the Connect America Fund program unless the existing facility-based provider has notified the Commission before July 1, 2020, that it has completed its CAF II deployment in the census block. On March 1, 2018, the FCC released a public notice with a revised list of census blocks eligible for CAF II support.<sup>5</sup> Based on the 2018 FCC update of CAF II census blocks, Staff identified three extremely high-cost census blocks awarded to AT&T Communications that were located in the project area and directed PST to revise its application.

In its second revised application, PST reduced the grant funding request to \$1,412,080 to serve 55 households in the remaining five census blocks. PST provided parcel addresses as verification and claimed the parcel address information derived from the Plumas County parcel database would give a more accurate representation of the potential customer connections compared to the 35 housing units reported in the 2010 U.S. Census data. Staff mapped the parcel address data and found one local business and three

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<sup>5</sup> FCC Public Notice DA 18-205, Rel. March 1, 2018. Wireline Competition Bureau Releases Revised List of Eligible Census Blocks for Price Cap Carriers Accepting Statewide Offers. WC Docket No. 10-90 <https://docs.fcc.gov/public/attachments/DA-18-205A1.pdf>

vacant lots. Thus, Staff determined the household count for this project is 51. Table 1, below, summarizes the revised CASF Infrastructure grant application.

**Table 1: PST's Revised CASF Infrastructure Grant Application**

	Unserved Households	Census Blocks	CASF Infrastructure Grant Funding
Original Application	83	10	\$1,601,408
First Revised Application	68	8	\$1,541,750
Second Revised Application	55	5	\$1,412,080
<b>Final Eligible Project Area</b>	<b>51</b>	<b>5</b>	<b>\$1,412,080</b>

Staff finds the grant funding request reasonable even with the reduction of households from 55 to 51 because most of the project costs are to construct the middle-mile infrastructure. Table 2, below, provides a summary of the PST's budgeted project costs.

**Table 2: Summary of PST's Project Costs**

	Middle-Mile Funding	Last-Mile Funding	Total
Original Application	\$1,338,620	\$262,788	\$1,601,408
First Revised Application	\$1,313,850	\$227,900	\$1,541,750
Second Revised / Final Project Costs	\$1,186,680	\$225,400	\$1,412,080

**The revised Plumas Eureka-Johnsville 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.<sup>6</sup>

**Middle-Mile infrastructure is eligible for a CASF grant.** PST proposes to place approximately 13.8 miles of middle-mile fiber optic cable, connecting Johnsville to PST's core fiber network located in Graeagle, and 18 miles of last-mile fiber optic cable for the FTTH facilities. Currently, parts of Blairsden and Graeagle are 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 Graeagle to Plumas Eureka and Johnsville 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

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<sup>6</sup> Dial-up provides speeds of less than 200 Kbps downstream and 200 Kbps upstream.

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 Plumas Eureka-Johnsville Project meets the minimum performance criteria pursuant to D.18-12-018, Appendix 1, Section 6, as summarized in Table 3 below.

**Table 3: Minimum Performance Criteria**

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

**PST’s Plumas Eureka-Johnsville Project is categorically exempt from California Environmental Quality Act (CEQA) review.** PST has 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 0.28 square miles in the Plumas Eureka and Johnsville area of Plumas County, California.

The majority of the build will consist of 29.92 miles of aerial fiber installation on existing overhead electrical infrastructure and 1.89 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 be in existing PUEs and includes approximately 4,000 feet of trenching which will be performed with a backhoe. 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 categorical exemptions found in CEQA Guidelines at 14 C.C.R. § 15301 (Existing Facilities) and § 15304 (Minor Alterations to Land). Thus, the entirety of the Plumas Eureka-Johnsville 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 4, 4 and Table 5](#), starting for two years from the beginning date of service.<sup>7</sup> Activation and installation fees will be waived for this project, pursuant to CASF requirements. PST's equipment fee will be waived for the first two years and will cost \$99 per year thereafter.

**Table 4: Broadband Pricing Plan**

<b>Download Speed</b>	<b>Upload Speed</b>	<b>Monthly Price</b>
10 Mbps	1 Mbps	\$55
15 Mbps	5 Mbps	\$65
20 Mbps	5 Mbps	\$75
25 Mbps	10 Mbps	\$85
50 Mbps	10 Mbps	\$95
100 Mbps	20 Mbps	\$109

**[Table 5: Low-Income Broadband Pricing Plan](#)**

<u><a href="#">Download Speed</a></u>	<u><a href="#">Upload Speed</a></u>	<u><a href="#">Monthly Price</a></u>
<u><a href="#">10 Mbps</a></u>	<u><a href="#">1 Mbps</a></u>	<u><a href="#">\$15.00</a></u>
<u><a href="#">15 Mbps</a></u>	<u><a href="#">5 Mbps</a></u>	<u><a href="#">\$25.00</a></u>
<u><a href="#">20 Mbps</a></u>	<u><a href="#">5 Mbps</a></u>	<u><a href="#">\$35.00</a></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 Gigabits per second (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

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<sup>7</sup> [On November 21, 2019, PST submitted comments revising broadband pricing for low-income residential customers.](#)

only, not voice services. The broadband service will be available to the public, as well as to anchor institutions and small businesses.

**III. Funding Determination**

Table 5,6, below, is a comparison of PST’s funding request and Staff’s funding recommendation.

**Table 56: Summary of PST’s Funding**

	Middle-Mile Funding	Last-Mile Funding	Total
PST’s Revised Funding Request	\$1,186,680	\$225,400	\$1,412,080
<b>PST’s Funding Approval</b>	<del>\$949,344</del> <u>1,068,012</u>	<del>\$180,320</del> <u>202,860</u>	<del>\$1,129,664</del> <u>1,270,872</u>

PST is eligible to receive ~~80~~90 percent funding for its Plumas Eureka-Johnsville Project. AB 1665 authorizes the Commission to award grants to fund all or a portion of the project and requires that it determine, on a case-by-case basis, the level of funding to be provided.<sup>78</sup> Staff considered the statutory factors to determine the grant funding level, pursuant to Pub. Util. Code §§ 281(f)(13) and 281(b)(2)(B)(i), and the CASF rules adopted in D.18-12-018.<sup>89</sup> Based on those factors, Staff determined PST is eligible for ~~an~~ 80a90 percent funding level; and thereby recommends approving a CASF Infrastructure grant of ~~\$1,129,664~~1,270,872 for the Plumas Eureka-Johnsville Project. Table 6,7, below, summarizes Staff’s funding level determination for the project.

**Table 67: Criteria for Project Funding Level for PST**

Funding Criteria	Plumas Eureka Project
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<sup>78</sup> 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.”

<sup>89</sup> See D.18-12-018, pp. 19-22 and Table 1.



Baseline for Eligible Project (60%)	60%
Service Level Preference: Only Dial-up or No Internet Connectivity (40%)—no fixed or mobile broadband	0%
Low Income – (up to 40%) <ul style="list-style-type: none"> <li>• Median Household Income for community is less than CARE standard for family of 4, which is currently \$50,200 (30%)</li> <li>• Applicant serves low-income customers for no more than \$15/month (10%)</li> </ul>	0% <del>0%</del> <u>10%</u>
Others: PU Code Sec 281 (f)(13) Criteria – (up to 20%) <ul style="list-style-type: none"> <li>• Inaccessible Location (10%)</li> <li>• Uses Existing Infrastructure (10%)</li> <li>• Makes a Significant Contribution to the Program Goal (10%)</li> </ul>	10% 0% 10%
<b>Total Funding Level</b>	<del>80%</del> <u>90%</u> <sup>9</sup> <u>10</u>

Details of the appropriate funding level are described below.

**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 communities of Plumas Eureka, Blairsden, and Johnsville meet all the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference does not qualify for additional 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 that 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 discovered the area has Internet access via mobile data services, which is considered as “Internet connectivity.” Thus, this project does not receive the additional 40 percent funding.

**Low Income considerations ~~do not~~ qualify for an additional 10 percent funding.** The average median household income of the census block groups in

<sup>9</sup> ~~The maximum funding level is 100 percent. See D.18-12-018, Table 1. Summary of Funding Level Determinations.~~

<sup>10</sup> The maximum funding level is 100 percent. See D.18-12-018, Table 1. Summary of Funding Level Determinations.

the proposed project area is \$64,300, which does not meet the CASF low-income eligibility threshold. For ~~customers~~those with incomes below 190 percent of the federal poverty level, PST will offer a \$~~10~~15 monthly ~~discount on the broadband plan of the customer's choice. Even with the discount, all the broadband plans are more than \$15 per month; thus, this project does not receive the~~plan and is therefore eligible for an additional 10 percent funding.

**Other Factor considerations qualify for an additional 20 percent funding.** The Plumas Eureka-Johnsville Project meets two of the three criteria and qualifies for an additional 20 percent funding.

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.

The project does not qualify for additional funding for the use of existing communication facilities to deploy broadband. PST proposes to install all new fiber communication facilities as part of its broadband deployment.

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 communities of Plumas Eureka and Johnsville belong, has only 90.4 percent of its households served by broadband,<sup>4011</sup> which is below the 98 percent 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.

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<sup>4011</sup> See 2018 Annual Report on the California Advanced Services Fund, California Public Utilities Commission, Issued April 2019, Table 2: Remaining Unserved Households in Each Consortia Region.

**PST's Plumas Eureka-Johnsville Project will provide enhanced communications services that will promote public safety capabilities in an area located in a Tier 2 Fire-Threat District.** Reliable broadband Internet service will promote public safety and play an important role in response and recovery from future fires.<sup>H12</sup> The communities of Johnsville and Blairsden have been designated by CalFire as "Communities at Risk" of damage from wildfire. Johnsville is only accessible by Plumas County Route A14 and in an event of a major wildfire could easily become isolated. The Plumas Eureka State Park, 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. State Park Peace Officers currently rely on inconsistent satellite Internet services that can be disabled due to weather, affecting sensitive law enforcement communications. Per East Sierra Valley Chamber of Commerce, 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.

**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 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. Per Feather River College, broadband availability is related to economic growth by enabling local businesses access to regional markets and greater professional development and training opportunities. 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, Sierra Nevada Journeys, and Johnsville resident Mr. Don B. Fregulia.

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<sup>H12</sup> See <https://www.cpuc.ca.gov/firethreatmaps/>

## **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 and its Appendix 1. 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 (when 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 the CASF grant recipient 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 quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment. Before full payment of the project, 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 for each census block in the final completion report. PST must certify that each progress report is true and correct under penalty of perjury.

F. Submission of Form 477

The FCC currently requires broadband providers to submit semiannually Form 477, which includes speed data. While there is an imperfect match between the data that is reported in Form 477 and the data relevant to the CASF project, Form 477 data will be useful in documenting CASF deployment for the PST's new service. Pursuant to CASF guidelines, CASF grant recipients 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.<sup>4213</sup>

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.

**COMMENTS ON DRAFT RESOLUTION**

In compliance with Public Utilities Code § 311(g), a notice was e-mailed on **November 1, 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/>.

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<sup>4213</sup> See *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, p. 4.

Comments were submitted by PST on November 21, 2019. No reply comments were received.

In its comments, PST proposes to revise its low-income broadband plan to start at \$15 per month for 10 Mbps download/ 1 Mbps upload; and requests that the Commission increase the grant funding level by an additional 10 percent based on Low Income funding criteria. 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. This resolution has been revised to reflect the additional 10% funding.

## **FINDINGS**

1. PST filed an application for CASF funding for its Plumas Eureka-Johnsville Project on May 1, 2019. The revised proposed project will 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 51 households in the unserved communities of Plumas Eureka, Blairsden, and Johnsville 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 Application Project Summaries" webpage, which may be found on the Commission's website.
3. Staff received one challenge to this project from Digital Path, Inc. Based on the review of information submitted, Staff concluded two of the proposed census blocks were already served. Staff requested that PST revise its application to remove the served census blocks.
4. Based on the California Interactive Broadband Map, Staff determined that three of the remaining proposed census blocks were identified as CAF II census blocks and requested that PST revise its application a second time to remove the CAF II 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 census block groups: 060630002011 and 060630002012.
5. 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 Plumas Eureka-Johnsville Project.

6. The Commission has determined that the project is categorically exempt from CEQA review, pursuant to CEQA guidelines at 14 C.C.R. § 15301 regarding existing facilities and § 15304 regarding minor alterations to land.
7. A notice was e-mailed on **November 1, 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/>. [PST submitted comments.](#)

**THEREFORE, IT IS ORDERED that:**

1. The Commission shall award \$~~1,129,664~~1,270,872 to PST for the Plumas Eureka-Johnsville 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 requirements for this project included in this resolution, and must submit the 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 December 5, 2019. The following Commissioners approved it:

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ALICE STEBBINS  
Executive Director

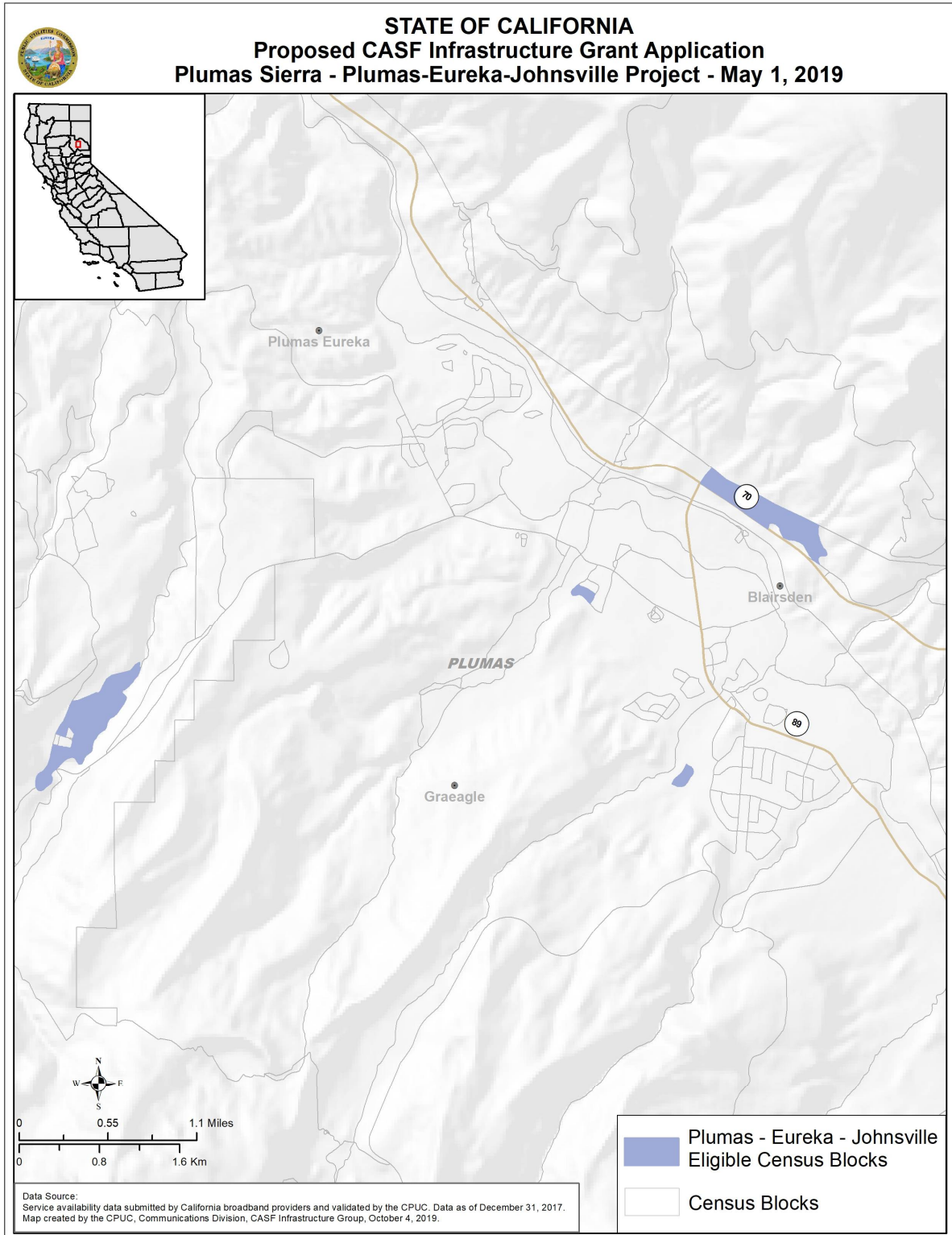


**APPENDIX A**

**Resolution T-17678: Plumas Sierra Telecommunications, Plumas Eureka Project  
CASF Applicant Key Information**

<i>Project Name</i>	<b>PST Plumas Eureka-Johnsville Project</b>
<i>Project Plan</i>	The project proposes to build middle-mile and last-mile fiber infrastructure in Plumas Eureka and Johnsville to deploy fiber-to-the-home (FTTH) high-speed Internet service to 51 unserved households. 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>	0.28
<i>Download/Upload speed</i>	100 Mbps / 20 Mbps
<i>Location</i>	Plumas County
<i>Community Names</i>	Plumas Eureka, Blairsden, and Johnsville
<i>Census Blocks</i>	060630002011045 060630002011268 060630002011269 060630002012027 060630002012062
<i>Median Household Income (by Census Block Group)</i>	\$ 64,300
<i>Estimated potential subscriber size</i>	51 households
<i>Applicant expectations</i>	15 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>	\$ 1,412,080 Middle-Mile Budget: \$ 1,186,680 Last-Mile Budget: \$ 225,400
<i>Grant Requested Amount (100 percent)</i>	\$ 1,412,080
<i>CASF Grant Amount (<del>80</del>90 percent)</i>	\$ <del>1,129,664</del> <u>1,270,872</u> <u>Middle-Mile Budget: \$ 1,068,012</u> <u>Last-Mile Budget: \$ 202,860</u>
<i>Recommended Grant per household passed</i>	\$ <del>22,150</del> <u>24,919</u> \$ <del>4,420</del> <u>3,978</u> (last-mile costs only)

**APPENDIX B**  
**Resolution T-17678: Plumas Sierra Telecommunications Plumas Eureka Project**  
**Project Location Map**



## APPENDIX C

### **Resolution T-17678: Plumas Sierra Telecommunications Plumas Eureka Project Geography and Topography**

*Geography and Topography:* The communities of Plumas Eureka, Blairsden, and Johnsville are located along the middle fork of the Feather River in the Sierra Nevada Mountains of Plumas County. Located almost entirely within the boundaries of the Plumas National Forest, the proposed project's route follows Highway 70 and Plumas County Route A14 through mountainous terrain with dense fir and pine forests. The dense tree cover prohibits the effective use of wireless services, making fiber optic deployment the only viable option to provide high speed broadband service to these areas.

## APPENDIX D

### **Resolution T-17678: Plumas Sierra Telecommunications Plumas Eureka 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.<sup>1314</sup>

The grantee may submit reimbursement requests at the following intervals:

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

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

Payment to grantees shall follow the process adopted for funds created under 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.

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<sup>1314</sup> Administrative costs are defined as "indirect overhead costs attributable to a project, per generally accepted accounting principles (GAAP), and the direct cost of complying with Commission administrative and regulatory requirements related to the grant itself." Applicants seeking additional funds will require a Commission exemption included in a draft resolution.

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