

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

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

**RESOLUTION T-17673  
December 5, 2019**

**RESOLUTION**

**Resolution T-17673:** 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 \$2,183,427 for the Mohawk Vista Project located in Plumas County.

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**SUMMARY**

This Resolution approves \$2,183,427 in funding from the California Advanced Services Fund (CASF) for the grant application of Plumas Sierra Telecommunications (PST) to construct the C-Road-Mohawk Vista (Mohawk Vista) Project. PST proposes to deploy middle-mile and last-mile fiber infrastructure to provide fiber-to-the-home (FTTH) high-speed Internet service in Mohawk Vista located in Plumas County. The proposed project will enable broadband access at speeds of at least 100 Mbps download and 20 Mbps upload to 120 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 pursuant to Senate Bill 1193.

On October 15, 2017, Governor Brown signed Assembly Bill (AB) 1665 (Garcia)<sup>1</sup> into law. This legislation amended the statute governing the CASF program, Public Utilities Code, § 281. The Commission implemented AB 1665 by issuing D.18-12-018, adopting

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

programmatic changes to the CASF. Appendix 1 of D.18-12-018 set forth the rules, application requirements and guidelines for the CASF Infrastructure Grant Account (CASF Infrastructure).<sup>2</sup>

**On May 1, 2019, PST submitted a CASF Infrastructure grant application, requesting 100-percent funding of \$3,014,777 to deploy middle-mile fiber and last-mile FTTH broadband access to 287 unserved households in the communities of C-Road, Mohawk Vista, Mabie, Portola, and Beckwourth in Plumas County.** The CASF grant funding request would cover the complete project deployment costs of the Mohawk Vista 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-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 in 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 Mohawk Vista 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 Mohawk Vista project 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 Mohawk Vista Project is eligible to receive \$2,183,427 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 DigitalPath and the presence of Federal Communications Commission (FCC) Connect America Fund Phase II (CAF II) census blocks within the proposed project

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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>

area, as discussed below. The revised Mohawk Vista Project Summary was posted on the Commission's webpage on October 1, 2019. Based on PST's project revision, Staff determined the Mohawk Vista Project, including middle-mile infrastructure, is eligible for a CASF Infrastructure grant.

**PST revised its proposed project after nine 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 proposed to offer broadband services to 287 unserved households located in fifty census blocks in the Mohawk Vista and Portola area. DigitalPath challenged the application stating that it provides broadband availability at served speeds in the Sierra Valley area. Based on customer address and billing information submitted by DigitalPath, Staff determined nine 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 \$2,188,427 to serve 191 households in the remaining forty-one census blocks.

**PST revised its proposed project a second time after two 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 two extremely high-cost census blocks awarded to AT&T Communications that were located in the Mohawk Vista project area and directed PST to revise its application to remove the two ineligible census blocks.

In its second revised application, PST reduced the grant funding request to \$2,183,427 to serve 172 households within the thirty-nine census blocks. PST provided parcel addresses as verification and claimed the parcel addresses derived from the Plumas County parcel database would give a more accurate representation of the potential customer connections. Staff mapped the parcel address data and found 4 addresses were not in the project area, 5 addresses were local businesses, and 43 addresses appeared to be vacant land parcels based on satellite imagery. Thus, Staff determined the eligible household count for this project is 120. This number also conforms with the

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<sup>5</sup> <https://docs.fcc.gov/public/attachments/DA-18-205A1.pdf>

U.S. 2010 Census data. Table 1, below, summarizes PST’s applications and Staff’s determination.

**Table 1: PST Mohawk Vista Project Revision**

	Unserved Households	Census Blocks	CASF Infrastructure Grant Funding
Original Application	287	50	\$3,014,777
First Revised Application	191	41	\$2,188,427
Second Revised Application	172	39	\$2,183,427
<b>Final Eligible Project Area</b>	<b>120</b>	<b>39</b>	<b>\$2,183,427</b>

Staff finds the grant funding request reasonable even with the reduction of households from 172 to 120 because most of the project costs are to construct the middle-mile infrastructure. While the number of households is fewer, the middle-mile costs are still needed in order to provide direct connections to identified households for which last-mile facilities are to be built. 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 Project Costs	\$2,560,877	\$453,900	\$3,014,777
First Revision Project Costs	\$1,763,977	\$424,450	\$2,188,427
<b>Second Revision / Final Project Costs</b>	<b>\$1,758,977</b>	<b>\$424,450</b>	<b>\$2,183,427</b>

**The revised Mohawk Vista Project 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 11.02 miles of middle-mile fiber optic cable, connecting Mohawk Vista and Portola to PST’s core fiber network located in Delleker, and 2.08 miles of last-mile fiber optic cable for the FTTH facilities. Currently, the nearby communities of Blairsden, Delleker, and Graeagle are served utilizing middle-mile infrastructure deployed by PST with the aid of ARRA and CASF grant funds. PST proposes to extend

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

its existing middle-mile infrastructure to deliver last-mile service to the Mohawk Vista project areas. PST is unable to deliver last-mile service absent building the additional fiber infrastructure. Therefore, Staff determined the middle-mile infrastructure is indispensable in order to serve the proposed communities and is eligible for CASF funding, pursuant to Pub. Util. Code § 281(f)(5)(B).

**II. Minimum Performance Criteria**

Staff reviewed PST’s application and determined the revised Mohawk Vista Project meets the minimum performance criteria pursuant to D.18-12-018, Appendix 1, Section 6, as summarized in Table 3.

**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 authorization to construct	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	PST Low-Income Plan-\$15/month for 10/1 Mbps

**PST’s Mohawk Vista 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 1.7 square miles in the Mohawk Vista and Portola area of Plumas County, California and deploy middle-mile fiber infrastructure and last-mile FTTH facilities.

The majority of the build will consist of 9.89 miles of aerial fiber installation on existing overhead electrical infrastructure and 3.21 miles of underground installation of fiber conduit. The aerial portion will follow existing powerline corridors in county ROWs and PUEs. New underground construction includes approximately 16,950 feet of

trenching which will be performed with a backhoe within existing PSREC PUEs. 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 found in CEQA Guidelines, 14 C.C.R. § 15301 (Existing Facilities) and § 15304 (Minor Alterations to Land). Thus, the entirety of the Mohawk Vista Project is categorically exempt from CEQA review.

**PST’s broadband service offering and pricing meet CASF minimum performance criteria.** PST commits to residential and low-income broadband pricing plans, as summarized in Table 4 and Table 5, for two years starting from the beginning date of service.<sup>7</sup> Activation and installation fees will be waived for this project, as required by 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**

Download Speed	Upload Speed	Monthly Price
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**

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

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

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<sup>7</sup> 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 customers.

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, no voice services will be provided. This service will be available to the general public, as well as anchor institutions and small businesses, such as the Portola U.S. Post Office, Portola City Hall, and Portola Library.

**III. Funding Determination**

**PST is eligible to receive 100 percent funding to cover the costs for its Mohawk Vista 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>8</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>9</sup> Based on those factors, Staff determined PST’s request of a 100 percent funding level is appropriate; and thereby recommends approval of \$2,183,427 for the Mohawk Vista Project. Table 6, below, summarizes Staff’s funding level determination for PST’s Mohawk Vista Project.

**Table 6: Criteria for Project Funding Level**

<b>Funding Criteria</b>	<b>Revised Project</b>
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> </ul>	30%

<sup>8</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>9</sup> See D.18-12-018, pp. 19-22 and Table 1.



<ul style="list-style-type: none"> <li>Applicant serves low-income customers for no more than \$15/month (10%)</li> </ul>	10%
<p>Others: PU Code Sec 281 (f)(13) Criteria – (up to 20%)</p> <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>	<p>10%</p> <p>10%</p> <p>10%</p>
<b>Total Funding Level</b>	<b>100%<sup>10</sup></b>

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 Beckwourth, C-Road, Mabie, Mohawk Vista, and Portola meet all of the eligibility criteria, as previously described in the Project Area Eligibility section.

**Service Level Preference does not qualify for additional funding.** Pub. Util. § 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 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 “internet connectivity.” Thus, this project does not receive the additional 40 percent funding.

**Low Income considerations qualify for an additional 40 percent funding.** The average median income of the census block groups in the proposed project area is \$47,594, and thus qualifies for an additional 30 percent funding. For those with incomes below 190 percent of the federal poverty level, 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 Mohawk Vista Project meets all three criteria and qualifies for the additional 20 percent funding.

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<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 meets the inaccessible location criteria for an additional 10 percent funding. Staff considers the project area to be difficult terrain and relatively inaccessible to advanced broadband communications infrastructure because the project area is located in the remote northern Sierra Nevada mountains and Plumas National Forest. 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 proposed project is eligible for an additional 10 percent funding for use of its existing infrastructure. PST proposes to use existing infrastructure from a legacy cable television system it acquired to upgrade and deploy broadband.

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 Beckwourth, C-Road, Mabie, Mohawk Vista, and Portola belong, is at 90.4 percent,<sup>11</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.

**PST's Mohawk Vista 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>12</sup> The communities of Beckwourth, Mohawk Vista, and Portola have been designated by CalFire as "Communities at Risk" of damage from wildfire. 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

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<sup>11</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.

<sup>12</sup> See <https://www.cpuc.ca.gov/firethreatmaps/>

been providing critical telecommunications services to neighboring rural communities, however, not all have access to high-speed Internet. Further, the East Sierra Valley Chambers of Commerce argues that the Sierra Valley has been overlooked by service providers such as AT&T and Verizon, such that the area is lacking good, reliable communications. The City of Portola also filed a letter of support citing the broadband deployment would enable local fire stations to provide better emergency medical services. 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. Broadband availability is related to economic growth by enabling local businesses access to regional markets and greater professional development and training opportunities. Per the Plumas County Board of Supervisors, the project brings the prospect of economic growth by attracting new businesses that will provide and create jobs in the region. In general, 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), 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 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 (whereby PST has secured CEQA approval from the Commission and all required permits). If PST is unable to complete the proposed project within the 12-month timeframe requirement, it 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 the requirement of timely notifying the Director.

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 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.

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 to 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>13</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.

**VI. Payments to CASF Recipients**

The Commission may reimburse PST's expenses 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 this draft resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/PUC/documents/>.

Comments were submitted by the Public Advocates Office (PAO) on November 25, 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. PAO asserts that the proposed Mohawk Vista project does not meet

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<sup>13</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.

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 Responses 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. This 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 Mohawk Vista 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 120 households in the unserved communities of Beckwourth, C-Road, Mabie, Mohawk Vista, and Portola 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 DigitalPath, Inc. Based on the review of information submitted, Staff concluded nine of the 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 census block groups: 060630002011, 060630003001, 060630003002, and 060630003003.

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 Mohawk Vista Project.
5. The Commission has determined that the project is categorically exempt from CEQA review, pursuant to CEQA guidelines at 14 C.C.R. § 15301 regarding exemption for existing facilities and § 15304 regarding minor alterations to land.
6. A notice 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 \$2,183,427 to PST for the Mohawk Vista 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 \_\_\_\_\_. The following Commissioners approved it:

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Alice Stebbins  
Executive Director



**APPENDIX A**

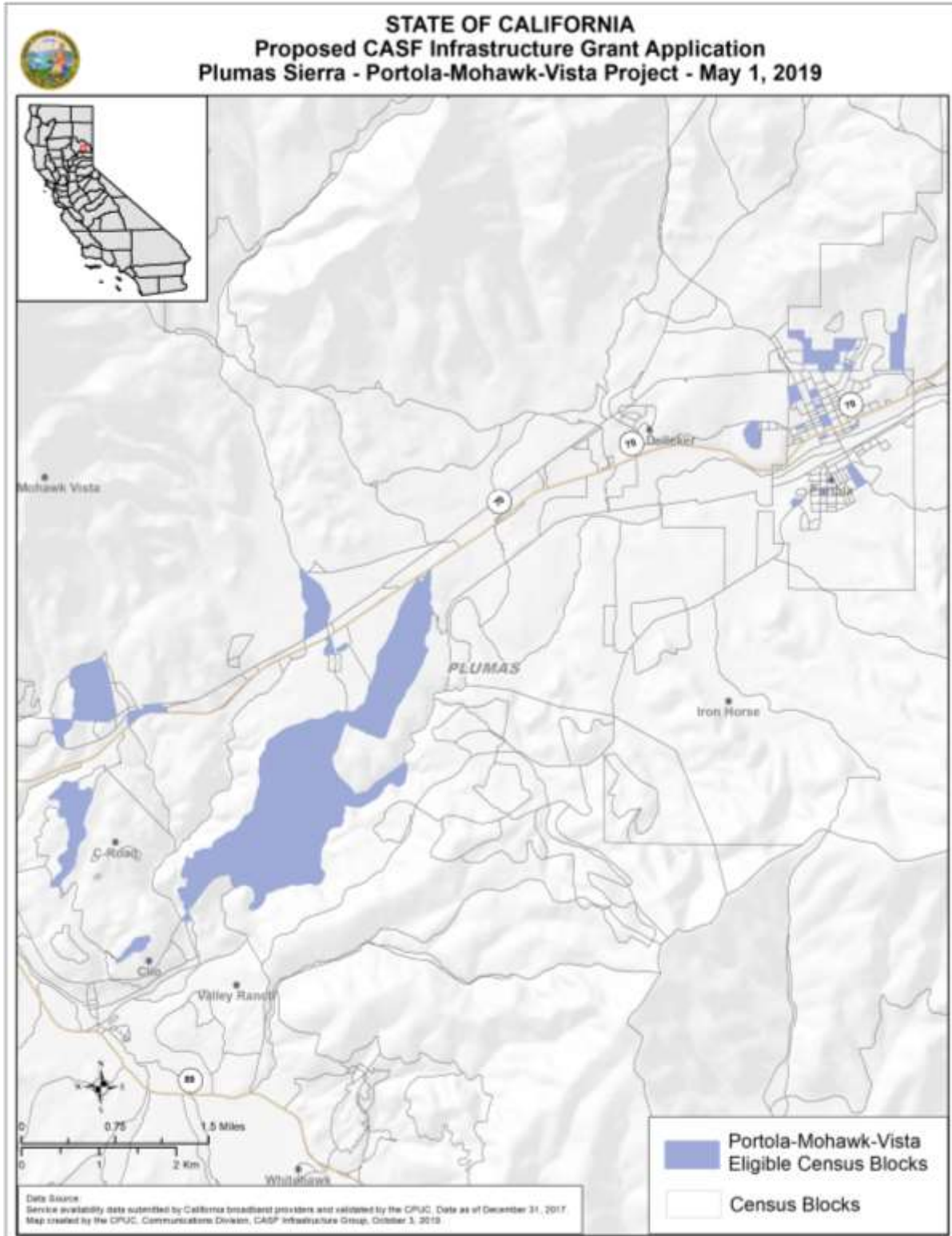
**Resolution T-17673: Plumas Sierra Telecommunications, Mohawk Vista Project  
CASF Applicant Key Information**

<i>Project Name</i>	<b>PST Mohawk Vista Project</b>	
<i>Project Plan</i>	The project proposes to build middle-mile and last-mile fiber infrastructure in the Mohawk Vista and Portola area to deploy fiber-to-the-home (FTTH) high-speed Internet service to 120 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>	1.7	
<i>Download/Upload speed</i>	100 Mbps / 20 Mbps	
<i>Location</i>	Plumas County	
<i>Community Names</i>	Beckwourth, C-Road, Mabie, Mohawk Vista, and Portola	
<i>Census Blocks</i>	060630002011013 060630002011017 060630002011058 060630002011061 060630002011083 060630002011087 060630002011291 060630002011301 060630003001006 060630003001057 060630003001058 060630003001060 060630003001078 060630003001083 060630003001086 060630003001088 060630003002032 060630003002055 060630003002061 060630003002067	060630003002068 060630003003004 060630003003010 060630003003014 060630003003016 060630003003017 060630003003018 060630003003019 060630003003020 060630003003023 060630003003024 060630003003057 060630003003073 060630003003078 060630003003082 060630003003087 060630003003090 060630003003091 060630003003093
<i>Median Household Income (by Census Block Group)</i>	\$ 47,594	
<i>Estimated Potential Subscriber Size</i>	120 households	
<i>Applicant Expectations</i>	36 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>Project Name</i>	<b>PST Mohawk Vista Project</b>
<i>Deployment Schedule (from permit approval date)</i>	6 months
<i>Proposed Project Budget (Total)</i>	\$2,183,427 Middle Mile Budget: \$ 1,758,977 Last-Mile Budget: \$ 424,450
<i>Grant Requested Amount (100 percent)</i>	\$2,183,427
<i>CASF Grant Amount (100 percent)</i>	\$2,183,427
<i>Recommended Grant per household passed</i>	\$ 18,195 \$3,537 (last-mile cost only)

## APPENDIX B

### Resolution T-17673: Plumas Sierra Telecommunications Mohawk Vista Project Project Location Map



## APPENDIX C

### **Resolution T-17673: Plumas Sierra Telecommunications Mohawk Vista Project Geography and Topography:**

*Geography and Topography:* The communities of Beckwourth, C-Road, Mabie, Mohawk Vista, and Portola 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 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-17673: Plumas Sierra Telecommunications Mohawk Vista 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>14</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>14</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.