Mailed

MAR 7 1997

ALJ/GEW/sid *

Decision 97-03-004 March 7, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Whole Earth Networks LLC for a Certificate of Public Convenience and Necessity to Provide Facilities Based and Resale Local Exchange, InterLATA and IntraLATA Telecommunications Services Within the State of California.	Application 96-08-017 (Filed August 7, 1996)

ORIGINAL

O P I N I O N

1. Summary

Whole Earth Networks LLC (applicant) seeks authority under the Public Utilities (PU) Code to permit it to provide facilities-based and resold local exchange telecommunications service as a competitive local carrier (CLC).[1] It also seeks authority to provide long distance intraLATA and interLATA services.[2] We grant the authority requested subject to the terms and conditions set forth below.

2. Background

By Decision (D.) 95-07-054 (Rulemaking (R.) 95-04-043/ Investigation (I.) 95-04-044), we established initial procedures by which carriers could file for authority to offer competitive local exchange service within the service territories of Pacific Bell and GTE California Incorporated (GTEC). Prospective CLCs that

1 A competitive local carrier is a common carrier that is authorized to provide local exchange telecommunications service for a geographic area specified by that carrier.

2 California is divided into Local Access and Transport Areas (LATAs) of various sizes, each containing numerous local telephone exchanges. "InterLATA" describes telecommunications services originating in one LATA and terminating in another. "IntraLATA" describes telecommunications services originating and terminating within a single LATA.

filed petitions by September 1, 1995, and otherwise met eligibility requirements were authorized to offer local exchange service effective January 1, 1996, (for facilities-based carriers) and by March 31, 1996, (for resale carriers). Filings for CLC authority made after September 1, 1995, were to be treated as applications and processed in the normal course of the Commission's business.

Applicant's request for authority to provide facilities-based local exchange service was made on August 7, 1996. Accordingly, the request was docketed as an application.

In weighing applicant's request for interLATA and intraLATA authority, we look to D.84-01-037, 14 CPUC2d 317 (1984), and later decisions, by which we authorized interLATA entry generally, and to D.94-09-065, 56 CPUC2d 117 (1994), in which we authorized competitive intraLATA services effective January 1, 1995.

3. Nature of Application

Applicant is organized as a California Limited Liability Company. A copy of its registration is provided with the application. Applicant is wholly owned by The Well and Hooked, Inc., two of the largest internet service providers in California. In compliance with Rule 18(b) of the Rules of Practice and Procedure,[3] applicant has listed the names and addresses of entities with which it may compete, and applicant certifies that it has notified each of these entities of this filing, offering to send a copy of the application upon request.

Applicant initially plans to offer local exchange services in the Pacific Bell and GTEC service areas through the use of existing switching facilities and T-1 lines (wideband digital circuits) in San Francisco and Los Angeles and through resale of services of other certificated carriers. Applicant proposes to offer a variety of services, including business measured single line service, PBX trunks, and measured and flat-rate residential

3 All references to rules hereafter are to the Commission's Rules of Practice and Procedure.

services, including Lifeline services in accordance with PU Code § 876.

Applicant will offer long distance services--both intraLATA and interLATA--to business and residential customers, using leased switching facilities and T-1 lines in San Francisco and Los Angeles or through resale of services of other certificated carriers.

Applicant proposes to provide services at rates no higher than those charged at the present time by AT&T Communications of California, Inc.

In applications of this kind, proposed tariffs must conform to the consumer protection rules set forth in Appendix B of D.95-07-054. Applicant's proposed tariff, pursuant to Rule 18(h), containing its proposed rates and terms and conditions of service, is attached as Exhibit C to the application.

On October 28, 1996, the Commission's telecommunications staff notified applicant of deficiencies in its tariff filing. On November 20, 1996, applicant filed an amendment revising its proposed tariff to incorporate the changes requested by staff in its deficiency notice. Copies of the revised tariff were served on those entities that had requested copies of the original application.

We conclude that applicant's tariffs as amended on November 20, 1996, conform to Commission requirements except for those items listed in Attachment C.

We also conclude that applicant qualifies as a facilities-based competitive local carrier and meets the financial requirements set forth in our rules. A facilities-based CLC must demonstrate that it has a minimum of $100,000 of cash or cash equivalent, reasonably liquid and readily available to meet the firm's start-up expenses as prescribed in Rule 4.B(1) of D.95-07-054. Applicant also must agree that customer deposits, if any, must be maintained in a protected, segregated interest-bearing escrow account subject to Commission oversight.

Applicant has submitted its financial data under seal.[4] The financial statements, consisting of balance sheets and income statements for the month of May 1996 for parent company Hooked, Inc., show adequate resources to meet the Commission's requirements. Additionally, applicant has submitted a letter commitment from Hooked in which Hooked agrees to advance start-up costs of up to $100,000 to applicant. (Exhibit E.)

An applicant seeking local exchange and intra- and interLATA authority also is required to make a reasonable showing of technical expertise in telecommunications or a related business. Applicant states that it will rely on the communications experience of individuals within Hooked, Inc., and The Well. These individuals include David Holub, founder of Hooked, who has extensive experience in telecommunications engineering and UNIX systems administration; Dorothy Freeman, facilities manager of The Well, who has 30 years of technical experience with Pacific Bell; and Mark Richardson, switch operator, who has more than 15 years of experience managing technical and operational aspects of telecommunications providers. Based on this showing, we conclude that applicant has the technical expertise and qualifications to conduct its business.

4. Environmental Review

We are required to review the application for compliance with the California Environmental Quality Act of 1970, Pub. Res. Code §§ 21000 et seq. (CEQA). CEQA requires the Commission, as the designated lead agency, to assess the potential environmental impact of a project. Pursuant to Rule 17.1, applicant has included in its application a Proponent's Environmental Assessment. The environmental assessment is used by the Commission to focus on any impacts of the project and to determine whether the project will be

4 Applicant's motion to file its financial statements under seal was granted by the Law and Motion Administrative Law Judge by ruling dated September 6, 1996.

subject to a Negative Declaration or an Environmental Impact Report.

We previously performed a CEQA review for the initial group of 40 facilities-based CLCs which were certified pursuant to D.95-12-057. We consolidated those into a single comprehensive CEQA review. Based on its assessment, the Commission's staff prepared a draft Negative Declaration and Initial Study generally describing the facilities-based petitioners' projects and their potential environmental effects. The Negative Declaration was a mitigated one, in that petitioners agreed to revisions which reduced the impact of their projects to less than significant levels. (Pub. Res. Code § 21080(c)(2).)

Based upon our Initial Study and the public comments received, we determined that with the inclusion of mitigation measures incorporated in the projects, the proposed projects would not have potentially significant environmental effects. Accordingly, we approved the Negative Declaration as prepared by staff, including staff's proposed Mitigation Monitoring Plan in D.95-12-057.

Applicant states that it proposes to provide service by leasing existing switching facilities and existing dedicated T-1 lines located in Los Angeles and San Francisco, as well as through interconnections with other carriers, such as incumbent local exchange carriers. Such interconnections may require the use of trunking and interconnection facilities, but these would be installed in existing conduit and service cabinets. Applicant also proposes to resell the services of certificated carriers.

In order to assure compliance with CEQA for facilities-based CLC applications which were not included in the Negative Declaration adopted in D.95-12-057, the Commission has initiated subsequent CEQA reviews on a consolidated basis for those CLCs. Applicant was included among those CLCs covered by a subsequent consolidated CEQA review.

Following a procedure similar to that used for the Negative Declaration approved in D.95-12-057, the Commission's staff prepared and circulated a draft Negative Declaration and

Initial Study based upon an assessment of the projects proposed by applicant and other CLC applicants. No public comments were received by the deadline of November 21, 1996. Staff then produced the Negative Declaration covering eight facilities-based applications, including this applicant. Comments and responses are attached as Appendix C to the Final Negative Declaration (see Attachment B of this decision).

Based upon our Initial Study and the public comments, it has been determined that with the inclusion of mitigation measures incorporated in the projects, the proposed projects will not have potentially significant environmental effects. Accordingly, we shall approve the Negative Declaration as prepared by our staff, including the proposed Mitigation Monitoring Plan (Appendix C to the Final Negative Declaration), which will ensure that the listed Mitigation Measures will be followed and implemented.

5. Conclusion

We conclude that the application here conforms to Commission rules for competitive local exchange certification, subject to compliance with the terms and conditions set forth herein, as well as with the requirements for providing intraLATA and interLATA service. We approve the application on that basis.

Findings of Fact

1. Applicant filed its application on August 7, 1996, for authority to provide facilities-based and resale local exchange, interLATA and intraLATA telecommunications services.

2. Applicant served a Notice of Availability in lieu of its application on prospective competitors, stating that copies of the application would be served at the request of any party receiving the notice.

3. A notice of the filing of the application appeared in the Daily Calendar on August 9, 1996.

4. No protests have been filed.

5. No hearing is required.

6. By prior Commission decisions, we authorized competition in providing local exchange telecommunications service within the service territories of Pacific and GTEC.

7. By D.95-07-054, D.95-12-056, D.96-02-072, and D.96-03-020, we authorized facilities-based CLC services effective January 1, 1996, and CLC resale services effective March 31, 1996, for carriers meeting specified criteria.

8. Applicant has demonstrated that it has a minimum of $100,000 of cash or cash equivalent reasonably liquid and readily available to meet its start-up expenses.

9. Applicant's technical experience is demonstrated by the descriptions of the background qualifications of executives of The Well and Hooked, Inc., which wholly own Whole Earth Networks.

10. Applicant has submitted with its application a draft of its initial tariffs, together with amended corrections, which complies with the requirements established by the Commission, except for those items listed in Attachment C.

11. Exemption from the provisions of PU Code §§ 816-830 has been granted to other nondominant carriers. (See, e.g., D.86-10-007, 22 CPUC2d 42 (1986) and D.88-12-076, 30 CPUC2d 145 (1988).)

12. The transfer or encumbrance of property of nondominant carriers has been exempted from the requirements of PU Code § 851 whenever such transfer or encumbrance serves to secure debt. (See D.85-11-044, 19 CPUC2d 206 (1985).)

13. CEQA requires the Commission to assess the potential environmental impact of a project.

14. The Commission staff has conducted an Initial Study of the environmental impact of certain facilities-based CLC applications filed after September 1, 1995, including this application, and prepared a Mitigated Negative Declaration.

15. Commission staff has concluded that with the incorporation of all mitigation measures discussed in the Mitigated Negative Declaration (see Attachment B), certification of the CLCs covered therein, including Whole Earth Networks, will result in no significant adverse impact on the environment.

Conclusions of Law

1. Applicant has the financial ability to provide the proposed service.

2. Applicant has made a reasonable showing of technical expertise in telecommunications.

3. Public convenience and necessity require the competitive local exchange services to be offered by applicant, subject to the terms and conditions set forth below.

4. Applicant is subject to:

a. The current 3.2% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service (PU Code § 879; Resolution T-15799, November 21, 1995);

b. The current 0.36% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (PU Code § 2881; Resolution T-15801, October 5, 1995);

c. The user fee provided in PU Code §§ 431-435, which is 0.11% of gross intrastate revenue for the 1996-1997 fiscal year (Resolution M-4782); and

d. The current surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (PU Code § 739.30; D.96-10-066, pp. 3-4, App. B, Rule 1.C.; set by Resolution T-15987 at 0.0% for 1997 effective February 1, 1997);

e. The current 2.87% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F.); and

f. The current 0.41% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G.).

5. Applicant should be exempted from PU Code §§ 816-830.

6. Applicant should be exempted from PU Code § 851 when the transfer or encumbrance serves to secure debt.

7. The application should be granted to the extent set forth in the order below.

8. Any CLC which does not comply with our rules for local exchange competition adopted in R.95-04-043 shall be subject to sanctions including, but not limited to, revocation of its CLC certificate.

9. Applicant is required to carry out any specific mitigation measures outlined in the Negative Declaration applicable to its facilities to be in compliance with CEQA.

10. With the incorporation of the specific mitigation measures outlined in the Negative Declaration, applicant's proposed project will not have potentially significant environmental impacts.

11. Because of the public interest in competitive local exchange services, the following order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Whole Earth Networks LLC (applicant) to operate as a facilities-based and resale competitive local carrier, and

interLocal Access and Transport Area (interLATA) and intraLocal Access and Transport Area (intraLATA) carrier subject to the terms and conditions set forth below.

2. Applicant shall file a written acceptance of the certificate granted in this proceeding.

3. a. Applicant is authorized to file with this Commission tariff schedules for the provision of competitive local exchange services and interLATA and intraLATA services. Applicant may not offer such services until tariffs are on file. Applicant's initial filing shall be made in accordance with General Order (GO) 96-A, excluding Sections IV, V, and VI. The tariff shall be effective not less than 1 day after tariff approval by the Commission's Telecommunications Division. Applicant shall comply with the provisions in its tariffs.

b. Applicant is a competitive local carrier (CLC). The effectiveness of its future tariffs is subject to the schedules set forth in Appendix A, Section 4.E of Decision (D.) 95-07-054:

> "E. CLCs shall be subject to the following tariff and contract filing, revision and service pricing standards [Contracts shall be subject to GO 96-A rules for NDIECs, except those for interconnection]:
>
> "(1) Uniform rate reductions for existing tariff services shall become effective on five (5) working days' notice to the Commission. Customer notification is not required for rate decreases.
>
> "(2) Uniform major rate increases for existing tariff services shall become effective on thirty (30) days' notice to the Commission, and shall require bill inserts, or

a message on the bill itself, or first class mail notice to customers at least 30 days in advance of the pending rate increase.

"(3) Uniform minor rate increases, as defined in D.95-07-054, shall become effective on not less than five (5) working days' notice to the Commission. Customer notification is not required for such minor rate increases.

"(4) Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice to the Commission.

"(5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate or charge shall become effective on not less than five (5) days' notice to the Commission."

c. Applicant also is a nondominant interexchange carrier (NDIEC). The effectiveness of its future tariffs is subject to the schedules set forth in Ordering Paragraph 5 of D.90-08-032 (37 CPUC2d 130, 158), as modified by D.91-12-013 (42 CPUC2d 220, 231) and D.92-06-034 (44 CPUC2d 617, 618):

"5. All NDIECs are hereby placed on notice that their California tariff filings will be processed in accordance with the following effectiveness schedule:

"a. Inclusion of FCC-approved rates for interstate services in California public utilities tariff schedules shall become effective on one (1) day's notice.

"b. Uniform rate reductions for existing services shall become effective on five (5) days' notice.

"c. Uniform rate increases, except for minor rate increases, for existing services shall become effective on thirty (30) days' notice, and shall require bill inserts, a message on the bill itself, or first class mail notice to customers of the pending increased rates.

"d. Uniform minor rate increases, as defined in D.90-11-029, for existing services shall become effective on not less than 5 working days' notice. Customer notification is not required for such minor rate increases.

"e. Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice.

"f. Advice letter filings merely revising the text or location of text material which do not cause an increase in any rate or charge shall become effective on not less than five (5) days' notice."

4. Applicant may deviate from the following provisions of GO 96-A: (a) paragraph II.C.(1)(b), which requires consecutive sheet numbering and prohibits the reuse of sheet numbers, and (b) paragraph II.C.(4), which requires that "a separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of Commission's Telecommunications Division. Tariff filings shall reflect all fees and surcharges to which applicant is subject, as reflected in Conclusion of Law 4.

5. Applicant shall file as part of its initial tariff, after the effective date of this order and consistent with Ordering Paragraph 3, a service area map or written description of its facilities. Such written descriptions or maps must be adequate for staff to determine that the CLC is providing service to interested customers located within 300 feet of the CLC's facilities.

6. Prior to initiating service, applicant shall provide the Commission's Consumer Services Division with the applicant's designated contact person(s) for purposes of resolving consumer complaints and the corresponding telephone number. This information shall be updated if the name or telephone number changes or at least annually.

7. Applicant shall notify this Commission in writing of the date local exchange service and interLATA and intraLATA services are first rendered to the public within five days after local exchange service begins.

8. Applicant shall keep its books and records in accordance with the Uniform System of Accounts specified in Title 47, Code of Federal Regulations, Part 32.

9. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using the information request form contained in Attachment A.

10. Applicant shall ensure that its employees comply with the provisions of Public Utilities (PU) Code § 2889.5 regarding solicitation of customers.

11. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

12. The corporate identification number assigned to applicant for its interLATA service is U-5728-C. That identification number also shall apply to its competitive local exchange and inter- and intraLATA services, and shall be included in the caption of all

original filings with this Commission, and in the titles of other pleadings filed in existing cases.

13. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify the Director of the Telecommunications Division in writing of its compliance.

14. Applicant is exempted from the provisions of PU Code §§ 816-830.

15. Applicant is exempted from PU Code § 851 for the transfer or encumbrance of property, whenever such transfer or encumbrance serves to secure debt.

16. If applicant is 90 days or more late in filing an annual report or in remitting the fees listed in Conclusion of Law 4, the Telecommunications Division shall prepare for Commission consideration a resolution that revokes the applicant's certificate of public convenience and necessity, unless the applicant has received the written permission of the Telecommunications Division to file or remit late.

17. Applicant shall comply with the customer notification and education rules adopted in D.96-04-049 regarding passage of calling party number.

18. The Final Negative Declaration including the Mitigation Monitoring Plan prepared by Commission staff (see Attachment B) is hereby approved and adopted.

19. The applicant shall comply with the conditions and carry out the mitigation measures outlined in the Negative Declaration.

20. The applicant shall provide the Director of the Commission's Telecommunications Division with reports on compliance with the conditions and implementation of mitigation measures under the schedule as outlined in the Negative Declaration.

21. The application is granted, as set forth above.
22. Application 96-08-017 is closed.

This order is effective today.

Dated March 7, 1997, at San Francisco, California.

P. GREGORY CONLON
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners

ATTACHMENT A
Page 1

INFORMATION REQUESTED OF COMPETITIVE LOCAL CARRIERS

TO: ALL COMPETITIVE LOCAL CARRIERS

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for Competitive Local Carriers in California. However, you are hereby directed to submit an original and two copies of the information requested in Attachment A no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:

California Public Utilities Commission
Auditing and Compliance Branch, Room 3251
505 Van Ness Avenue
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter, please call (415) 703-1961.

INFORMATION REQUESTED OF COMPETITIVE LOCAL CARRIERS

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.

2. Address.

3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.

4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.

5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).

   If incorporated, specify:

   a. Date of filing articles of incorporation with the Secretary of State.

   b. State in which incorporated.

6. Commission decision number granting operating authority and the date of that decision.

7. Date operations were begun.

8. Description of other business activities in which the utility is engaged.

9. A list of all affiliated companies and their relationship to the utility. State if affiliate is a:

   a. Regulated public utility.

   b. Publicly held corporation.

10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.

(END OF ATTACHMENT A)

NEGATIVE DECLARATION

Competitive Local Carriers' (CLCs)
Projects for Local Exchange Telecommunication Service throughout California.

PROJECT DESCRIPTION:

The California Public Utilities Commission's Decision 95-07-054 enables various telecommunication companies to compete with local telephone companies in providing local exchange service. Previous to this decision, local telephone service was monopolized by a single utility per service territory. The Commission received 66 petitions from companies to provide competitive local telephone service throughout areas presently served by Pacific Bell and GTE California.

The 66 petitioners included cable television companies, cellular (wireless) companies,[1] long-distance service providers, local telephone service providers, and various other telecommunication companies that specialize in transporting data.

40 of the 66 petitions were for approval of facilities-based services, which means that the petitioners proposed to use their own facilities in providing local telephone service. The remaining 26 petitions were strictly for approval of resale-based services, meaning that telephone service will be resold using another competitor's facilities. (Most of the facilities-based petitioners offer resale-based services as well.) The 40 facilities-based petitions indicated that physical modifications to existing facilities may be required, and construction of new facilities was a possibility in the long-term. The 26 resale-based petitions were strictly financial and billing arrangements that involved no construction and were therefore considered to be exempt from the California Environmental Quality Act (CEQA) (Public Resources Code Sections 21000 et seq.).

The Commission issued a draft Negative Declaration for the 40 facilities-based petitioners in October 1995. Comments on the draft Negative Declaration covered issues such as traffic congestion, public safety, cumulative impacts, aesthetic impacts, and physical wear on streets. These comments were addressed and the Negative Declaration was modified to some extent in response to the comments. In December 1995, Commission Decision 95-12-057 adopted a final mitigated Negative Declaration finding that the proposed projects of the 40 facilities-based petitioners would not have potentially significant environmental effects if proper mitigation measures were incorporated by the projects.

---

1 Wireless companies covered in the Negative Declarations adopted by the Commission for entry in the local telephone market are also subject to Commission General Order (G.O. 159A). G.O. 159A delegates to local governments the authority to issue discretionary permits for the approval of proposed sites for wireless facilities. Commission adoption of the Negative Declarations is not intended to supersede or invalidate the requirements contained in General Order 159A.

Following the adoption of D.95-12-057, the Commission received eight additional petitions for facilities-based services. The eight petitioners include cable television companies, resale-based providers approved by D.95-12-057, and other telecommunication companies. Following the public comment period, the Commission addressed the written comments and modified the Negative Declaration, although the second Negative Declaration is virtually the same as the first. In September 1996, the Commission adopted the second Negative Declaration for the eight companies (D.96-09-072). This Negative Declaration is sometimes referred to as "Negative Declaration II".

Following the adoption of Negative Declaration II, the Commission received eight more petitions for facilities-based services. These petitioners are the subject of this Negative Declaration. *(See Appendix B for a list of the eight subject facilities-based petitioners.)*

Similar to the earlier petitioners, the eight additional petitioners are initially targeting local telephone service for areas where their telecommunication infrastructures are already established, and therefore only minor construction is envisioned. The petitioners will need to make some modifications to their existing facilities; these modifications are minor in nature, the most common being the installation of a switch that connects potential customers to outside systems. Switch installation is necessary because customers receiving a particular type of service may not have access to local telephone networks. For example, customers receiving cable television service are presently unable to connect to local telephone networks because of the differences in modes of service. A switch installation by a cable television provider is one step that makes the connection possible. Switch installation is considered a minor modification because it typically involves a single installation within an existing central communication facility or building.

Besides the minor modifications, some of companies are planning to install their own fiber optic cables to provide adequate service. Cables will be installed within existing utility underground conduits or ducts, or attached to utility poles with existing overhead lines whenever possible. Fiber optic cables are extremely thin, and existing conduits will likely be able to hold multiple cables. However, if existing conduits or poles are unable to accommodate additional cables, then new conduits or poles will need to be constructed by the petitioner. In this case, the petitioners will construct within existing utility rights-of-way. There is also the possibility that the petitioners may attempt to access other rights-of-way (such as roads) to construct additional conduits. Extension of existing rights-of-way into undisturbed areas is not likely, but a possibility.

The installation of fiber optic cables into underground conduits will vary in complexity depending upon the conditions of the surrounding area. For example, in urban, commercial areas, utility conduits can be accessible with minimal groundbreaking and installation simply requires stringing the cable through one end of the conduit and connecting it to the desired end. In this case, major excavation of the right-of-way is unnecessary. However, there may also be conditions where access to the conduit will require trenching and excavation.

Some of the petitioners have no plans to construct service boxes or cabinets which contain batteries for the provision of power or emergency power. The dimensions of the boxes vary, but basically range from three to five feet in height. Depending upon the type of technology and facilities operated by the petitioner, smaller service boxes (approximately 3 inches in height) would be used for power supply and backup power. Those petitioners who have no plans to use such boxes already have capable power and backup power within their existing facilities. The petitioners who will need such boxes, have committed to placing the boxes in existing buildings, or in underground vaults. If conditions do not permit building or underground installation, the petitioners would use small low-profile boxes that are landscaped and fenced.

The eight petitioners state their intention or right to compete in the territories presently served by Pacific Bell and GTE California. These territories encompass many of California's 58 counties, and therefore include almost all types of zoning designations. However it is unclear at this time if all zoned areas will be affected by the projects because the petitioners are not specific where they intend to compete in the long-run.

It is expected that most of the petitioners will initially compete for customers in urban, dense commercial areas and residential zones where their telecommunication infrastructures already exist. In general, the petitioners' projects will be in places where people live or work.

The California Public Utilities Commission is the lead agency in approving these petitioners' intent to compete in the local exchange market. Additional approvals by other agencies may be required depending upon the scope and type of construction proposed by the petitioner (e.g. federal, other state agencies, and ministerial permits by local agencies).

Because the subject projects of the eight current petitioners are virtually the same as the projects proposed by the past petitioners, this Negative Declaration incorporates, in whole, Negative Declaration II for the current petitioners, and will be referred to as "Negative Declaration III" (as permitted by Section 15150 of the CEQA Guidelines). The Commission sent copies of Negative Declaration II to at least 35 public libraries across the state as well as county and city planning agencies for public comment in August 1996. The same document was also available for the public review of Negative Declaration III. The public comment period for the proposed Negative Declaration III began on October 23, 1996 and expired on November 21, 1996. Public notices were placed in 55 newspapers throughout the state over two consecutive weeks. These notices provided the project description, the location of the Negative Declaration for review, and instructions on how to comment. The notices also provided the Commission's website address for those interested in viewing the document via the Internet. No written comments were received by the Commission following the close of the public comment period. The Commission also filed the proposed Negative Declaration III with the State Clearinghouse and did not receive any comments from other state agencies.

ENVIRONMENTAL DETERMINATION

An Initial Study was prepared to assess the projects' potential effects on the environment, and the respective significance of those effects. Based on the Initial Study, the CLCs' projects for competitive local exchange service have the potential to cause significant adverse effects on the environment in the area of Land Use and Planning, Geological Resources, Water, Air Quality, Transportation and Circulation, Hazards, Noise, Public Services, Aesthetic and Cultural Resources. The projects will have less than a significant effect in other resource areas of the checklist. It should be noted that Findings 2 through 10 are for those projects which require work within existing utility rights-of-way for the purpose of modifying existing facilities or installing new facilities. Finding 1 is applicable for work outside of the existing utility rights-of-way.

In response to the Initial Study, the following specific measures should be incorporated into the projects to assure that they will not have any significant adverse effects on the environment. *(See Public Resources Code Section 21064.5.)*

As a general matter, many of the mitigation measures rely on compliance with local standards and the local ministerial permit process. Although local safety and aesthetic input is essential in minimizing the impact of the petitioner's construction, local jurisdictions cannot impose standards or permit requirements which would prevent petitioners from developing their service territories, or otherwise interfere with the statewide interest in competitive telecommunication service. Therefore, the petitioners' required compliance with local permit requirements is subject to this limitation.

The findings of the draft Negative Declaration were modified in response to comments filed during the public comment period from Negative Declaration II. (No comments were filed for Negative Declaration III.) Changes are marked by *italics*.

1. The proposed projects could have potentially significant environmental effects for all environmental factors if a proposed project extends beyond the utility right-of-way into undisturbed areas or into other rights-of-way. ("Utility right-of-way" means any utility right-of-way, not limited to only telecommunication utility right-of-way.) For the most part, the petitioners do not plan to conduct projects that are beyond the utility right-of-way. However, should this occur, the petitioner shall file a Petition to Modify its Certificate for Public Convenience and Necessity (CPCN). An appropriate environmental analysis of the impacts of these site specific activities shall be done.

2. The proposed projects will not have any significant effects on Population and Housing, Biological Resources, Energy and Mineral Resources, and Recreation if the proposed projects remain within existing utility right-of-way. There are no potential environmental effects in these areas, or adequate measures are incorporated into the projects to assure that significant effects will not occur.

3. The proposed projects could have potentially significant environmental effects on Geological Resources because possible upgrades or installations to underground conduits may induce erosion due to excavation, grading and fill. It is unclear as to how many times underground conduits may be accessed by the petitioners, but it is reasonable to assume that constant excavation by various providers could result in erosion in areas where soil containment is particularly unstable.

In order to mitigate any potential effects on geological resources, the petitioners shall comply with all local design, construction and safety standards by obtaining all applicable ministerial permits from the appropriate local agencies. In particular, erosion control plans shall be developed and implemented for areas identified as particularly unstable or susceptible to erosion. If more than one petitioner plans to excavate geologically sensitive areas, coordination of their plans shall be necessary to minimize the number and duration of disturbances.

4. The proposed projects could have potentially significant environmental effects on Water Resources because possible upgrades or installation to underground conduits may be in close proximity to underground or surface water sources. While the anticipated construction will generally occur within existing utility rights-of-way, the projects have the potential to impact nearby water sources if heavy excavation is required as the method of access to the conduits.

In order to mitigate any potential effects on water resources, the petitioners shall comply with all local design, construction and safety standards. This will include consultation with all appropriate local, state *and federal* water resource agencies for projects that are in close proximity to water resources, underground or surface. The petitioners shall comply with all applicable local, state *and federal* water resource regulations. Appropriate site specific mitigation plans shall be developed by the petitioners if the projects impact water quality, drainage, direction, flow or quantity. If there is more than one petitioner for a particular area that requires excavation, coordination plans shall be required to minimize the number and duration of disturbances.

5. The proposed projects could have potentially significant environmental effects on Air Quality because possible excavation efforts for underground conduits may result in vehicle emissions and airborne dust for the immediate areas of impact. This is especially foreseeable if more than one petitioner should attempt such work in the same locale. While the impact will be temporary, the emissions and dust could exceed air quality standards for the area.

The petitioners shall develop and implement appropriate dust control measures during excavation as recommended by the applicable air quality management district. The petitioners shall comply with all applicable air quality standards as established by the

affected air quality management districts. If there is more than one petitioner for a particular area that requires excavation, coordination plans shall be required to minimize the number and duration of disturbances.

6. The proposed projects could have potentially significant environmental impacts on Transportation and Circulation and Public Services because uncoordinated efforts by the petitioners to install fiber optic cable could result in a cumulative impact of traffic congestion, insufficient parking and hazards or barriers for pedestrians. This is foreseeable if the competitors choose to compete in the same locality and desire to install their own cables. If the selected area is particularly dense with heavy vehicular or pedestrian traffic, the impacts could be enormous without sufficient control and coordination. Uncoordinated efforts may also adversely impact the quality and longevity of public street maintenance because numerous excavation activity depreciates the life of the surface pavement. *Impacts from trenching activity may occur in utility rights-of-way that contain other Public Services such as irrigation water lines.*

The petitioners[2] shall coordinate their efforts to install fiber optic cables or additional conduits so that the number of encroachments to the utility rights-of-way are minimized. These coordination efforts shall also include affected transportation and planning agencies to coordinate other projects unrelated to the petitioners' projects. *For example, review of a planning agency's Capital Improvement Plan (CIP) to identify impacted street projects would be an expected part of the coordination effort by the petitioner.* Besides coordinating their efforts, the petitioners shall abide by all local construction, maintenance and safety standards by acquiring the necessary ministerial permits from the appropriate local agency. Examples of these permits are excavation, encroachment and building permits. Appropriate construction start and end times, and dates if appropriate, shall be employed to avoid peak traffic periods and to minimize disruption, especially if the petitioners' work encroaches upon transportation rights-of-way. *Petitioners shall consult with local agencies on appropriate restoration of public service facilities that are damaged by the construction and shall be responsible for such restoration.*

7. The proposed projects could have potentially significant hazard-related effects because uncoordinated construction efforts described above could potentially interfere with emergency response or evacuation plans. There is also potential for an increase in overhead lines and poles which carry hazard-related impacts.

The same mitigation plan as described in the previous section is applicable here as well, and shall be augmented by notice to and consultation with emergency response or

2 The petitioners discussed in this Negative Declaration shall coordinate with all CLCs including those listed in previous Negative Declarations adopted by the Commission (D.95-12-057 and D.96-09-072) and all CLCs in future Negative Declarations. CLCs covered in previous Negative Declarations shall likewise be expected coordinate with those CLCs listed in this Negative Declaration or any subsequent one adopted by the Commission.

evacuation agencies if the proposed project interferes with routes used for emergencies or evacuations. The coordination efforts shall include provisions so that emergency or evacuation plans are not hindered. If the projects result in an increase in overhead communication lines, the petitioner shall obtain the necessary ministerial permits to erect the necessary poles to support the lines. The Commission shall include these facilities as part of its overhead line regular inspections so that the requirements of G.O. 95 are met.

8. The proposed projects could have potentially significant environmental effects on Noise because it is possible some projects may require excavation or trenching. Although the effect is likely to be short-term, existing levels of noise could be exceeded.

If the petitioner requires excavation, trenching or other heavy construction activities which would produce significant noise impacts, the petitioner shall abide by all applicable local noise standards and shall inform surrounding property owners and occupants (particularly school districts, hospitals and the residential neighborhoods) of the day(s) when most construction noise would occur. Notice shall be given at least two weeks in advance of the construction.

9. The proposed projects could have potentially significant environmental effects on aesthetics because it is possible that additional lines on poles in utility rights-of-way could become excessive for a particular area. *Aesthetic impacts may also occur in utility rights-of-way that are landscaped.* Moreover, there is potential for an increase in above grade utility service boxes or cabinets which also carry aesthetic impacts.

Local aesthetic concerns shall be addressed by the petitioners for all facilities that are above-ground, in particular all types of service boxes or cabinets. The local land use or planning agency shall be consulted by the petitioner so that any site-specific aesthetic impacts are assessed and properly mitigated. *For example, this may include restoration of the landscaped utility rights-of-way.*

10. The proposed projects could have potentially significant environmental effects on cultural resources because situations involving additional trenching may result in *disturbing known* or unanticipated archaeological or historical resources.

The petitioners shall conduct appropriate data research for known cultural resources in the proposed project area, and avoid such resources in designing and constructing the project. Should cultural resources be encountered during construction, all earthmoving activity which would adversely impact such resources shall be halted or altered so as to avoid such impacts, until the petitioner retains the service of a qualified archaeologist who will do the appropriate examination and analysis. The archaeologist shall provide proposals for any procedures to mitigate the impact upon those resources encountered.

In summary, the Mitigation Measures recommended in this environmental determination are:

A) All Environmental Factors: If a proposed project extends beyond the utility right-of-way into undisturbed areas or other right-of-way, the petitioner shall file a Petition to Modify its Certificate for Public Convenience and Necessity (CPCN). ("Utility right-of-way" means any utility right-of-way, not limited to only telecommunications utility right-of-way.) An appropriate environmental analysis of the impacts of these site specific activities shall be done.

If the projects remain within the utility right-of-way, the following Mitigation Measures are recommended:

B) General Cumulative Impacts: in the event that more than one petitioner seeks modifications or additions to a particular locality, the petitioners shall coordinate their plans with each other, and consult with affected local agencies so that any cumulative effects on the environment are minimized. These coordination efforts shall reduce the number and duration of disturbance to existing utility right-of-way. Regardless of the number of petitioners for a particular locality, the petitioner shall consult with, and abide by the standards established, by all applicable local agencies. Each petitioner shall file a quarterly report, one month prior to the beginning of each quarter, that summarizes the construction projects that are anticipated for the coming quarter. The summary will contain a description of the type of construction and the location for each project so that the local planning agencies can adequately coordinate multiple projects if necessary. The reports will also contain a summary of the petitioner's compliance with all Mitigation Measures for the projects listed. The quarterly reports will be filed with the local planning agencies where the projects are expected to take place and the Commission's Telecommunications Division. The Commission filing will be in the form of an informational advice letter. Subsequent quarterly reports shall also summarize the status of the projects listed in previous quarterly report, until they are completed.

C) Geological Resources: the petitioners shall comply with all local design construction and safety standards by obtaining all applicable ministerial permits from the appropriate local agencies including the development and approval of erosion control plans. These shall be developed and implemented for areas identified as particularly unstable or susceptible to erosion. If more than one petitioner plans to excavate sensitive areas, coordination of their plans shall be necessary to minimize the number of disturbances. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

D) Water Resources: the petitioners shall consult with all appropriate local, state *and federal* water resource agencies for projects that are in close proximity to water resources, underground or surface. The petitioners shall comply with all applicable local, state *and federal* water resource regulations including the development of site-specific mitigation

plans should the projects impact water quality, drainage, direction, flow or quantity. If there is more than one petitioner for a particular area that requires excavation, coordination plans shall be required to minimize the number of disturbances. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

E) Air Quality: the petitioners shall develop and implement appropriate dust control measures during excavation as recommended by the applicable air quality management district. The petitioners shall comply with all applicable air quality standards as established by the affected air quality management districts. If there is more than one petitioner for a particular area that requires excavation, coordination plans shall be required to minimize the number of disturbances. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

F) Transportation and Circulation and Public Services: the petitioners[3] shall coordinate their efforts to install fiber optic cables or additional conduits so that the number of disturbances to the utility rights-of-way are minimized. These coordination efforts shall include affected transportation and planning agencies to coordinate other projects unrelated to the petitioners' projects. *For example, review of a planning agency's Capital Improvement Plan (CIP) to identify impacted street projects would be an expected part of the coordination effort by the petitioner.* Besides coordinating their efforts, the petitioners shall abide by all local construction, maintenance and safety standards by acquiring the necessary ministerial permits from the appropriate local agency. Examples of these permits are excavation, encroachment and building permits. Appropriate construction start and end times, and dates if appropriate, shall be employed to avoid peak traffic periods, especially if the petitioners' work encroaches upon transportation rights-of-way. Notice to the affected area (surrounding property owners and occupants) shall be given at least two weeks in advance of the construction. The notice will provide the time and dates of the proposed construction and discussion of potential impacts on traffic and circulation. *Petitioners shall consult with local agencies on appropriate restoration of public service facilities that are damaged by the construction and shall be responsible for such restoration.* The notice required for Mitigation Measures F and H shall be consolidated. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

G) Hazards: the petitioners shall use the Transportation and Circulation mitigation measure and augment it by informing and consulting with emergency response or evacuation agencies if the proposed project interferes with routes used for emergencies or evacuations. The coordination effort shall include provisions so that emergency or evacuation plans are not hindered. If the projects result in an increase in overhead communication lines, the petitioner shall obtain the necessary ministerial permits to erect

3 See Footnote #2.

the necessary poles to support the lines. The Commission shall include these facilities as part of its overhead line regular inspections so that the requirements of G.O. 95 are met. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

H) Noise: the petitioner shall abide by all applicable local noise standards and shall inform surrounding property owners and occupants, particularly school districts, hospitals and the residential neighborhoods, of the day(s) when most construction noise would occur if the petitioner plans excavation, trenching or other heavy construction activities which would cause any significant noise. Notice shall be given at least two weeks in advance of the construction. The notice required for Mitigation Measures F and H shall be consolidated. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

I) Aesthetics: All applicable local aesthetic standards will be addressed by the petitioners for all facilities that are above-ground, in particular all types of service boxes or cabinets. The local land use agency shall be consulted by the petitioner so that any site-specific aesthetic impacts are assessed and properly mitigated *by the petitioner. For example, this may include restoration of the landscaped utility rights-of-way.* Petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

J) Cultural Resources: *The petitioners shall conduct appropriate data research for known cultural resources in the proposed project area, and avoid such resources in designing and constructing the project.* Should cultural resources be encountered during construction, all earthmoving activity which would adversely impact such resources shall be halted or altered until the petitioner retains the service of a qualified archaeologist who will do the appropriate examination and analysis. The archaeologist will provide proposals for any procedures to mitigate the impact upon those resources encountered. The petitioner's compliance with this Mitigation Measure shall be included in its quarterly report.

General Statement for all Mitigation Measures:

Although local safety and aesthetic input is essential in minimizing the impact of the petitioner's construction, local jurisdictions cannot impose standards or permit requirements which would prevent petitioners from developing their service territories, or otherwise interfere with the statewide interest in competitive telecommunication service. Therefore, the petitioners' required compliance with local permit requirements is subject to this limitation.

With the implementation of the mitigation measures listed in A) - J) above, the Commission should conclude that the proposed projects will not have one or more potentially significant

environmental effects. The Commission should also adopt a Mitigation Monitoring Plan which will ensure that the Mitigation Measures listed above will be followed and implemented. The Mitigation Monitoring Plan is included with this Negative Declaration as Appendix C.

Douglas Long, Manager
Decision-Making Support Branch
Energy Division

January 13, 1997
Date

INITIAL STUDY CHECKLIST

Environmental Factors Potentially Affected:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

☒ Land Use and Planning	☒ Transportation/Circulation	☒ Public Services
☐ Population and Housing	☐ Biological Resources	☒ Utilities and Service Systems
☒ Geological Problems	☐ Energy and Mineral Resources	☒ Aesthetics
☒ Water	☒ Hazards	☒ Cultural Resources
☒ Air Quality	☒ Noise	☐ Recreation
	☒ Mandatory Findings of Significance	

Note: For construction outside of the utility rights-of-way, potential environmental impacts are too variable and uncertain to be specifically evaluated in this Initial Study, but are addressed in Environmental Determination 1 and Mitigation Measure (A) in the Negative Declaration.

Determination:

On the basis of this initial evaluation:

I find that the proposed projects COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared. ☐

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the projects. A NEGATIVE DECLARATION will be prepared. ☒

I find that the proposed projects MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required. ☐

I find that the proposed projects MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on an earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT

REPORT is required, but it must analyze only the effects that remain to be addressed. ☐

I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project. ☐

Signature

January 13, 1997
Date

Douglas M. Long
Printed Name

Manager
Decision-Making Support Branch
Energy Division
California Public Utilities Commission

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
I. LAND USE AND PLANNING. Would the proposal:				
a) Conflict with general plan designation or zoning?	☐	☒	☐	☐
b) Conflict with applicable environmental plans or policies adopted by agencies with jurisdiction over the project?	☐	☒	☐	☐
c) Be incompatible with existing land use in the vicinity?	☐	☒	☐	☐
d) Affect agricultural resources or operations (e.g. impacts to soils or farmlands, or impacts from incompatible land uses)?	☐	☒	☐	☐
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	☐	☒	☐	☐

The proposed projects are not anticipated to have any significant impacts on general or environmental plans, zoning, existing land usage, or agricultural resources. The projects are essentially modifications to existing facilities within established utility rights-of-way. Since these rights-of-way are already designed to be in compliance with zoning and land use plans, disruption of such plans are not foreseeable. In the event that the petitioners need to construct facilities that extend beyond the rights-of-way, see Mitigation Measure A in the Negative Declaration.

II. POPULATION AND HOUSING. Would the proposal:				
a) Cumulatively exceed official regional or local population projections?	☐	☐	☐	☒
b) Induce substantial growth in an area either directly or indirectly (e.g. through projects in an undeveloped area or extension of major infrastructure?	☐	☐	☐	☒
c) Displace existing housing, especially affordable housing?	☐	☐	☐	☒

The proposed projects will not have impacts upon population or housing. The purpose of the projects is to introduce competition into the local telephone service market. Since competition will be generally statewide and not centered in one locale, it is not anticipated that the projects will have an effect on population projections or housing availability of any particular area. The areas that will not initially receive the competition are rural, less populated areas; it cannot be

seen that the initial lack of competitive services in these areas will result in significant movements of people to areas where competition will be heavy.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
III. GEOLOGIC PROBLEMS. Would the proposal result in or expose people to potential impacts involving:				
a) Fault rupture?	☐	☐	☐	☒
b) Seismic ground shaking?	☐	☐	☐	☒
c) Seismic ground failure, including liquefaction?	☐	☐	☐	☒
d) Seiche, tsunami, or volcanic hazard?	☐	☐	☐	☒
e) Landslides or mudflows?	☐	☒	☐	☐
f) Erosion, changes in topography or unstable soil conditions from excavation, grading, or fill?	☐	☒	☐	☐
g) Subsidence of land?	☐	☐	☐	☒
h) Expansive soils?	☐	☐	☐	☒
i) Unique geologic or physical features?	☐	☐	☐	☒

The projects will be constructed within existing utility facilities or established utility rights-of-way and will therefore not expose people to new risks for any of these impacts, except possibly erosion. Should additional cable facilities require the installation of new or upgraded conduits, trenching, excavation, grading and fill could be required. For appropriate mitigation, see Mitigation Measures (B) and (C) for details in the Negative Declaration.

IV. WATER. Would the proposal result in:				
a) Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff?	☐	☐	☐	☒
b) Exposure of people or property to water related hazards such as flooding?	☐	☐	☐	☒
c) Discharge into surface waters or other alteration of surface water quality (e.g. temperature, dissolved oxygen or turbidity)?	☐	☒	☐	☐

		Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
d)	Changes in the amount of surface water in any water body?	☐	☐	☐	☒
e)	Changes in currents, or the course or direction of water movements?	☐	☐	☐	☒
f)	Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of an aquifer by cuts or excavations or through substantial loss of groundwater recharge capability?	☐	☒	☐	☐
g)	Altered direction or rate of flow of groundwater?	☐	☒	☐	☐
h)	Impacts to groundwater quality?	☐	☒	☐	☐
i)	Substantial reduction in the amount of groundwater otherwise available for public water supplies?	☐	☐	☐	☒

The projects will involve alterations to existing telecommunication facilities (underground conduits or overhead poles) but could expose additional risks if more than one petitioner decide to compete in the same locality. Efforts to install cables, or if necessary, new conduits, in utility rights-of-way that are in close proximity to an underground or surface water sources could carry significant effects for quality, flow, quantity, direction or drainage if done improperly and without coordination. See Mitigation Measures (B) and (D) in the Negative Declaration for details.

V. AIR QUALITY. Would the proposal:

a)	Violate any air quality standard or contribute to an existing or projected air quality violation?	☐	☒	☐	☐
b)	Expose sensitive receptors to pollutants?	☐	☒	☐	☐
c)	Alter air movement, moisture, or temperature, or cause any change in climate?	☐	☐	☐	☒
d)	Create objectionable odors?	☐	☐	☐	☒

If the projects do not require excavation or trenching of underground conduits, they will not have an effect upon air quality, movement, temperature or climate. However, should the projects require such work and, if more than one

petitioner decide to work in the same locale, there is potential for an increase in dust in the immediate area. See Mitigation Measures (B) and (E) in the Negative Declaration for details.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
VI. TRANSPORTATION/CIRCULATION. Would the proposal result in:				
a) Increased vehicle trips or traffic congestion?	☐	☒	☐	☐
b) Hazards to safety from design features (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	☐	☒	☐	☐
c) Inadequate emergency access or access to nearby uses?	☐	☒	☐	☐
d) Insufficient parking capacity on-site or off-site?	☐	☒	☐	☐
e) Hazards or barriers for pedestrians or bicyclists?	☐	☒	☐	☐
f) Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	☐	☐	☐	☒
g) Rail, waterborne or air traffic impacts?	☐	☒	☐	☐

The petitioners plan to modify existing utility conduits or poles within existing utility rights-of-way initially in urban, commercial zones and residential areas. Modification of these facilities by a single party does not present significant impacts upon traffic or circulation since the installation process is not expected to be lengthy. However, if more than one of the petitioners decide to compete in the same locality, their efforts to install their own cables will have a significant cumulative effect on circulation, especially in dense, urban commercial areas. As a result, increases in traffic congestion, insufficient parking, and hazards or barriers for pedestrian are possible.

See Mitigation Measures (B) and (F) in the Negative Declaration for details.

VII. BIOLOGICAL RESOURCES. Would the proposal result in impacts to:				
a) Endangered, threatened, or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)?	☐	☐	☐	☒
b) Locally designated species (e.g. heritage trees)?	☐	☐	☐	☒

		Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
c)	Locally designated natural communities (e.g. oak forest, coastal habitat, etc.)?	☐	☐	☐	☒
d)	Wetland habitat (e.g. marsh, riparian and vernal pool)?	☐	☐	☐	☒
e)	Wildlife dispersal or migration corridors?	☐	☐	☐	☒

The projects will not affect any biological resources since all anticipated work will occur within existing utility facilities or established utility rights-of -way. Established utility rights-of-way are assumed to be outside of locally designated natural communities, habitats or migration corridors.

VIII. ENERGY AND MINERAL RESOURCES.
Would the proposal result in:

a)	Conflict with adopted energy conservation plans?	☐	☐	☐	☒
b)	Use non-renewable resources in a wasteful and inefficient manner?	☐	☐	☐	☒
c)	Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State?	☐	☐	☐	☒

The projects will no impact upon mineral resources or the use of energy. The projects provide competitive telecommunication services that have no direct relationship to efficient energy use or mineral resources. The installation of additional fiber optic cables are within existing facilities or rights-of-way that are assumed to have adequate mitigation designs to avoid impacts on any mineral resources within proximity.

IX. HAZARDS. Would the proposal involve:

a)	A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)?	☐	☐	☐	☒
b)	Possible interference with an emergency response plan or emergency evacuation plan?	☐	☒	☐	☐
c)	The creation of any health hazard or potential health hazard?	☐	☐	☐	☒

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
d) Exposure of people to existing sources of potential health hazards?	☐	☐	☐	☒
e) Increased fire hazard in areas with flammable brush, grass, or trees?	☐	☐	☐	☒

The installation of fiber optic cables can be a quick, clean and simple procedure with little use of heavy machinery. However there may be situations where excavation and trenching of underground conduits is necessary if the conduits are not easily accessible. Should this occur, uncoordinated efforts by the petitioners in one concentrated area could potentially affect emergency response or evacuation plans for that locale. See Mitigation Measures (B) and (G) in the Negative Declaration for details. Once the project is completed, the additional cables do not represent any additional hazards to people nor do they increase the possibility of fires.

X. NOISE. Would the proposal result in:

a) Increases in existing noise levels?	☐	☒	☐	☐
b) Exposure of people to severe noise levels?	☐	☒	☐	☐

The anticipated projects can be a quick and simple procedure, but in some cases could require heavy machinery or construction activity such as excavation, trenching, grading and refill. There is also the possibility that uncoordinated efforts by the petitioners in one locale could increase existing noise levels, if their activities involve the construction described. See Mitigation Measures (B) and (H) in the Negative Declaration for details.

XI. PUBLIC SERVICES. Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:

a) Fire protection?	☐	☐	☐	☒
b) Police protection?	☐	☐	☐	☒
c) Schools?	☐	☐	☐	☒
d) Maintenance of public facilities, including roads?	☐	☒	☐	☐
e) Other government services?	☐	☐	☐	☒

The proposed projects will increase competition in the local telephone service. The construction associated with the projects have potential impacts on the maintenance of public streets and roads. Numerous disturbances to the street

surfaces depreciates the quality and longevity of the pavement. Trenching projects may also impact other existing public service facilities (e.g. irrigation lines) in the utility rights-of-way. Mitigation Measure F addresses this impact.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
XII. UTILITIES AND SERVICE SYSTEMS. Would the proposal result in a need for new systems or supplies, or substantial alterations to the following utilities:				
a) Power or natural gas?	☐	☐	☐	☒
b) Communication systems?	☐	☒	☐	☐
c) Local or regional water treatment or distribution facilities?	☐	☐	☐	☒
d) Sewer or septic tanks?	☐	☐	☐	☒
e) Storm water drainage?	☐	☐	☐	☒
f) Solid waste disposal?	☐	☐	☐	☒
g) Local or regional water supplies?	☐	☐	☐	☒

The proposed projects could substantially alter communication systems in the event that existing facilities are unable to accommodate all of the participants in the market. If this should occur, additional conduits or poles for telecommunication equipment will need to be inserted in existing utility rights-of-way or the petitioners may seek entry to other rights-of-way. If the petitioners are forced to construct outside of the existing utility rights-of-way, Mitigation Measure A is applicable. For work within the rights-of-way, see Mitigation Measure B in the Negative Declaration.

XIII. AESTHETICS. Would the proposal:				
a) Affect a scenic vista or scenic highway?	☐	☒	☐	☐
b) Have a demonstrated negative aesthetic effect?	☐	☒	☐	☐
c) Create light or glare?	☐	☐	☐	☒

The proposed projects will occur within utility rights of way that will be either be undergrounded or on existing poles. Undergrounded facilities will have no demonstrated negative aesthetic effects *However, landscaped utility rights-of-way may be impacted by trenching activities.* Additional lines on the poles may be a concern, but the proposed cables are not easily discernible and will unlikely have a negative impact. The only scenario where an aesthetic effect can occur is if the number of competitors for a particular area become so heavy that the cables on the poles become excessive. There is potential for an increase in service boxes if the boxes cannot be installed within buildings or

underground. Should this occur, the petitioners should follow Mitigation Measures (B) and (I) as described in the Negative Declaration.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
XIV. CULTURAL RESOURCES. Would the proposal:				
a) Disturb paleontological resources?	☐	☒	☐	☐
b) Disturb archaeological resources?	☐	☒	☐	☐
c) Affect historical resources?	☐	☒	☐	☐
d) Have potential to cause a physical change which would affect unique ethnic cultural values?	☐	☒	☐	☐
e) Restrict existing religious or sacred uses within the potential impact area?	☐	☒	☐	☐

The projects will involve existing utility facilities or established rights-of-way that are assumed to be clear from any paleontological, historical or archaeological resources. However, some projects may require excavation or trenching of utility rights-of-way, or outside the rights-of-way. If *known or* unanticipated cultural resources are encountered during such work, then the Mitigation Measures (B) and (J) should be followed. See Negative Declaration for details.

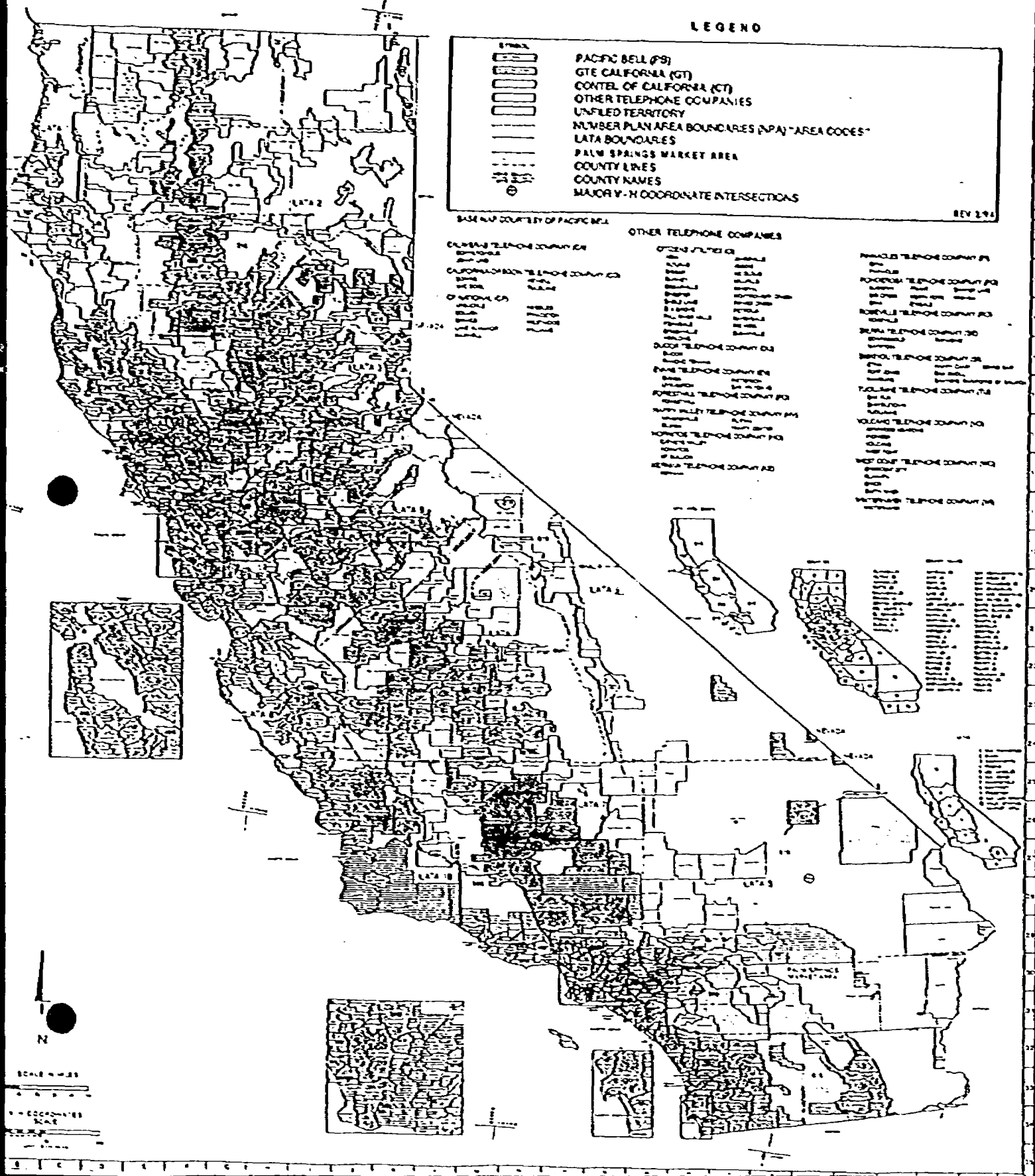
XV. RECREATION. Would the proposal:				
a) Increase the demand for neighborhood or regional parks or other recreational facilities?	☐	☐	☐	☒
b) Affect existing recreational opportunities?	☐	☐	☐	☒

The projects will have no impact on recreational facilities or opportunities since these resources have no direction relationship to increased competition in local telephone services.

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
XVI. MANDATORY FINDINGS OF SIGNIFICANCE.				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☐	☒
b) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	☐	☐	☐	☒
c) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probably future projects.)	☐	☒	☐	☐
d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☐	☒

Appendix A

TELEPHONE EXCHANGE AREAS
CALIFORNIA PUBLIC UTILITIES COMMISSION



Appendix B

Project Sponsors and Addresses

1.	American Communications Network A.96-07-033	5100 California Ave., Suite 104 Bakersfield, CA 93309
2.	MidCom Communications, Inc. A.96-09-024	1111 Third Ave., Suite 1600 Seattle, WA 98101
3.	North County Communications Corp. A.96-08-033	3802 Rosecrans, Suite 485 San Diego, CA 92110
4.	Pacific Bell Communications, Inc. A.96-03-007	140 New Montgomery St. Room 809 San Francisco, CA 94105
5.	SpectraNet Orange A.96-09-025	6650 Lusk Blvd., Suite B100 San Diego, CA 92121
6.	Sprint Communications Company, L.P. A.96-10-008	8140 Ward Parkway Kansas City, MO 64114
7.	US ONE Communications Services Corp. A.96-09-047	5400 LBJ Freeway, Suite 700 Dallas, TX 75240
8.	Whole Earth Networks LLC A.96-08-017	1505 Bridgeway, Suite 201 Sausalito, CA 94965

Appendix C

Mitigation Monitoring Plan

Competitive Local Carriers (CLCs)
Projects for Local Exchange Telecommunication Service throughout California

Introduction:

The purpose of this section is to describe the mitigation monitoring process for the CLCs' proposed projects and to describe the roles and responsibilities of government agencies in implementing and enforcing the selected mitigation measures.

California Public Utilities Commission (Commission):

The Public Utilities Code confers authority upon the Commission to regulate the terms of service and safety, practices and equipment of utilities subject to its jurisdiction. It is the standard practice of the Commission to require that mitigation measures stipulated as conditions of approval be implemented properly, monitored, and reported on. Section 21081.6 of the Public Utilities Code requires a public agency to adopt a reporting and monitoring program when it approves a project that is subject to the adoption of a mitigated negative declaration.

The purpose of a reporting and monitoring program is to ensure that measures adopted to mitigate or avoid significant environmental impacts are implemented. The Commission views the reporting and monitoring program as a working guide to facilitate not only the implementation of mitigation measures by the project proponents, but also the monitoring, compliance and reporting activities of the Commission and any monitors it may designate.

The Commission will address its responsibility under Public Resources Code Section 21081.6 when it takes action on the CLCs' petitions to provide local exchange telephone service. If the Commission adopts the Negative Declaration and approves the petitions, it will also adopt this Mitigation Monitoring Plan as an attachment to the Negative Declaration.

Project Description:

The Commission has authorized various companies to provide local exchange telephone service in competition with Pacific Bell and GTE California. 8 petitioners notified the Commission of their intent to compete in the territories presently served by Pacific Bell and GTE California, all of which are facilities-based services meaning that they propose to use their own facilities to provide service.

Since many of the facilities-based petitioners are initially targeting local telephone service for areas where their telecommunications infrastructure is already established, very little construction is envisioned. However, there will be occasion where the petitioners will need to install fiber optic cable within existing utility underground conduits or attach cables to overhead lines. There is the possibility that existing utility conduits or poles will be unable to accomodate all the planned facilities, thereby forcing some petitioners to build or extend additional conduits into other rights-of-way, or into undisturbed areas. For more details on the project description please see **Project Description** in the Negative Declaration.

Roles and Responsibilities:

As the lead agency under the California Environmental Quality Act (CEQA), the Commission is required to monitor this project to ensure that the required mitigation measures are implemented. The Commission will be responsible for ensuring full compliance with the provisions of this monitoring program and has primary responsibility for implementation of the monitoring program. The purpose of this monitoring program is to document that the mitigation measures required by the Commission are implemented and that mitigated environmental impacts are reduced to insignificance or avoided outright.

Because of the geographic extent of the proposed projects, the Commission may delegate duties and responsibilities for monitoring to other environmental monitors or consultants as deemed necessary. For specific enforcement responsibilities of each mitigation measure, please refer to the Mitigation Monitoring Table attached to this plan.

The Commission has the ultimate authority to halt any construction, operation, or maintenance activity associated with the CLC's local telephone service projects if the activity is determined to be a deviation from the approved project or adopted mitigation measures. For details refer to the mitigation monitoring plan discussed below.

Mitigation Monitoring Table:

The table attached to this plan presents a compilation of the Mitigation Measures in the Negative Declaration. The purpose of the table is to provide the monitoring agencies with a single comprehensive list of mitigation measures, effectiveness criteria, the enforcing agencies, and timing.

Dispute Resolution Process:

The Mitigation Monitoring Plan is expected to reduce or eliminate many potential disputes. However, in the event that a dispute occurs, the following procedure will be observed:

Step 1: Disputes and complaints (including those of the public) shall be directed first to the Commission's designated Project Manager for resolution. The Project Manager will attempt to resolve the dispute.

Step 2: Should this informal process fail, the Commission Project Manager may initiate enforcement or compliance action to address deviation from the proposed project or adopted Mitigation Monitoring Program.

Step. 3: If a dispute or complaint regarding the implementation or evaluation of the Mitigation Monitoring Program or the Mitigation Measures cannot be resolved informally or through enforcement or compliance action by the Commission, any affected participant in the dispute or complaint may file a written "notice of dispute" with the Commission's Executive Director. This notice shall be filed in order to resolve the dispute in a timely manner, with copies concurrently served on other affected participants. Within 10 days of receipt, the Executive Director or designee(s) shall meet or confer with the filer and other affected participants for purposes of resolving the dispute. The Executive Director shall issue an Executive Resolution describing his decision, and serve it on the filer and the other participants.

Parties may also seek review by the Commission through existing procedures specified in the Commission's Rules of Practice and Procedure, although a good faith effort should first be made to use the foregoing procedure.

Mitigation Monitoring Program:

1. As discussed in Mitigation Measure B, the petitioners shall file a quarterly report which summarizes those projects which they intend to construct for the coming quarter. The report will contain a description of the project and its location, and a summary of the petitioner's compliance with the Mitigation Measures described in the Negative Declaration. The purpose of the report is to inform the local agencies of future projects so that coordination of projects among petitioners in the same locality can be done. The quarterly report shall be filed with the appropriate planning agency of the locality where the project(s) will occur. The report shall also be filed as an informational advice letter with the Commission's Telecommunications Division so that petitioner compliance with the Mitigation Measures are monitored..

In order to ensure that the Mitigation Measures are fulfilled, the Commission will make periodic reviews of the projects listed in quarterly reports. The projects will be generally chosen at random, although the Commission will review any project at its discretion. The reviews will follow-up with the local jurisdictions so that all applicable Mitigation Measures are addressed.

If any project is expected to go beyond the existing utility rights-of-way, that project will require a separate petition to modify the CPCN. The petitioner shall file the petition with the Commission and shall also inform the affected local agencies in writing. The local agencies are also responsible for informing the Commission of any project listed in the quarterly reports which may potentially go out of the existing utility right-of-way. As discussed in Mitigation Measure A, a complete environmental review of the project will be triggered under CEQA, with the Commission as the lead agency.

2. In the event that the petitioner and the local agency do not agree if a project results in work outside of the utility rights-of-way, the Commission will review the project and make the final determination. See **Dispute Resolution Process** discussed above.

3. For projects that are in the utility rights-of-way, the petitioners shall abide by all applicable local standards as discussed in the Mitigation Measures. If a petitioner fails to comply with local regulatory standards by either neglecting to obtain the necessary permits, or by neglecting to follow the conditions of the permits, the local agency shall notify the Commission and **Dispute Resolution Process** begins..

4. The Commission is the final arbiter for all unresolvable disputes between the local agencies and the petitioners. If the Commission finds that the petitioner has not complied with the Mitigation Measures in the Negative Declaration, it may halt and terminate the project.

Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring/Reporting Action	Effectiveness Criteria	Responsible Agency	Timing
ALL FACTORS					
Extension or work beyond or outside of of the existing utility right-of-way into undisturbed areas.	A. Petitioner must file a Petition to modify its CPCN. An appropriate environmental study of the project is done.	Quarterly reports.	Any work outside of existing utility right-of-way is assessed through an environmental study.	CPUC	Before construction
CUMULATIVE EFFECTS					
Cumulative impacts due to multiple disturbances to a particular area.	B. Coordination efforts among the petitioners and the affected local agencies so that construction projects in the same location can be combined or simultaneous.	Quarterly reports.	The number and duration of disturbances to a particular area are minimized.	Local agencies.	Before construction
GEOLOGICAL RESOURCES					
Potential erosion due to excavation, grading and fill.	C. Petitioners shall comply with all local design, construction and safety standards through permit process. Erosion control plans for areas identified as susceptible to erosion.	Quarterly reports.	Erosion at the project areas is contained.	Local agencies.	Before and during contruction.
WATER RESOURCES					
Potential impact on water resouces, underground or surface due to excavation or grading work.	D. Petitioners shall consult with all appropriate water resource agencies for projects in close proximity to water resouces. Appropriate mitigation plans shall be developed and compliance to all local and state water regulations is required.	Quarterly reports.	Impacts to water quality, drainage, flow, direction and quantity are averted.	Federal agencies Local agencies. Applicable state water resource agencies.	Before and during construction.

* The CPUC is ultimately responsible for compliance with the mitigation measures listed in this document, but shall defer the responsibility to federal, state and local agencies, unless otherwise designated.

Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring/Reporting	Effectiveness	Responsibility	Timing
AIR QUALITY					
Excessive dust and other air emissions due to construction.	E. Appropriate dust control measures by petitioner. Compliance with all applicable air quality standards as established by air quality management districts.	Quarterly reports.	Dust and other emissions are contained. Air quality standards for area are met.	Air quality management districts.	Before and during construction.
TRANSPORTATION & CIRCULATION & PUBLIC SERVICES					
Traffic congestion, insufficient parking, and hazards for pedestrians. Impacts upon public service facilities located in utility right-of-way.	F. Coordination by petitioners through local agencies to minimize right-of-way encroachments. All local safety and construction standards shall be met through the local permit process. Advance notice to surrounding area of construction date and time. Consultation w/ local agencies on appropriate restoration of impacted public service facilities in right-of-way.	Quarterly reports.	Traffic congestion is minimized. Public service facilities restored appropriately.	Caltrans Local agencies.	Before and during construction.
HAZARDS					
Construction in right-of-way may interfere with emergency or evacuation plans.	G. Measure F above shall be augmented by informing and consulting with emergency and evacuation agencies if the proposed project impacts a route used for emergencies or evacuations.	Quarterly reports.	Construction projects do not interfere with emergency or evacuation routes.	Local agencies.	Before and during construction.

Mitigation Monitoring Table

Impact	Mitigation Measure	Monitoring/Reporting Action	Effectiveness Criteria	Responsible Agency	Timing
HAZARDS					
Potential increase in overhead poles and communication lines.	G. Petitioner shall obtain all necessary building permits for the poles. CPUC will inspect the overhead lines.	Quarterly reports.	Poles are built in compliance with local safety standards. Lines are inspected and maintained as safe.	CPUC Local agencies.	Before and during construction.
NOISE					
Noise standards for the area are exceeded due to construction.	H. All applicable noise standards shall be complied with by the petitioners. Petitioners shall notice the surrounding area of constructions dates and times.	Quarterly reports.	Noise from construction is kept to levels that do not exceed local standards.	Local agencies.	Before and during construction.
AESTHETICS					
Service boxes or cabinets may be a visual blight. Landscaping in utility right-of-way may be impacted by trenching.	I. All applicable aesthetic standards will be met by petitioners for above-ground facilities, especially service cabinets. Consult with local agencies on proper restoration of landscaping.	Quarterly reports.	Cabinets are placed within existing buildings, underground, or in areas that are landscaped so that aesthetic impacts are minimized. Landscaping restored to original form.	Local agencies.	Before and during construction.
CULTURAL RESOURCES					
Cultural resources are encountered during construction; resources are damaged or moved.	J. All earthmoving that would impact the resources shall cease or be altered until the petitioner retains the service of an archaeologist who will propose mitigation. Thorough research done prior to construction to avoid known resources.	Quarterly reports.	Cultural resources that are encountered are not destroyed or adversely impacted.	Local, state and/or federal agencies.	Before and during construction.

(END OF ATTACHMENT B)

Attachment C

List of Deficiencies in Tariffs Filed by Whole Earth Networks LLC's tariff filing in A.96-08-017 to be corrected in Tariff Compliance Filing.

Hereinafter, "Tariff No. 1-T" and "Tariff No. 2-T" refer to Schedule Cal P.U.C. 1-T, and Cal. P.U.C. 2-T, respectively, of the sample tariffs accompanying Whole Earth Network's Application, as revised by its November 20, 1996, filing.

1. Include sample forms in your compliance filing following certification.

2. Some revised tariff sheets contain a sheet number on the first line which is reserved for the tariff schedule number, others do not, e.g. see revised Tariff No. 1-T, Sheet 20.

3. Tariff No. 1-T, Sheet 26. Overpayment Whole Earth Networks cannot limit customers' claims for overpayment to within one year of the alleged overpayment. Change the period of limitation to three years to reflect a more reasonable time period.

4. Tariff No. 2-T, Sheets 16 and 22 Residential Lifeline Rates, discounts applicable to ULTS. Sheet No. 22 states that charges associated with Premises visits will be 50% of charges listed in Schedule 2-T, Sheet No. 49. It is installation charges, not premises visits that qualify for the 50% discount.

5. Tariff No. 2-T, Sheet 58, Deposits states "The deposit may be based on an estimate of two months' service as determined by the Subscriber, or the Company's network average usage considering the type and nature of the Subscriber's service." The amount of the deposit cannot be based on the subscriber's estimated usage. Per Rule 5 of Appendix B of D.95-07-054, deposits shall be no greater than twice the estimated monthly bill for the class of service applied for. Change the tariff language to conform with Rule 5.

(END OF ATTACHMENT C)