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March 28, 2014

BY E-MAIL AND U.S. MAIL

Ryan Dulin
Director, Communications Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: **Opening Comments of The Ponderosa Telephone Co. on Draft Resolution T-17428a, Alternate Resolution Regarding Cressman CASF Project Proposal**

Dear Mr. Dulin:

Pursuant to Rule 14.5 of the California Public Utilities Commission's Rules of Practice and Procedure, and consistent with the Notice of Availability issued on March 7, 2014, The Ponderosa Telephone Co. (U 1014 C) ("Ponderosa") submits these brief comments on Draft Resolution T-17428a (the "Alternate Draft Resolution"), an alternative for addressing Ponderosa's proposal to serve the unserved and underserved Cressman area using 60% funding from the California Advanced Services Fund ("CASF"). Like Draft Resolution T-17428 originally proposed by Communications Division Staff ("CD"), the Alternate Draft Resolution recommends that the project be approved. However, the Alternate Draft Resolution suggests that the project should be revised to remove the portion of the proposal that would connect Lower Cressman to Rush Creek, thereby reducing the CASF contribution to the project from \$1,027,380 to \$654,360. Ponderosa continues to support the Draft Resolution, as CD correctly concluded that the project qualifies for CASF funding as originally proposed. Notwithstanding its support for the Draft Resolution, if the Commission instead approves the Alternate Draft Resolution, Ponderosa will still pursue the project so that it can bring modern infrastructure to as much of the Cressman area as reasonably possible.

Ponderosa believes that CD Staff processed and analyzed this project effectively and reached the proper conclusion. CD Staff applied the scoring criteria in D.12-02-015 in an objective and straightforward manner, and concluded that the project should be supported in its entirety. *See Draft Resolution*, at pp. 5-6, 13 (Finding No. 7). Ponderosa agrees with this conclusion, and also appreciates CD Staff's understanding of the safety and connectivity benefits that this project could confer to a low-income, rural area. At present, there are only five households in Rush Creek, but Ponderosa believes that those residents should be able to benefit from broadband infrastructure and the advanced services that it facilitates just like the other

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residents of the Cressman area. Further, as staff identified in the Draft Resolution, there are future safety and connectivity considerations that militate in favor of including the Rush Creek portion in the project.

Although Ponderosa would prefer that the Draft Resolution be adopted, the Alternate Draft Resolution correctly captures Ponderosa's viewpoint regarding the alternative proposal for the project:

Ponderosa stated that if the Commission determines that eliminating the Rush Creek segment of the project is a more prudent use of CASF funds, they will still consider the revised project technically and financially viable.

Alternate Draft Resolution, at p. 14 (Finding No. 9). Ponderosa supports the Alternate Draft Resolution in the event that the original Draft Resolution is not adopted.

Ponderosa appreciates the Commission's consideration of the Cressman project, which will bring tangible benefits to rural communities under either the Draft Resolution or the Alternate Draft Resolution. Ponderosa also acknowledges the diligent efforts of CD staff in working with and communicating with Ponderosa regarding this matter. Should you have any questions about these comments, please feel free to contact the undersigned at 415-765-0369, or at prosvall@cwclaw.com.

Very truly yours,



Patrick M. Rosvall

PMR:ncg
cc: Service List for Res. T-17428a