

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Approval of funding for the grant application of Plumas-Sierra Telecommunications (U-7218-C), from the California Advanced Services Fund for the Elysian Valley-Johnstonville Project located in Lassen County.

Resolution T-17677

OPENING COMMENTS OF PLUMAS-SIERRA TELECOMMUNICATIONS ON DRAFT RESOLUTION T-17677 FOR APPROVAL OF FUNDING FOR THE GRANT APPLICATION OF PLUMAS-SIERRA TELECOMMUNICATIONS (U-7218-C), FROM THE CALIFORNIA ADVANCED SERVICES FUND FOR THE ELYSIAN VALLEY-JOHNSTONVILLE PROJECT LOCATED IN LASSEN COUNTY.

CORBY ERWIN

Plumas-Sierra Telecommunications
73233 State Route 70
Portola, CA 96122
Tel: (530) 832-6034
Fax: (530) 832-5761
Email: cerwin@psrec.coop

*Member Services Manager for Plumas-Sierra
Telecommunications*

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Pursuant to Rule 14.5 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, Plumas-Sierra Telecommunications submits these Opening Comments on Draft Resolution T-17677 (“Draft Resolution”) approving \$3,177,328 from the California Advanced Services Fund for the grant application of Plumas-Sierra Telecommunications (PST) to construct the Elysian Valley-Johnstonville Project (Project) located in Lassen County.

I. INTRODUCTION

On November 4, 2019, the Commission noticed the Draft Resolution in its Daily Calendar. The Draft Resolution approves funding for the grant application of Plumas-Sierra Telecommunications for the Elysian Valley-Johnstonville Project in the amount of \$3,177,328, 80% of PST’s funding request of \$3,971,660.

PST has changed its low-income program offering to provide service to low-income customers for \$15 per month. PST respectfully asks the Commission to increase the funding level for Low Income Consideration by the additional 10% for this project.

II. COMMENTS ON LOW-INCOME OFFERING

PST has reevaluated its low-income offering and will be offering plans starting at \$15 per month for low-income customers. Details of the program follow.

Program Purpose

The purpose of the PST Low-income Program is to provide low-cost internet to low-income Plumas-Sierra Telecommunications residential customers.

Program Availability

The low-income program is available to low-income, full-time, permanent residences in CASF Grant Funded Plumas-Sierra Telecommunications service areas.

Benefit

Program participants will receive a discounted rate for their internet services. Plans will start at \$15.00 per month with 10 Mbps download speed.

Program Participation Qualifications and Conditions

All participating customers must qualify with the following income guidelines:

Number in Household	Maximum Annual Income*
1-2	\$31,020
3	\$39,060
4	\$47,100
5	\$55,140
6	\$63,180
For each additional household member add \$8,040/yr.	

*Income levels are based on 190% of the Federal Poverty Level and are subject to change each year. Proof of income must be current to within 6 weeks of application date.

Terms and Conditions

- Customer’s account must remain current during the duration of service in order to continue to receive the discounted rate.
- The person who applies for assistance must be a full-time, permanent resident at the service address and be the PST customer of record.

Pricing

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

Enrollment and Certification

Customer may apply by mail or may come into the Portola office for application assistance. Program enrollment will need to be re-certified annually at the beginning of each calendar year.

Marketing

PST will market its low-income program through a variety of communication channels including but not limited to: brochures, bill inserts, newspaper ads and PST’s website.

Training

PST will train its customer service and sales representative on the requirements and benefits of the low-income program to encourage customer participation.

Because PST will now serve low-income customers for no more than \$15 per month, PST respectfully requests the additional 10% funding for Low Income Consideration for this project.

III. CONCLUSION

Plumas-Sierra Telecommunications respectfully submits the foregoing comments and urges the Commission to reconsider the funding level of the Elysian Valley-Johnstonville Project at 90%.

Dated: November 22, 2019

Respectfully submitted,

_____/s/_____

Corby Erwin
Plumas-Sierra Telecommunications
73233 State Route 70
Portola, CA 96122
Tel: (530) 832-6034
Fax: (530) 832-5761
Email: cerwin@psrec.coop

APPENDIX A – PLUMAS-SIERRA TELECOMMUNICATIONS REDLINE OF THE DRAFT RESOLUTION T-17677

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 \$3,574,494 for the Elysian Valley-Johnstonville Project located in Lassen County.

SUMMARY

This Resolution approves \$3,574,494 in funding from the California Advanced Services Fund (CASF) for the grant application of Plumas Sierra Telecommunications (PST) to construct the Elysian Valley-Johnstonville Project. PST proposes to deploy middle-mile and last-mile fiber infrastructure to provide fiber-to-the-home (FTTH) high-speed Internet service to communities in the Elysian Valley-Johnstonville area located in Lassen County. The proposed project will enable broadband access at speeds of at least 100 Mbps download and 20 Mbps upload to 82 unserved households. The proposed project will provide ancillary benefits, including improved connectivity in a region partially located in a Tier 2 Fire-Threat Zone on the California Public Utilities Commission’s (Commission) Fire Map.

DISCUSSION

In compliance with D.18-12-018, Staff determined PST’s revised Elysian Valley-Johnstonville Project is eligible to receive \$3,574,494 in CASF Infrastructure grant funding.

II. Minimum Performance Criteria

Table 2. Minimum Performance Criteria

	CASF Performance Criteria	Lake Davis Project
Project Completion	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)
Pricing	Prices committed for two years after completion of the project	2-years
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	<u>\$15/mo for 10 / 1 Mbps</u>

III. Funding Determination

Table 4: Summary of PST’s Funding

	Middle-Mile Funding	Last-Mile Funding	Total
PST’s Revised Funding Request	\$3,615,820	\$355,840	\$3,971,660
PST’s Funding Approval	<u>\$3,254,238</u>	<u>\$320,256</u>	<u>\$3,574,494</u>

PST is eligible to receive **90** percent funding to cover the costs for its Elysian Valley-Johnstonville 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. 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 is eligible for an **90** percent funding level; and thereby recommends approval of CASF Infrastructure grant of \$3,574,494 for the Elysian Valley-Johnstonville Project. Table 5 summarizes Staff’s funding level determination for PST’s Elysian Valley-Johnstonville Project.

Table 5. Criteria for Project Funding Level for PST

Funding Criteria	Lake Davis Project
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"> 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% <u>10%</u>
Others: PU Code Sec 281 (f)(13) Criteria – (up to 20%) <ul style="list-style-type: none"> Inaccessible Location (10%) Uses Existing Infrastructure (10%) 	10% 0% 10%

• Makes a Significant Contribution to the Program Goal (10%)	
Total Funding Level	<u>90%</u>

Low Income consideration qualifies for additional funding. The average median household income of the census block groups in the proposed project area is \$62,250, which does not meet the CASF low-income eligibility threshold. PST will offer plans of \$15 per month for 10 / 1 Mbps for customers with incomes below 190 percent of the federal poverty level. ~~However, all the broadband plans offered will be more than \$15 per month with the low income discount.~~ Thus, this project ~~does not~~ receives additional 10 percent funding.

THEREFORE, IT IS ORDERED that:

1. The Commission shall award \$3,574,494 to PST for the Elysian Valley-Johnstonville 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 “Payment to CASF Recipients” of this Resolution.

APPENDIX A

**Resolution T-17677: Plumas Sierra Telecommunications, Elysian Valley Project
CASF Applicant Key Information**

<i>Project Name</i>	PST Elysian Valley-Johnstonville Project	
<i>Project Plan</i>	The project proposes to build middle-mile and last-mile fiber infrastructure in the Elysian Valley and Johnstonville area to deploy fiber-to-the-home (FTTH) high-speed Internet service to 82 unserved households. There is no wireline or fixed wireless broadband access within the project area. 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>	1.44	
<i>Download/Upload speed</i>	100 Mbps / 20 Mbps	
<i>Location</i>	Lassen County	
<i>Community Names</i>	Elysian Valley, Leavitt Lake, and Johnstonville	
<i>Census Blocks</i>	060350403021000 060350403021016 060350403021017 060350403021024 060350403021043	060350403022001 060350403022010 060350403022013 060350403022030 060350403022038 060350403042047
<i>Median Household Income (by Census Block Group)</i>	\$ 62,250.36	
<i>Estimated potential subscriber size</i>	82 households	
<i>Applicant expectations</i>	25 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>	9 months	
<i>Proposed Project Budget (Total)</i>	\$ 3,971,660 Middle-Mile Budget: \$ 3,615,820 Last Mile Budget: \$ 355,840	
<i>Grant Requested Amount (100 percent)</i>	\$ 3,971,660	
<i>CASF Grant Amount (90 percent)</i>	\$ 3,574,494 Middle-Mile Budget: \$ 3,254,238 Last Mile Budget: \$ 320,256	
<i>Recommended Grant per household passed</i>	\$ 43,262 \$ 3,906 (last mile costs only)	