8 FRONTIER CORPORATE AND CALIFORNIA FINANCIALS AND ILEC INVESTMENT POLICIES

Principal observations and takeaways

- Having grossly overpaid Verizon for the 2016 California-Texas-Florida (“CTF”) acquisition, Frontier assumed a massive debt burden that cannot be sustained.
- Most of that overpayment had been carried as “Goodwill” or “Other Intangibles” on Frontier’s corporate balance sheet; by the end of 2019, all of that Goodwill and most of the Other Intangibles have been written off.
- By the end of 2019, Frontier’s total debt was more than $18.3-billion, and the Company’s total debt service (interest and amortization) payments in 2019 were more than $3.5-billion.
- Frontier’s California customer base continued to dwindle, to the point where it has lost foughly 50% of the POTS access line customers it had acquired in the 2016 purchase.
- Frontier’s net income declined following each successive acquisition, to the point where it has now been negative for seven consecutive quarters.
- Frontier’s melt-down and ultimate Chapter 11 bankruptcy filing confirms the inescapable fact that Frontier had grossly overpaid Verizon for the CTF assets.
- Unlike AT&T, which had raised its legacy flat-rate residential POTS rates by 152% since the onset of URF, Verizon’s rates for this service had risen by only 31% as of the date of the sale to Frontier, and Frontier had not effected any rate increase since the acquisition throgh the end of 2019.
- Since acquiring the California ILEC from Verizon in 2016, Frontier continued to invest less in Gross Plant Additions than it took in retirements and depreciation accruals, resulting in a net disinvestment of $469.5-million.

FRONTIER CORPORATE AND CALIFORNIA FINANCIALS AND ILEC INVESTMENT POLICIES

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A lot has happened to Frontier since our Phase 1 Report

In our April 2019 Report on Phase 1 of this Network Examination, we expressed serious concerns as to Frontier's near-term and ongoing ability to maintain and modernize its California wireline ILEC network so as to provide reliable service to California consumers. We noted that Frontier has been hemorrhaging customers in all major service categories across all of its 29-state footprint since its last major acquisition in 2016, as summarized in Table 8.1 below:

Table 8.1

FRONTIER COMMUNICATIONS CORP.
CUSTOMER COUNTS BY SERVICE CATEGORY, 2016-2019

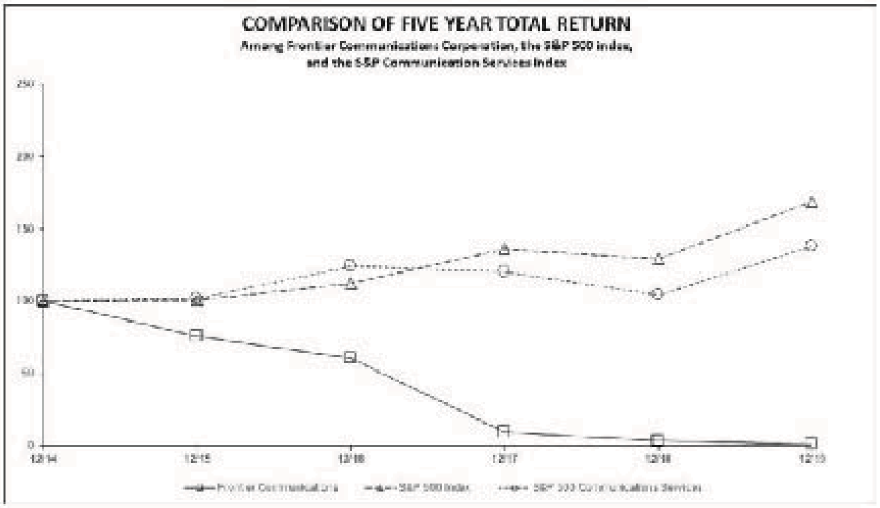
	Voice	Broadband	Video
1Q2016 (pre-CTF)	3,372,000	2,487,000	238,000
2Q2016	5,771,000	4,570,000	1,628,000
3Q2016	5,551,000	4,362,000	1,222,000
4Q2016	5,393,000	4,271,000	1,145,000
1Q2017	5,220,000	4,164,000	1,065,000
2Q2017	5,058,000	4,063,000	1,007,000
3Q2017	4,949,000	4,000,000	961,000
4Q2017	4,850,000	3,938,000	981,000
2Q2018	4,667,000	3,863,000	902,000
3Q2018	4,574,000	3,802,000	873,000
4Q2018	4,471,000	3,735,000	838,000
1Q2019	4,395,000	3,698,000	784,000
2Q2019	4,292,000	3,626,000	738,000
3Q2019	4,193,000	3,555,000	698,000
4Q2019	4,118,000	3,513,000	660,000

Source: Frontier Communications Corp. Forms 10-Qs; 10-Ks

On April 1, 2016, Frontier Communications Corp. completed its acquisition of what is now Frontier California under a three-state ILEC purchase from Verizon that also included Verizon ILEC operations in Florida and Texas (the "CTF acquisition"). Frontier paid Verizon $10.54-billion in cash for the three ILECs, and financed the purchase primarily through the issuance of new debt. Even before Frontier took over control of these three Verizon ILECs, its stock had fallen by around 33% from the (equivalent of) $125.70, where it had been February 9, 2015, shortly after the deal with Verizon had been announced. On July 10, 2017, Frontier implemented a 1-for-15 share reverse split so as to avoid de-listing of its stock. On December 16, 2020. Frontier stock was trading at 10.8¢ per share, down 99.91% from its February 2015 high (see Figure 8.1 below).

Figure 8.1. Frontier Communications Corp. Common Stock share prices, 5-year history.(Source: Google Finance, as of December 16, 2020)

Frontier's 2019 Form 10-K filing puts the extreme distress under which the company has been operating in graphic perspective, by highlighting the cumulative return experienced by its shareholders relative to the concurrent performance of the S&P 500 index and the S&P Communications Sector index (see Figure 8.2 below):



The graph assumes that $100 was invested on December 31, 2014 in each of our common stock, the S&P 500 Stock Index and the S&P Communication Services Index and that all dividends were reinvested.

Company / Index	Base Period 12/14	12/15	12/16	INDEXED RETURNS Years Ending 12/17	12/18	12/19
Frontier Communications Corporation	100	75.67	60.20	9.63	3.39	1.27
S&P 500 Index	100	100.75	112.06	135.70	128.99	168.59
S&P Communication Services	100	101.84	124.00	120.67	104.12	137.59

The foregoing performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended, except to the extent we specifically incorporate it by reference into such filing.

Figure 8.2. Frontier's cumulative five-year total return in comparison to the five-year total return for all S&P 500 Index stocks and for all S&P Telecommunications Services Index stocks. (Source: Frontier Communications Corp. 2019 Form 10-K, at p. 30)

Following the 2016 CTF purchases, Frontier became the nation's fourth largest ILEC with roughly 5.77-million residential and business customers (roughly corresponding to about 8.77-million switched access lines) across 28 states,[58] but in making these various acquisitions, the company had assumed $11.9-billion in new debt, bringing its total debt as of the end of 2017 to around $17-billion. By the end of 2019, Frontier's ILEC access lines had eroded by 28.6% to approximately 6.33-million. Its total long-term debt was only slightly lower than in 2017, at $18.3-billion.

58. "Frontier Communications to Acquire Verizon's Wireline Operations in California, Florida and Texas, Doubling Frontier's Size and Driving Shareholder Value," Press Release, February 5, 2015 http://investor.frontier.com/releasedetail.cfm?ReleaseID=895055 [accessed on July 15, 2015].

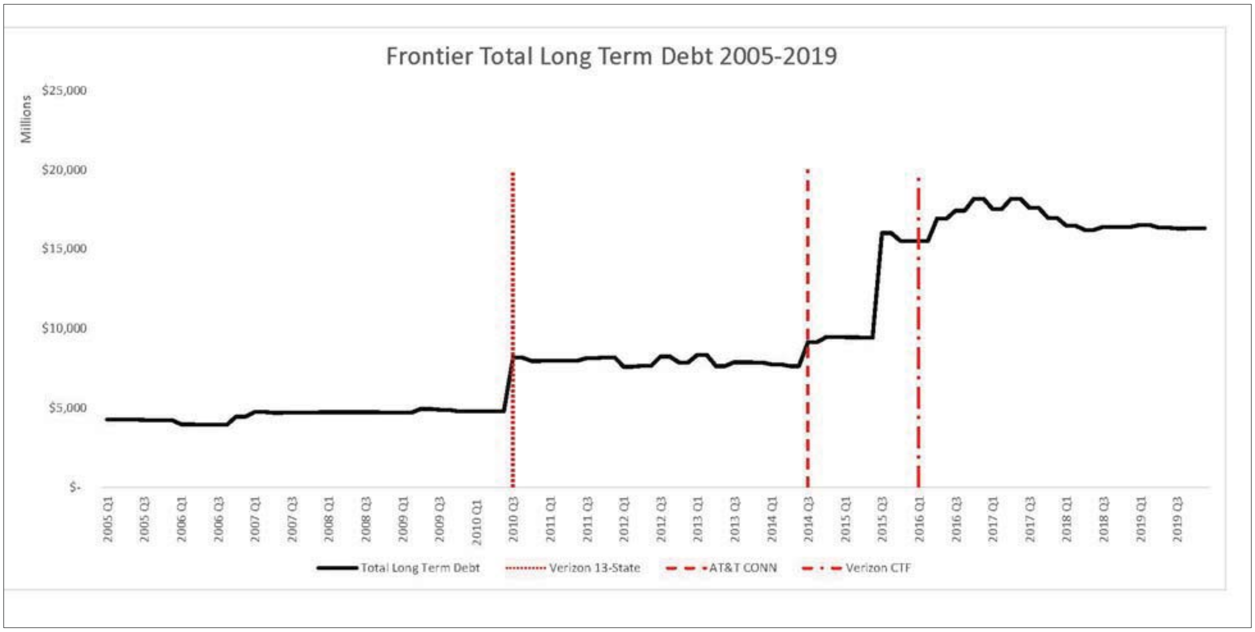


Figure 8.3. Frontier has financed its succession of ILEC acquisitions primarily through the issuance of debt. (Source: Frontier Communications Corp. Forms 10-K, 10-Q)

Frontier's growth strategy has, in each case, involved the absorption of large, multi-state operations, some of which had been larger in size than the pre-acquisition Frontier. Notably, and as illustrated on Figure 8.4 below, each of these acquisitions produced a large, one-time revenue spike followed in each instance by revenue erosion from the new immediate post-acquisition level – producing a sort of "sawtooth" effect. In the first quarter of 2016 – the last 3-month period immediately preceding the Verizon acquisition – Frontier companywide revenue was running at an annual rate of roughly $5.4-billion. In the second quarter of 2016 – immediately following the Verizon acquisition – Frontier revenue had nearly doubled, jumping to an annual rate of around $10.4-billion. But by the final quarter of 2019, Frontier's total revenue was running at an annual rate of less than $7.8-billion. In other words, in less than four years, Frontier had given up more than half of the $5-billion revenue gain that had resulted from its 2016 CTF acquisition. Note that this revenue erosion was not confined to those three states, but occurred across all of Frontier's operating areas. But the company had acquired that additional $5-billion in operating revenues by incurring more than $11-billion in new debt, and while its revenue gain had been cut in half, its total debt remained only slightly below its 2016 post-acquisition level.

☞ Having grossly overpaid Verizon for the 2016 California-Texas-Florida ("CTF") acquisition, Frontier assumed a massive debt burden that cannot be sustained.

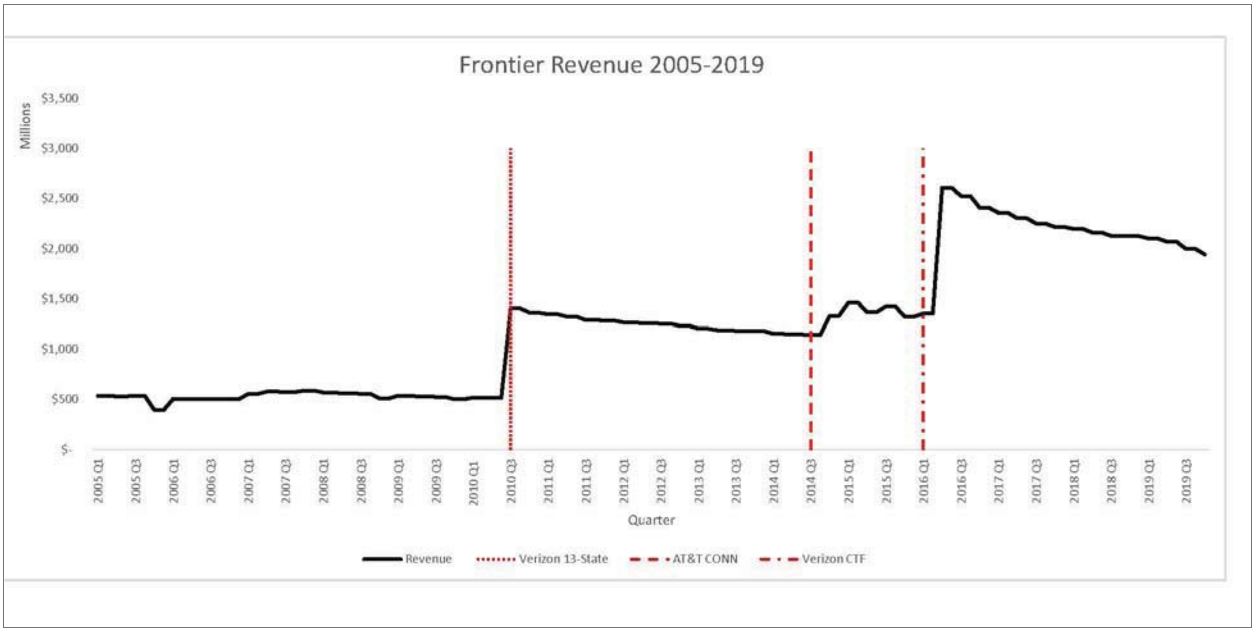


Figure 8.4. Frontier Communications Corp. Revenues, 2005-2019.
(Source: Frontier Communications Corp. Forms 10-K, 10-Q).

☞ Most of that overpayment had been carried as "Goodwill" or "Other Intangibles" on Frontier's corporate balance sheet; by the end of 2019, all of that Goodwill and most of the Other Intangibles have been written off.

The same type of "sawtooth" effect – but even more pronounced – can be seen in the demand for access lines (Figure 8.5). As these "sawtooth" graphs suggest, Frontier was pursuing massive acquisitions into a market – wireline circuit-switched voice telephony – that was already in a steep decline.

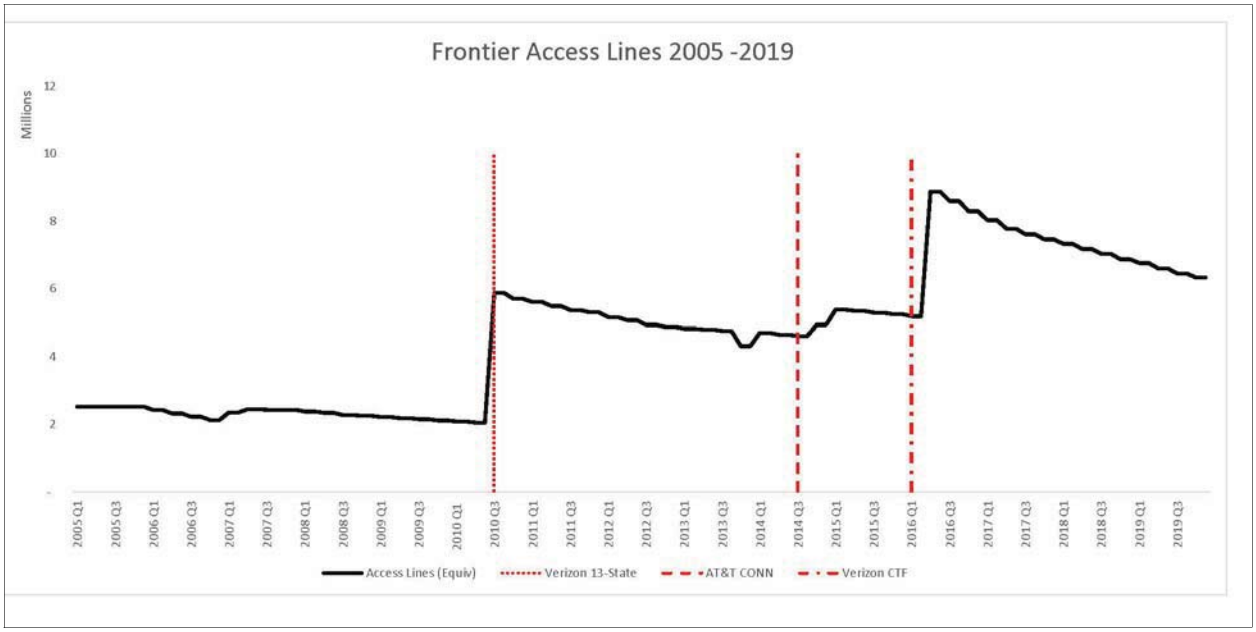


Figure 8.5. Frontier Communications Corp. Switched Access Lines in Service, 2005-2019. (Source: Frontier Communications Corp. Forms 10-K, 10-Q)

☞ By the end of 2019, Frontier's total debt was more than $18.3-billion, and the Company's total debt service (interest and amortization) payments in 2019 were more than $3.5-billion.

Frontier's spate of acquisitions dating back to 2006 were accomplished at a total cost of $22.4-billion, financed by $10.5-billion in new equity and some $14.1-billion in new debt.[59] As shown in Figure 8.3 above, by the end of 2019, Frontier's total debt was more than $16.3-billion, and the Company's total debt service (interest and amortization) payments in 2019 were more than $3.5-billion.[60] Together with the persistent drop-off in customers and revenues, this resulted in severe cash flow challenges and major earnings erosion despite the revenue growth overall. At year-end 2019, Frontier's debt-to-revenue ratio was 2.01, up from 1.86 as of year-end 2017. Frontier's cost of debt is now well into the junk bond range. Thus, some $1.53-billion out of the total 2019 debt service of $3.54-billion represents interest on that debt.

As we discussed in the Phase 1 Report, in its purchase of Verizon's three ILECs in April 2016, the price that Frontier paid to Verizon was well in excess of the amount that Verizon had

59. Frontier 10-K reports, 2007-2019. In mid-2006, Frontier carried about $3.95-billion in total long-term debt. At year-end 2016, immediately following the CTF acquisition, Frontier's long-term debt sat at just under $18.2-billion.

60. Frontier 2019 Form 10-K, at F-5 (Consolidated Balance Sheets); F-6 (Consolidated Statements of Operations); F-8 (Consolidated Statements of Cash Flows).

been carrying on its books for these assets. That excess over book value is carried as "Goodwill" on parent company Frontier Communications, Corp.'s balance sheet. Frontier explained the basis for this treatment as follows: "Goodwill represents the excess of purchase price over the fair value of identifiable tangible and intangible net assets acquired."[61] Goodwill would not be includable as a rate base asset under RORR, yet its acquisition created a real cost to Frontier in terms of cost of capital (debt and equity) plus any periodical amortization of the premium amount that Frontier may deem it necessary to make. Indeed, it is even possible that the California ILEC could be earning a satisfactory rate of return under traditional RORR standards while sustaining losses on a financial basis, which necessarily includes any premium above book value that it had paid to Verizon for the CTF acquisition

Out of the $10.54-billion that Frontier paid Verizon when the deal closed in April 2016, it allocated some $2.5-billion to "Goodwill" and another $2.16-billion to "Other Intangibles," which it attributed primarily to the value of Verizon's 3-state "Customer Base" that was included in the acquisition.[62] In the case of the Frontier California ILEC entity, Frontier recorded $517.1-million of Goodwill at the time of acquisition.[63] In 2017, Frontier California Goodwill was increased by $93.97-million to $611.1-million.[64] In 2019, the entire $611.1-million in Goodwill was written-off Frontier California's regulatory accounting books.[65] Since Goodwill of this type would never be accepted as a rate base asset for regulatory purposes, it is entirely unclear as to why it was even recorded at all on Frontier's regulatory accounting records. Only $6.24-billion out of the total CTF purchase price was associated with "Property, Plant and Equipment."[66] At year-end 2016, some $12-34-billion out of Frontier Communications Corp.'s $29-billion of Total Assets was associated with Goodwill and Other Intangibles;[67] at year-end 2019, all of Frontier's Goodwill had been written off, and its "Other Intangibles" had eroded to just over $1-billion.[68]

In its 2019 Form 10-K, Frontier explained that it had "recorded aggregate Goodwill Impairments totaling $5,725 million, $641 million and $2,748 million for 2019, 2018 and 2017, respectively. In the third quarter of 2019, [Frontier} impaired the $276 million remaining balance of [its] goodwill. This impairment and the write down of the balance of [its] goodwill was largely driven by a lower enterprise valuation utilized in [its] testing which reflected, among

61. Frontier 2016 Annual Report and Proxy Statement, at p. F-11.

62. Frontier 2016 Annual Report, at F-15.

63. Frontier California 2016 ARMIS Form 43-02, at Table B-1.

64. Frontier California 2017 ARMIS Form 43-02, at Table B-1.

65. Frontier California 2019 ARMIS Form 43-02, at Table B-1.

66. *Id.*

67. *Id.,* at F-5.

68. Frontier 2019 Form 10-K, at F-5.

other things, pressures on [Frontier's] business resulting in a continued deterioration in revenue, challenges in achieving improvements in revenue and customer trends, the long-term sustainability of [its] capital structure, and the lower outlook for [its] industry as a whole."[69]

These write-downs of intangibles resulted in a net 2019 Operating Loss of $4.87-billion. However, since the write-downs do not affect cash, when the write-downs are ignored, Frontier's 2019 Operating Income (before the intangible write-downs) was a *positive* $852-million. But total 2019 debt service payments (principal repayments plus interest) were $3.54-billion, well in excess of the company's cash income for that year.[70]

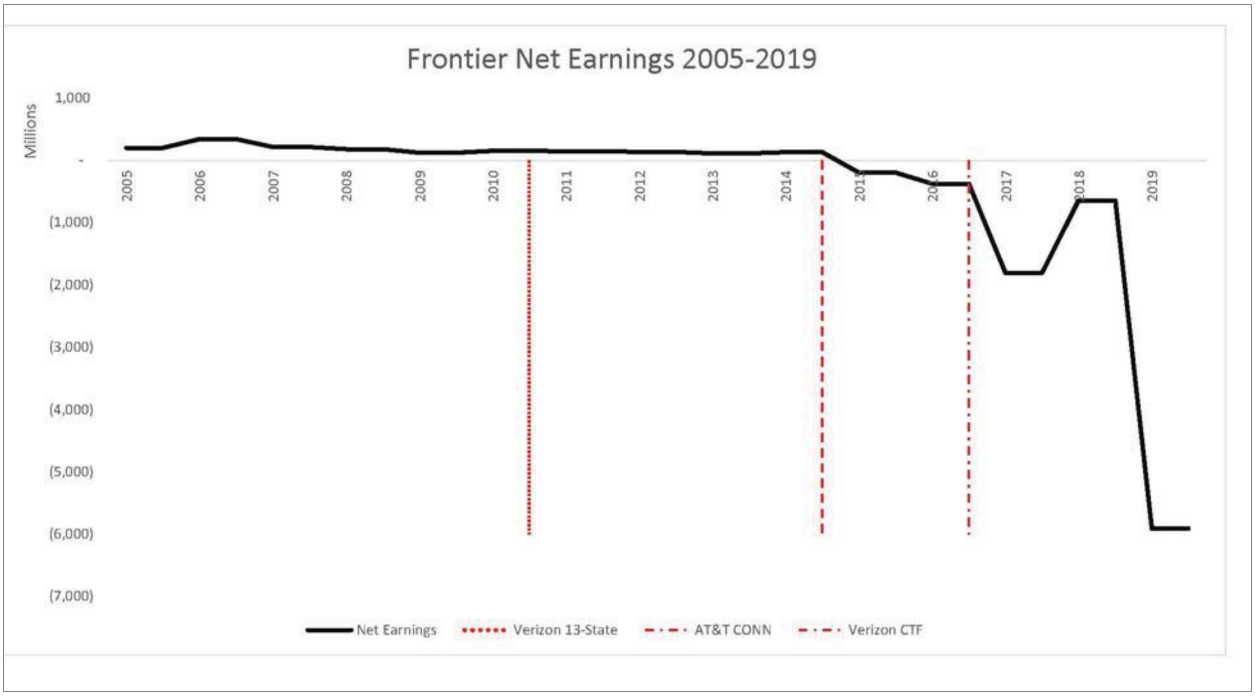


Figure 8.6. Frontier corporate net earnings have plummeted in the years since the 2016 California, Texas and Florida acquisitions from Verizon.

Frontier's 2019 Form 10-K gives end-of-year long-term debt at $16.31-billion, with total long-term and current liabilities at $19.1-billion. Total assets are shown as $17.49-billion, and total shareholder equity is given as a *negative* $4.39-billion. Frontier's spate of major acquisitions, while expanding its overall revenue base, has had precisely the opposite effect upon its overall profitability. As shown in Figure 8.6, the company's profits, which had peaked in 2006 at over $350-million, had turned into losses of $1.8-million in 2017.[71] These decreases in profit

69. *Is.*, at 22.

70. Frontier 2019 Form 10-K, at F-6.

71. Frontier 2017 Form 10-K, at 27.

are driven largely by two main factors – the steady and continuing erosion of its core wireline customer base, and a cost structure that has a large, volume- and traffic-insensitive component. At this point, Frontier has no realistic ability to raise equity capital, and whatever new debt capital that might be available to the company would almost certainly involve massive costs.

☞ Frontier's net income declined following each successive acquisition, to the point where it has now been negative for seven consecutive quarters.

Notably, Verizon had no amount for "Goodwill" shown on its regulatory accounting balance sheet, as reflected on its ARMIS Form 43-02 submissions. However, Frontier California had included a portion of the "Goodwill" resulting from the premium over book value that it had paid for the Verizon California assets on its 2016 and 2017 ARMIS Forms 43-02 filed with the CPUC. In 2016, Frontier California recorded as a gross addition a Goodwill amount of $511.12-million. For 2017, Goodwill gross additions are shown as $93.97-million, for a total end-of-year 2017 value of $611.09-million. To put these amounts in context, consider that, according to Frontier California's Form 43-02 for 2017, the Company's total *net* assets as of the end of 2017 were $3.42-billion. Thus, the $611.09-million of Goodwill resulting from the excessive purchase price of the Verizon assets represents 17.9% of the Company's total net assets. As of year-end 2019, the entire remaining $611.09-million in Verizon California Goodwill was writren off, resulting in total Verizon California net assets of $3.21-billion

Figure 8.7 compares Frontier's Operating Income with its debt service (debt repayment plus interest) obligations over the 2005-2019 period.

☞ Frontier's meltdown and ultimate Chapter 11 bankruptcy filing confirms the inescapable fact that Frontier had grossly overpaid Verizon for the CTF assets.

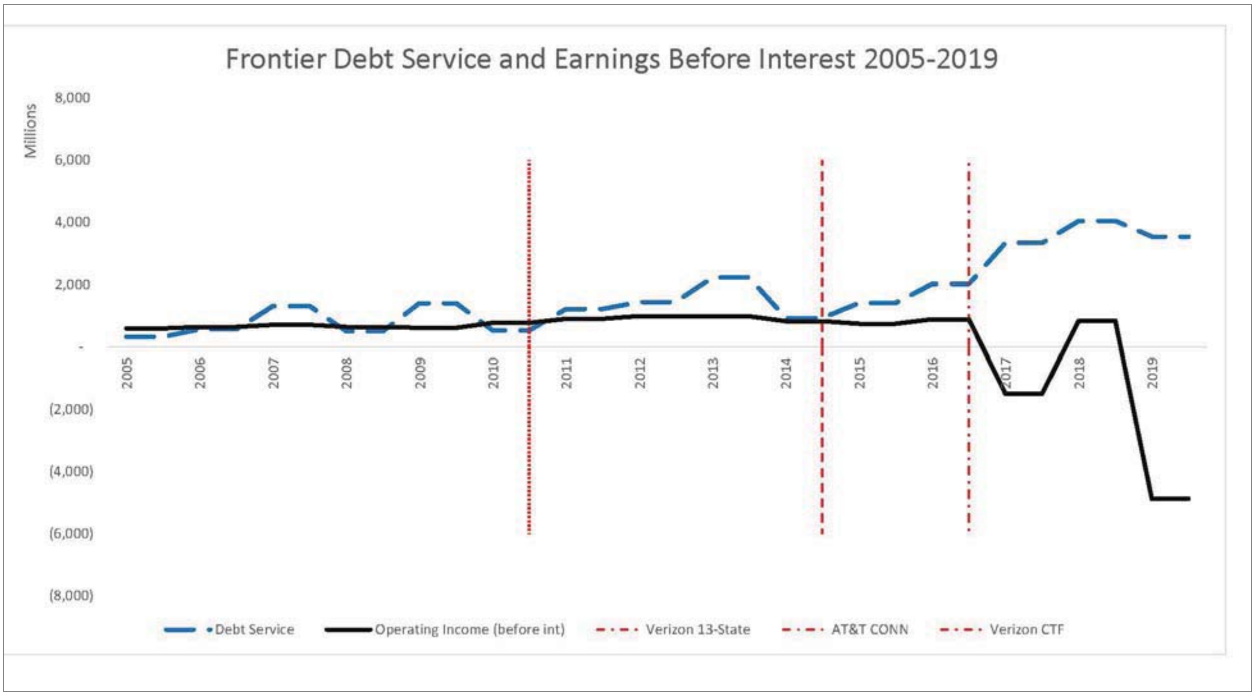


Figure 8.7. Frontier's corporate debt service continued to increase while its operating revenues have plummeted. (Source: Frontier Communications Corp. Forms 10-K, 10-Q)

In addition to its overall leverage increases resulting from the succession of new debt as reflected in Figure 8.7 above, Frontier's cost of debt had also been pushed skyward due to a series of downgrades by Moody's to the company's credit rating since the CTF acquisition. Moody's has downgraded Frontier's credit rating three separate times, from Ba3 to B1 in November 2016, from B1 to B2 in May 2018 and again, from B2 to B3, in November 2018.[72] Having filed for Chapter 11 protection, Frontier's access to additional debt or equity financiing at this point is all but nonexistent.

Verizon California had been experiencing customer drop-offs for years preceding the Frontier acquisition

Prior to its 2016 sale to Frontier, Verizon California had been experiencing a steady decline in its legacy switched access lines in service for a number of years. Between January 2010 and March 31, 2016, the last day that Verizon owned the company, its switched access lines decreased by about 56.2%, from 2,778,584 to 1,216,829. In fact, between February 5, 2015,

72. Moody's Investors Service, November 2nd, 2017: "Moody's downgrades Frontier to B3, outlook remains negative."

when the Securities Purchase Agreement for the CTF deal was signed by the two companies,[73] and the April 1, 2016 closing date, Verizon California switched access lines in service had fallen by 16.3% from about 1,453,444 (as of the end of January 2015) to 1,216,829. We don't have corresponding figures for Texas or Florida, but it's safe to assume that the results there were similar. Incredibly, the Securities Purchase Agreement did not include any provision for an adjustment in the purchase price to reflect any change in the size of the three ILECs' customer base as of the final closing date. The downward trend in the number of legacy circuit-switched access lines persisted into the post-transaction era. By 2019, average circuit-switched access lines in service had fallen by 82.8% relative to the 2010 level. Table 8.2 below extends the average number of switched access lines into the 2016-19 period:

Table 8.2

VERIZON/FRONTIER CALIFORNIA
AVERAGE LEGACY SWITCHED ACCESS LINES IN SERVICE
2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	VERIZON						FRONTIER			
VZ/FTRCA	2,641,467	2,322,926	1,991,862	1,706,402	1,507,460	1,368,589	1,154,018	951,351	746,975	615,964
% of 2010		87.9%	75.4%	64.6%	57.1%	56.1%	43.7%	36.0%	28.3%	23.3%
% of FTR acquisition							94.8%	78.2$	61.4%.	50.6%

Source: CA POTS lines in service derived from GO 133-C/D § 3.3 and 3.4 Trouble Reports per 100 Lines (TRPH) quarterly filings, 2010-2019. Switched access lines are average over each year. "% of FTR Acquisition" is based upon 1,216,829 FTR Access Lines in Service as of 4/1/16.

Verizon California financial data for 2010 has not been provided. Between 2011 and 2015, Verizon saw a 41.1% drop in average legacy switched access lines over the 2010-2015 period, Notably, despite this, Verizon California gross revenues remained relatively constant through 2015. However, following Frontier's takeover of the company, the California ILEC's revenues went into a steep decline, as summarized on Table 8.3 below:

73. *I/M/O Joint Application of Frontier Communications Corporation, Frontier Communications of America, Inc. (U 5429 C), Verizon California Inc. (U 1002 C), Verizon Long Distance, LLC (U 5732 C, and Newco West Holdings LLC for Approval of Transfer of Control Over Verizon California Inc. and Related Approval of Transfer of Assets and Certifications*, A.15-03-005, filed March 18, 2015, Exhibit 1.

Table 8.3

VERIZON/FRONTIER OPERATING REVENUES HAVE DECREASED, BUT BY FAR LESS THAN THE DECREASE IN LEGACY SWITCHED ACCESS LINES, 2011-2019 ($000)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
	VERIZON					FRONTIER			
Revenues	$3,128,706	$2,757,563	$2,728,855	$3,285,034	$3,121,477	$2,252,145	$2,054,289	$1,916,500	$1,817,655
% of 2011		100.0%	87.2%	119.1%	113.2%	81.7%	65.7%	61.3%	58.1%
Avg. Switched access lines	2,322,926	1,991,862	1,706,402	1,507,460	1,368,589	1,154,018	951,351	746,975	615,964
% of 2011		85.7%	73.5%	64.9%	58.9%	49.7%	40.9%	32.2%	26.5%
Avg. Op. Rev. Per Switched Access Line	$1,347	$1,384	$1,599	$2,179	$2,281	$1,951	$2,159	$2,565	$2,951

NOTE DATA FOR 2010 IS NOT AVAILABLE, SO ANALYSIS IS BASED ON 2011-2015. Source: Verizon/ Frontier CA ARMIS Form 43-01 as filed with CPUC; POTS lines in service derived from GO 133-C/D § 3.3 and 3.4 Trouble Reports per 100 Lines (TRPH) quarterly filings, 2010-2019. Switched access lines are average over each year.

Of course, a portion of the Verizon/Frontier California operating revenues come from services other than legacy POTS lines. It is thus instructive to compare the decrease in switched access lines more directly with the principal revenue sources associated with these services. Fortunately, more detailed revenue data is provided in the annual financial reports, ARMIS Forms 43-01, 43-02 and 43-03, that were filed by Verizon and Frontier with the CPUC. However, this breakdown is only available for the period of Verizon ownership (2011-2015) and for the former GTE California (U-1002) entity, as summarized in Table 8.4 below.

As these data demonstrate, when confined to only those revenue sources directly attributable to legacy switched access line services – specifically, USOA Account 5001 (Basic Area Revenue), USOA Account 5081 (End User Common Line revenue), and USOA Account 5082 (Switched Access revenue) – Verizon California legacy access line-related revenues decreased by about 38.8%, only slightly less than the 42% drop in switched access line demand, over the 2011-2015 period. Switched access rates, which remain subject to tariff at both the state and federal levels, had remained unchanged over the 2010-2017 period.

Table 8.4

VERIZON/FRONTIER CALIFORNIA (U-1002) LEGACY SWITCHED ACCESS LINE REVENUES HAVE DECREASED ROUGHLY IN PROPORTION TO THE DECREASE IN LEGACY SWITCHED ACCESS LINES, 2011-2019 ($000)

	2011	2012	2013	2014	2015	2016	2017	2018	2019
	VERIZON					FRONTIER			
USOA Acct 5001 Basic Area Rev	$670,218	$566,696	$591,229	$429,960	$389,036	$282,413	$219,314	$199,756	$182,426
USOA Acct 5081 EUCL Revenue	$220,551	$198,073	$191,186	$186,869	$171,415	$123,579	$97,175	$83,601	$76,615
USOA Acct 5082 Switched Access	$174,462	$44,270	$42,549	$114,878	$91,143	$88,246	$79,357	$71,691	$66,513
Total switched access line rev	$1,065,231	$809,039	$824,964	$731,707	$651,594	$494,238	$395,846	$355,048	$325,554
% of 2011		75.95%	77.44%	68.69%	61.17%	46.40%	37.16%	33.33%	30.56%
Avg. Switched access lines (000)	2,322,926	1,991,862	1,706,402	1,507,460	1,368,589	1,154,018	951,351	746,975	615,964
% of 2011		85.75%	73.46%	64.89%	58.92%	49.68%	40.95%	32.16%	26.52%
$ per switched access line	$458.57	$406.17	$483.45	$485.39	$476.11	$428.28	$416.09	$475.31	$528.53

NOTE DATA FOR 2010 IS NOT AVAILABLE. ANALYSIS IS BASED ON 2011-2015. Source: Verizon CA ARMIS Form 43-01 as filed with CPUC; POTS lines in service derived from GO 133-C/D § 3.3 and 3.4 Trouble Reports per 100 Lines (TRPH) quarterly filings, 2011-2015. Switched access lines are average over each year.

However, local switched POTS access line rates other than California LifeLine[74] have been detariffed and have been subject to modest rate increases – substantially less than those implemented by AT&T California – over the 2010-2017 period, as shown in Table 8.5 below:

74. PU Code § 871.5(a) caps LifeLine rates at one-half of the 1FR rate for flat-rate basic residential service.

Table 8.5

VERIZON/FRONTIER CALIFORNIA
BASIC RESIDENTIAL (POTS) ACCESS LINE SERVICE
RATE INCREASE HISTORY, 2006-2020

		Flat-rate Residence (1FR)			Measured-rate Residence (1MR)		
Year	**Eff date**	**Monthly Rate**	**% incr since onset of URF**	**% incr relative to 1/1/10**	**Monthly Rate**	**% incr since onset of URF**	**% incr relative to 1/1/10**
2006	9/1/2006	$16.85	–		$10.00	–	
2008	1/1/2008	$17.25	2.37%		$10.24	2.40%	
2009	1/1/2009	$19.50	15.73%		$11.80	18.00%	
2010	1/1/2010	$19.50	15.73%	–	$11.80	18.00%	–
2011	1/1/2011	$20.50	21.66%	5.13%	$12.39	23.90%	5.00%
2012	3/1/2012	$20.50	21.66%	5.13%	$12.39	23.90%	5.00%
2013	1/1/2013	$20.50	21.66%	5.13%	$12.39	23.90%	5.00%
2014	1/1/2014	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2015	1/1/2015	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2016	1/1/2016	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2017	1/1/2017	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2018	1/1/2018	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2019	1/1/2019	$22.00	30.56%	12.82%	$13.40	34.00%	13.56%
2020	1/1/2020	$22.50	33.53%	15.38%	$15.00	50.00%	27.12%

Source: CPUC Communications Division Staff.

It is instructive to compare the history of Verizon California rate increases to those imposed by AT&T California as summarized on Table 4A.10 (and referenced in Chapter 7). Historically, Verizon (and its predecessor GTE) basic local residential service rates were always higher than those of AT&T (Pacific Bell). However, that relationship changed in 2012, when AT&T raised its flat-rate residential service rate to $21.00. Since the onset of URF, AT&T California has increased the price for its flat-rate residential POTS service by 152.57% vs. Verizon's 30.56% increase over the comparable time frame. Looking only at the 2010-2019 period under examination in this study, AT&T has raised its flat-rate residence rate by 64.13% vs. 12.82% for Verizon/Frontier.

☞ Unlike AT&T, which had raised its legacy flat-rate residential POTS rates by 152% since the onset of URF, Verizon's rates for this service had risen by only 31% as of the date of the sale to Frontier, and Frontier had not effected any rate increase since the acquisition throgh the end of 2019.

Verizon California had been consistently disinvesting in its California local network infrastructure, and Frontier has been pursuing a similar strategy.

As we noted in our Phase 1 Report, Verizon California would typically pay dividends to its parent company that exceeded its net operating income. We view such practices as constituting *disinvestment*, in that by paying dividends in excess of earnings, the subsidiary (Verizon California) is effectively transferring a portion of its capital base to its parent. Since taking over the company in April 2016, Frontier California has issued no dividends to its parent, Frontier Communications Corporation. However, Frontier's total net income was actually a loss of $476-million. Frontier California did have positive net income in 2017, but paid no dividend to its parent.

Disinvestment also arises when retirements and depreciation accruals exceed the gross plant additions in any given year or cumulatively over time. This has the effect of reducing Net Plant in Service, a condition that has prevailed under Frontier ownership of the company. Since taking over the company, Frontier has invested $914.7-million (net of adjustments) in gross plant additions, but has recorded $188.3-million in retirements and has taken $1.74-billion in depreciation accruals – a net *disinvestment* of just over $1-billion.

Table 8.6

FRONTIER CALIFORNIA (U-1002)
PATTERN OF INVESTMENT, 2016-2019
($000)

	2016	2017	2018	2019	TOTAL
BOY Gross Telecom Plant in Service (TPIS)	13,496,895	13,392,504	13,689,509	13,973,021	
Gross Plant Additions	80,373	428,559	301,398	261,783	1,072,113
Retirements	190	(135,489)	(19,406)	(33,199)	(188,284)
Transfers/Adjustments	(164,574)	3,934	1,521	1,800	(157,319)
EOY Gross Telecom Plant in Service	13,392,504	13,689,508	13,973,022	14,203,405	
Annual TPIS depreciation accruals (acct 6561)	316,101	428,639	534,449	466,099	1,745,288
Cumulative depreciation reserve	11,229,881	11,229,881	12,116,741	12,560,117	
Net EOY TPIS	2,162,623	2,459,627	1,856,281	1,643,288	
Net/Gross TPIS	16.15%	17.07%	13.28%	11.57%	
Change in Net Telecommunications Plant in Service since FTR takeover					(469,557)
Change in Net Telecommunications Plant in Service since Network Exam Phase 1					(816,339)

NOTE: In response to a Communications Division data request, Frontier prepared Forms 43-02 for 2016 and 2017 that included both the former GTE and former Continental study areas. The figures shown here for 2016 and 2017 thus include both the GTE and Contel results. The accounting treatment that Frontier had adopted reflects the pre-acquisition condition of Frontier's books as of January 1, 2016. The TPIS from Verizon California that was transferred to Frontier on April 1, 2016 had been included in the 2016 "Transfer/Adjustment" on Frontier's 2016 Form 43-02. As submitted, Frontier had reported the beginning-of-year 2016 amount for TPIS as 0 and showed a positive adjustment of $13,332,321. For consistency, the BOY TPIS for 2016 is shown on this Table is the EOY 2015 amount as carried on Verizon California's books, and the 2016 "Adjustment" has been modified to reflect only the net adjustment to TPIS, a negative $164,574. The "Change in Net TPIS Since FTR takeover" is calculated relative to Verizon California's EOY 2015 Net TPIS of $ 2,112,845.

Verizon/Frontier California's Gross Telecommunications Plant in Service ("TPIS") increased over the 2016-2019 period. Total Gross Plant Additions – $1.07-billion – were exceeded by the total depreciation accruals taken over the corresponding period – $1.75-billion – which, together with a negative $157-million in net Transfers and Adjustments, resulted in a net *disinvestment* (change in net TPIS) of a negative $469.5-million. In fact, in the two years following the time period of Phase 1 of this Network Examination, Frontier-California's net TPIS decreased from $2.46-billion at end-of-year 2017 to $1.64-billion as of the end of 2019, a decrease of $816-million.

☞ Since acquiring the California ILEC from Verizon in 2016, Frontier continued to invest less in Gross Plant Additions than it took in retirements and depreciation accruals, resulting in a net disinvestment of 469.5-million..

Frontier California's nominally reported revenues, expenses and net income cannot by themselves provide a complete or accurate picture of the ILEC entity's financial performance, because they do not fully account for the extensive nature and amount of inter-affiliate transactions that take place on an ongoing basis between the Frontier California ILEC entity and numerous other affiliates that are themselves, directly or indirectly, wholly owned by the parent company. These transactions involve both *purchases* made by the ILEC from other Frontier affiliates as well as *sales* made by the ILEC to other Frontier affiliates.[75] Table 8.7 below provides a summary of these transactions and their relationship to Frontier California's overall revenues and operating expenses. Frontier advises that it "is not selling any services to affiliates"[76] and its ARMIS filings show zero revenue from such sales.

75. See Frontier California's response to CD DR 12-F-10. Frontier states that it "" Response to CD DR 12-F-10(d).

76. Frontier Response to DR 12-F-10(d).

Table 8.7

FRONTIER CALIFORNIA
AFFILIATE TRANSACTIONS WITH OTHER FRONTIER UNITS, 2016-2019
($000)

	2016	2017	2018	2019
Frontier California operating revenue[77]	819,948	2,054,287	1,916,501	1,817,555
Sales to other FTR affiliates	0	0	0	0
Pct of revenues from sales to other FTR affiliates	0.00%	0.00%	0.00%	0.00%
FTR CA pre-tax OpEx excl depr/amort [78]	863,814	1,213,774	1,160,941	1,116,584
Services Purchased from FTR affiliates	394,290	490,169	488,602	506,213
Pct of total OpEx paid to FTR affiliates	45.65%	40.38%	42.09%	45.34%

Source: Frontier CA ARMIS Form 43-02, Table I-1, I-2, Form 43-03, as filed annually with CPUC.

With the exception of tariffed switched and special access services that were (presumably) being purchased from Frontier California by various other Frontier affiliates, the specific *transfer prices* at which these transactions are recorded can hardly be viewed as being set on the basis of arm's length negotiations. Since both the seller and buyer in each instance are wholly-owned by the same parent company, the nominal transfer price has little or no effect upon the parent company's bottom line. However, if it is the parent company's goal to extract cash from the ILEC entity, setting an inflated transfer price can accomplish this as effectively as making a dividend payment to the parent, but with far less exposure as to the precise purpose of the policy. As Table 8.7 demonstrates, from 2016 onward, in the range of *40% to 45% of Frontier California total operating expenses net of depreciation and amortization were paid over to other Frontier affiliates for services rendered*.

77. ARMIS Form 43-02, Table I-1, for 2016-2019. Revenue and expense figures for the nine months of Frontier ownership during 2016 was derived by subtracting the Verizon account records as of the April 1, 2016 closing date, provided in response to DR 12-F-3, "Attachment 12-F-3 - Confidential Verizon provided income statement data (Frontier CA).xlsx".

78. Amounts shown are calculated as Total Operating Expenses (Form 43-03 Line 720) – Depreciation/ Amortization expenses (Form 43-03 Line 6560), which represents current cash operating expenses. The source data for this calculation is as follows:

	2016	2017	2018	2019
Line 720 Total Operating Exp	1,704,838	1,642,411	1,695,390	1,817,555
Line 6560 Depre/Amort	316,100	428,637	534,449	466,099

☞ Because so much of Frontier California's operating expenses involved payments to other Frontier affiliates via inter-affiliate transactions, its nominally reported expenses and net income cannot by themselves provide a complete or accurate picture of the ILEC entity's financial performance.

Prior to the sale of the three CTF ILECs to Frontier, Verizon had also provided an extensive array of services to these (and to all of its other) ILECs out of centralized service affiliates and other entities. Notably, Frontier had expressly stated – to investors and in testimony before this Commission in support of its assessment as to the financial merit of the 2016 Verizon ILEC acquisition – that it had concluded that the payments allocated by the three CTF ILECs to the parent Verizon Communications, Inc. for centralized and other affiliate services were excessive and that these could be accomplished at considerably lower cost by Frontier.[79]

☞ Frontier's assessment as to the economic merit of the 2016 Verizon ILEC acquisition was heavily influenced by its belief that Verizon affiliate charges for centralized services were much higher than the cost that Frontier would incur to provide comparable services to these ILECs.

The focus of Frontier California's capital investments over the 2016-2019 period

Frontier has provided accounting data at the wire center level for the 2018-2019 Phase 2 period. Account-level gross plant additions provide an indication as as to both the type and geographic locations of Frontier's capital spending in California.[80] Table 8.8 below summarizes the types of capital expenditures that Frontier California has made during the 2018-2019 Phase 2 study period.

79. *I/M/O Joint Application of Frontier Communications Corporation, Frontier Communications of America, Inc. (U5429C), Verizon California, Inc. (U1002C), Verizon Long Distance LLC (U5732C), and Newco West Holdings LLC for Approval of Transfer of Control Over Verizon California, Inc. and Related Approval of Transfer of Assets and Certifications*, A.15-03-005, Direct Testimony of John M. Jureller, Executive Vice President and Chief Financial Officer, Frontier Communications Corporation, May 11, 2015, at 30 ("The Company estimates $700 million in annualized corporate consolidated cost efficiencies for the pro forma combined company primarily through costs that do not transfer to Frontier at the closing of the transaction."), 25 ("While noting that [Standard & Poor's] eventual rating will depend on the specific funding for the Transaction, the agency explained that its current ratings affirmation reflects a view that 'the acquisition offers some business benefits and significant potential cost synergies' arising to a great extent from avoided expenses previously allocated by Verizon to the acquired assets."). Citations omitted.

80. See Frontier California Responses to CD DR 11-F-8 through 11-F-12.

Table 8.8

FRONTIER CALIFORNIA
GROSS PLANT ADDITIONS 2018-2019
BY PLANT ACCOUNT

Account	Description	2018	2019	TOTAL
2116	Tools and Other Work Equipment	224,934	47,939	272,873
2121	Buildings.	10,763,182	3,152,049	13,915,231
2124	General purpose computers.	9,237	95,602	104,839
2212	Digital electronic switching.	2,231,119	4,801,573	7,032,691
2231	Radio systems.	19,239		19,239
2232	Circuit equipment.	43,384,030	31,218,537	74,602,568
2362	Other terminal equipment.	12,748,829	6,577,281	19,326,111
2411	Poles.	68,354,060	74,805,934	143,159,993
2421	Aerial cable.	33,084,879	30,325,783	63,410,662
2422	Underground cable.	37,897,251	39,655,345	77,552,596
2423	Buried cable.	85,072,885	60,635,943	145,708,827
2426	Intrabuilding network cable.		391,545	391,545
2441	Conduit systems.	7,175,708	9,670,698	16,846,406
2681	Capital leases.	432,764		432,764
2712	NON-REG INTERNET EQUIPMENT		102,916	102,916
2732	NON-REG INTERNET EQUIPMENT	46,755	8,828	55,583
2744	NON-REG INTERNET EQUIPMENT	238,519		238,519
2745	NON-REG INTERNET EQUIPMENT	38,142	586,083	624,224
2746	NON-REG INTERNET EQUIPMENT	10,662	36,603	47,265
2792	NON-REG INTERNET EQUIPMENT	370,054		370,054
	TOTAL ALL ACCOUNTS	**302,102,248**	**262,112,658**	**564,214,905**
	TOTAL REG ACCOUNTS	**301,398,116**	**261,378,229**	**562,776,345**
	CENTRAL OFFICE PLANT	**45,634,388**	**36,020,110**	**81,654,498**
	OUTSIDE PLANT	**231,584,781**	**215,485,247**	**447,070,029**
	OTHER REGULATORY PLANT	**24,178,946**	**9,872,871**	**34,051,818**
	TOTAL NON-REG ACCOUNTS	**704,132**	**734,429**	**1,438,561**
	% NON-REG	**0.23%**	**0.28%**	**0.25%**

Frontier has provided annual data for 2016 through 2019 by account and by wire center in response to DR-03F, DR-04F and, for 2018-2019, in its response to DR 11F. Frontier was also asked to provide annual 2018-2019 data on construction and rehabilitation expenditures for outside plant and for central office plant.

Overall, Frontier California (both the former GTE California and Continental Telephone components) made gross plant additions totaling $946.9-million over the 45 months from April 2016 (when Frontier acquired the company) through December 2019. As shown in Table 8.9 below, $176.3-million was spent on central office equipment (COE) (including both switches and circuit equipment), and $717.8-million was spend on outside plant (OSP).

Table 8.9

FRONTIER CALIFORNIA
DISTRIBUTION OF GROSS PLANT ADDITIONS
2016-2019

	2016	2017	2018	2019	TOTAL
Gross Plant Additions	60,503,799	323,586,362	301,398,116	261,378,229	946,866,506
COE	16,910,928	77,728,183	45,634,388	36,020,110	176,293,609
OSP	41,953,891	228,765,798	231,584,781	215,485,247	717,789,717
Other	1,638,980	17,092,381	24,178,947	9,872,872	52,783,180

Source: Frontier Response to DR-03F. The COE and OSP categories combined are slightly less than the total gross additions, which also include several minor asset categories.

Since taking over the Company in April 2016, Frontier has directed some 75.8% of total gross additions toward outside plant, with another 18.6% gong to central office equipment. Focusing specifically upon 2018-2019, Frontier has provided account level plant additions by wire center, as well as Forms 43-02 for those same years.

Frontier's 2018-19 plant additions were spread across 247 wire centers, and ranged in magnitude from a few thousand dollars to $52.6-million. However, roughly 63.8% of the total 4-year spend was directed toward only 30 individual wire centers, as summarized in Table 8.10.

Tables 8.11 and 8.12 provide more details on Frontier California's capital spending by individual wire center and by plant accout. Table 8.11 provides this data for each of Frontier's 247 California wire centers, sorted alphabetically by wire center name. Table 8.12 provides the same data, sorted by total gross plant addition spending, from highest to lowest.

Table 8.10

FRONTIER CALIFORNIA

GROSS PLANT ADDITIONS
30 WIRE CENTERS WITH LARGEST SPEND
2018-2018

Wire Center	Gross Plant Additions	Pct of Total
ANZA	52,653,317	9.33%
TORRANCE	49,517,144	8.78%
SAN BERNARDINO	47,793,287	8.47%
LA VERNE	44,244,163	7.84%
MALIBU	29,632,161	5.25%
LONG BEACH	11,624,434	2.06%
ADELANTO	10,092,536	1.79%
LA PUENTE	9,158,605	1.62%
ONTARIO	8,921,361	1.58%
WHITTIER	8,824,810	1.56%
Huntington Beach	7,169,619	1.27%
WESTMINSTER	6,858,353	1.22%
HESPERIA	5,546,481	0.98%
LANCASTER	5,081,545	0.90%
WILLOW CREEK	4,911,000	0.87%
Santa Monica	4,600,613	0.82%
VICTORVILLE	4,536,395	0.80%
BIG BEAR LAKE	4,380,012	0.78%
COVINA	4,310,449	0.76%
APPLE VALLEY	4,210,201	0.75%
SANTA BARBARA	4,152,509	0.74%
HEMET	3,987,089	0.71%
NOVATO	3,926,776	0.70%
REDLANDS	3,849,081	0.68%
PERRIS	3,791,804	0.67%
NORWALK	3,586,445	0.64%
DOWNEY	3,262,674	0.58%
SANTA MARIA	3,090,196	0.55%
PALM SPRINGS	3,031,956	0.54%
INDIO	3,018,409	0.53%
Total -- Highest 30 wire centers	359,763,423	63.76%
Total Gross plant additions	564,214,905	100.00%

Table 8.11

FRONTIER CALIFORNIA
GROSS PLANT ADDITIONS 2018-2019

		USOA PLANT ACCOUNT																			
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
ADELANTO	10,092,536	-	-	-	5,324	-	1,565,699	266,992	424,124	1,287,113	728,107	5,712,171	-	28,007	-	-	-	-	74,867	132	-
ALDERPOINT	178,738	-	-	-	-	-	-	-	114,147	32,679	-	31,912	-	-	-	-	-	-	-	-	-
ALPAUGH	81,969	-	-	-	8	-	43,539	-	38,422	-	-	-	-	-	-	-	-	-	-	-	-
ANZA	52,653,317	-	-	-	-	-	5,886,412	186,645	324,816	4,944,701	590,902	40,520,243	-	130,876	-	-	-	-	60,075	8,646	-
APPLE VALLEY	4,210,201	-	-	-	104,426	-	723,898	739,632	1,660,261	226,110	541,678	42,476	-	171,720	-	-	-	-	-	-	-
ARROWHEAD FARMS	1,626,913	-	-	-	-	-	54,066	-	1,469,535	84,264	19,049	-	-	-	-	-	-	-	-	-	-
ARTESIA	1,774,273	-	-	-	-	-	202,762	32,753	588,143	66,551	887,211	(15,174)	-	12,027	-	-	-	-	-	-	-
AZUSA	1,406,077	-	-	-	-	-	42,096	-	888,761	80,225	391,245	1,898	-	1,852	-	-	-	-	-	-	-
BADGER	103,341	-	-	-	-	-	37,979	-	65,362	-	-	-	-	-	-	-	-	-	-	-	-
BALDWIN PARK	2,789,418	-	380,779	-	-	-	272,089	-	1,427,929	128,692	528,454	37,483	-	13,992	-	-	-	-	-	-	-
BANNING	1,703,323	-	-	-	-	-	226,185	-	1,288,186	9,737	163,184	-	-	16,031	-	-	-	-	-	-	-
BARSTOW	2,438,680	-	-	-	-	-	229,108	175,550	940,843	121,343	971,836	-	-	-	-	-	-	-	-	-	-
BEAUMONT	2,853,141	-	-	-	-	-	221,279	48,613	847,180	77,513	395,975	848,627	-	413,955	-	-	-	-	-	-	-
BEL AIR	1,283,863	-	-	-	-	-	-	195,730	664,513	27,765	408,014	-	-	(12,159)	-	-	-	-	-	-	-
BELL GARDENS	1,094,856	-	-	-	-	-	-	-	583,760	136,008	222,949	-	-	152,139	-	-	-	-	-	-	-
BELLFLOWER	1,427,814	-	-	-	-	-	141,233	111,980	1,051,088	44,437	79,076	-	-	-	-	-	-	-	-	-	-
BENTON	84,421	-	-	-	-	-	-	-	84,421	-	-	-	-	-	-	-	-	-	-	-	-
BERMUDA DUNES	649,431	-	-	-	-	-	28,233	165,500	142,211	3,451	233,547	71,163	-	5,326	-	-	-	-	-	-	-
BIG BEAR CITY	1,501,957	-	318,681	-	-	-	7,814	-	1,147,181	28,281	-	-	-	-	-	-	-	-	-	-	-
BIG BEAR LAKE	4,380,012	-	-	-	-	-	6,174	-	686,777	22,003	615,598	5,062	-	3,044,398	-	-	-	-	-	-	-
BIG PINE	280,007	-	-	-	-	-	102,396	35,004	103,608	15,984	23,015	-	-	-	-	-	-	-	-	-	-
BISHOP	939,399	-	43,621	-	-	-	142,554	37,022	546,798	73,256	70,572	25,576	-	-	-	-	-	-	-	-	-
Blythe	155,878	-	-	-	-	-	86,327	-	-	13,554	54,394	-	-	1,603	-	-	-	-	-	-	-
BORON	361,265	-	-	-	-	-	118,786	33,872	188,030	15,594	4,983	-	-	-	-	-	-	-	-	-	-
BRIDGEPORT	1,004,643	-	-	-	-	-	63,518	213,525	195,426	-	39,782	30,121	-	29,508	432,764	-	-	-	-	-	-
BUTTONWILLOW	72,422	-	-	-	-	-	-	-	57,661	14,761	-	-	-	-	-	-	-	-	-	-	-
CALIFORNIA CITY	422,332	-	-	-	-	-	29,765	-	377,076	2,208	10,053	3,230	-	-	-	-	-	-	-	-	-
CALIFORNIA HOT SPRINGS	70,120	-	-	-	-	-	-	-	70,120	-	-	-	-	-	-	-	-	-	-	-	-
CALIMESA	1,327,034	-	-	-	5,933	-	316,566	42,003	757,365	93,646	29,618	45,784	-	36,119	-	-	-	-	-	-	-
CAMARILLO	2,411,594	-	43,431	-	-	-	446,861	-	700,363	127,618	1,037,766	-	-	24,255	-	-	31,300	-	-	-	-
CANTUA CREEK	39,907	-	-	-	-	-	16,812	-	23,095	-	-	-	-	-	-	-	-	-	-	-	-
CARPINTERIA	2,356,540	-	-	-	-	-	105,757	-	531,912	467,117	813,593	-	-	438,162	-	-	-	-	-	-	-
CAZADERO	338,581	-	-	-	-	-	60,976	47,726	145,584	9,382	-	-	-	74,912	-	-	-	-	-	-	-
Cedarville	2,479	-	-	-	-	-	-	-	2,479	-	-	-	-	-	-	-	-	-	-	-	-
CHINA LAKE	171,121	-	-	-	-	-	62,195	-	70,631	-	38,295	-	-	-	-	-	-	-	-	-	-
CHINO	2,158,044	-	-	-	-	-	355,098	-	905,708	65,666	447,394	363,369	-	20,809	-	-	-	-	-	-	-
CLAREMONT	2,800,581	-	-	-	7,323	-	242,976	-	1,487,617	90,279	501,512	228,135	-	242,739	-	-	-	-	-	-	-
CLEMENTS	211,495	-	-	-	-	-	18,623	-	134,269	-	58,602	-	-	-	-	-	-	-	-	-	-
COACHELLA	498,408	-	-	-	-	-	141,761	10,586	158,295	-	150,346	31,469	-	5,950	-	-	-	-	-	-	-
COLFAX	481,153	-	44,525	-	-	-	-	-	418,829	14,769	-	3,030	-	-	-	-	-	-	-	-	-
CORCORAN	418,516	-	-	-	7,048	-	174,332	-	163,064	(2,205)	76,277	-	-	-	-	-	-	-	-	-	-
COVELO	420,020	-	-	-	-	-	-	-	343,450	76,570	-	-	-	-	-	-	-	-	-	-	-
COVINA	4,310,449	-	-	-	-	-	135,302	496,701	2,511,345	89,587	647,966	33,247	-	396,302	-	-	-	-	-	-	-
CRESTLINE	1,321,757	-	-	-	-	-	182,595	-	923,050	47,307	136,171	-	-	32,634	-	-	-	-	-	-	-
CROWLEY LAKE	232,392	-	-	-	-	-	24,181	38,417	145,821	9,189	-	14,785	-	-	-	-	-	-	-	-	-
CUCAMONGA	2,768,334	-	66,685	-	-	-	364,297	12,767	417,502	84,599	1,760,299	6,273	-	55,912	-	-	-	-	-	-	-
CULVER CITY	2,013,573	-	-	-	-	-	244,289	203,928	1,119,176	112,441	333,739	-	-	-	-	-	-	-	-	-	-
CUYAMA	23,095	-	-	-	-	-	-	-	23,095	-	-	-	-	-	-	-	-	-	-	-	-
DESERT CENTER	53,810	-	-	-	-	-	-	-	53,810	-	-	-	-	-	-	-	-	-	-	-	-
DESERT HEIGHTS	133,310	-	-	-	-	-	98,504	29,449	1,838	3,520	-	-	-	-	-	-	-	-	-	-	-
DESERT HOT SPRINGS	1,564,312	-	10,306	-	112,944	-	395,806	149,876	494,748	4,234	374,064	12,753	-	9,582	-	-	-	-	-	-	-
DESERT KNOLLS	626,319	-	-	-	-	-	49,416	-	441,973	11,795	107,679	-	-	-	-	-	15,455	-	-	-	-
DESERT SHORES	100,775	-	-	-	43,126	-	-	-	57,649	-	-	-	-	-	-	-	-	-	-	-	-
DIAMOND BAR	610,249	-	-	-	-	-	52,190	-	161,342	39,243	240,102	-	-	117,371	-	-	-	-	-	-	-
DOS PALOS	347,139	-	-	-	-	-	-	-	333,990	5,744	-	7,406	-	-	-	-	-	-	-	-	-
DOWNEY	3,262,674	-	-	-	-	-	375,296	61,001	2,163,539	82,792	580,047	-	-	-	-	-	-	-	-	-	-
DUNLAP	1,055,035	-	-	-	-	-	207,804	30,260	373,128	137,767	260,167	-	-	45,908	-	-	-	-	-	-	-
EDGEMONT	1,615,489	-	-	-	-	-	269,906	76,148	173,293	403	948,322	115,093	-	32,325	-	-	-	-	-	-	-
EL MIRAGE	248,537	-	-	-	-	-	87,587	34,832	76,802	-	49,317	-	-	-	-	-	-	-	-	-	-
EL RIO	851,267	-	-	-	-	-	216,110	-	23,779	122,613	462,097	-	-	26,669	-	-	-	-	-	-	-
ELLWOOD	1,676,191	-	609,494	-	-	-	99,030	-	670,184	36,465	195,995	-	-	65,024	-	-	-	-	-	-	-
ELSINORE	2,731,790	-	-	-	-	-	289,673	102,654	995,085	29,201	931,324	246,777	-	137,075	-	-	-	-	-	-	-
ETIWANDA	726,253	-	-	-	-	-	110,157	10,898	115,193	3,670	304,746	146,539	-	35,051	-	-	-	-	-	-	-
EXETER	856,172	-	-	-	-	-	110,464	3,031	284,214	97,780	304,098	-	-	56,584	-	-	-	-	-	-	-
FARMERSVILLE	38,422	-	-	-	-	-	-	-	38,422	-	-	-	-	-	-	-	-	-	-	-	-
FARMINGTON	110,340	-	-	-	-	-	18,461	-	66,096	867	1,423	23,493	-	-	-	-	-	-	-	-	-
FELLOWS	127,101	-	-	-	-	-	2,665	-	119,179	4,246	1,012	-	-	-	-	-	-	-	-	-	-
FORT IRWIN	317,793	-	-	-	-	-	188,594	-	53,868	-	13,416	41,269	-	-	-	-	-	-	20,645	-	-
FOWLER	1,506,135	-	-	-	-	-	299,323	-	610,634	335,619	197,812	12,819	-	49,928	-	-	-	-	-	-	-
GARBERVILLE	1,034,181	-	444,889	-	7,755	-	55,429	-	449,098	44,079	32,931	-	-	-	-	-	-	-	-	-	-
GILROY	2,898,508	-	-	-	33,151	-	636,610	-	643,682	344,694	983,135	3,517	-	252,562	-	-	-	-	1,158	-	-
GLENDORA	1,795,702	-	-	-	-	-	70,107	-	920,012	28,598	471,088	-	-	305,897	-	-	-	-	-	-	-
GLENNVILLE	143,973	-	-	-	-	-	-	-	143,973	-	-	-	-	-	-	-	-	-	-	-	-
GOLETA	2,260,761	-	-	-	-	-	203,444	-	1,454,354	287,489	297,656	-	-	17,818	-	-	-	-	-	-	-
GRANADA HILLS	1,186,040	-	24,486	-	-	-	62,809	-	882,595	66,145	150,006	-	-	-	-	-	-	-	-	-	-
GRANT GROVE VILLAGE	565,602	-	-	-	-	-	517,733	-	44,706	3,163	-	-	-	-	-	-	-	-	-	-	-
GUADALUPE	440,862	-	-	-	-	-	30,282	-	227,795	11,087	165,831	-	-	5,867	-	-	-	-	-	-	-

Table 8.11: GROSS PLANT ADDITIONS 2018-2019 (continued)

		USOA PLANT ACCOUNT																			
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
Guinda	40,408	-	-	-	-	-	40,408	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HAYFORK	370,538	-	-	-	-	-	3,558	-	356,867	10,113	-	-	-	-	-	-	-	-	-	-	-
HELENDALE-SILVER LAKES	(229,176)	-	-	-	-	-	51,960	35,649	-	-	(316,785)	-	-	-	-	-	-	-	-	-	-
HEMET	3,987,089	-	-	-	-	-	434,799	97,554	1,384,729	324,028	1,203,883	35,778	-	506,317	-	-	-	-	-	-	-
HERMOSA BEACH	2,552,773	-	974,862	-	-	-	273,791	-	1,163,864	3,781	136,476	-	-	-	-	-	-	-	-	-	-
HESPERIA	5,546,481	-	-	-	47,185	-	630,464	557,230	2,730,540	107,409	1,426,729	-	-	46,922	-	-	-	-	-	-	-
HOMELAND	1,871,200	-	-	-	116,746	-	149,365	-	409,405	18,211	446,150	447,368	-	283,956	-	-	-	-	-	-	-
HOMESTEAD VALLEY	1,351,816	-	-	-	12,304	-	460,477	131,014	42,272	111,969	90,902	419,670	-	83,208	-	-	-	-	-	-	-
HOOPA	379,305	-	-	-	-	-	-	-	330,371	41,734	7,200	-	-	-	-	-	-	-	-	-	-
Huntington Beach	7,169,619	-	37,284	-	291,925	-	632,016	196,047	2,047,231	155,755	1,740,477	9,452	391,545	1,667,888	-	-	-	-	-	-	-
IDYLLWILD	900,395	-	-	-	-	-	210,746	83,615	531,549	-	70,744	-	-	3,742	-	-	-	-	-	-	-
INDEPENDENCE	250,361	-	-	-	-	-	69,843	107,766	65,237	-	5,443	2,073	-	-	-	-	-	-	-	-	-
INDIO	3,018,409	-	736,757	-	-	-	315,730	225,161	874,038	62,581	577,574	189,719	-	36,848	-	-	-	-	-	-	-
INYOKERN	898,391	-	-	-	-	-	112,554	47,380	637,987	2,289	63,281	-	-	34,899	-	-	-	-	-	-	-
JOSHUA TREE	357,445	-	-	-	-	-	50,899	37,417	208,369	38,763	17,963	4,033	-	-	-	-	-	-	-	-	-
JUNE LAKE	321,230	-	-	-	-	-	63,556	36,766	191,175	29,733	-	-	-	-	-	-	-	-	-	-	-
KENWOOD	162,676	-	-	-	-	-	-	-	161,445	-	1,231	-	-	-	-	-	-	-	-	-	-
KERNVILLE	832,307	-	-	-	38,810	-	104,108	-	499,889	158,962	7,565	22,973	-	-	-	-	-	-	-	-	-
KNIGHTS LANDING	51,705	-	-	-	-	-	-	-	51,705	-	-	-	-	-	-	-	-	-	-	-	-
LA HABRA	2,105,781	-	-	-	-	-	46,046	-	1,587,821	65,519	362,625	43,770	-	-	-	-	-	-	-	-	-
LA PUENTE	9,158,605	-	513,412	-	-	-	407,592	-	3,901,104	446,061	3,774,558	51,099	-	64,778	-	-	-	-	-	-	-
LA QUINTA	760,826	-	75,320	-	153,893	-	175,640	-	54,357	-	209,585	86,556	-	5,474	-	-	-	-	-	-	-
LA VERNE	44,244,163	252,365	52,622	-	31	-	6,136,762	126,025	432,562	8,830,018	314,878	28,057,966	-	8,768	-	-	-	-	28,656	3,509	-
LAGUNA BEACH	2,816,783	-	1,207,468	-	-	-	180,001	221,326	289,029	108	363,591	-	-	555,258	-	-	-	-	-	-	-
LAKE HUGHES	919,798	-	-	-	-	-	199,806	-	429,315	(44,304)	286,399	17,035	-	31,547	-	-	-	-	-	-	-
LAKE ISABELLA	1,479,504	-	-	-	-	-	125,019	-	745,406	558,535	14,386	36,157	-	-	-	-	-	-	-	-	-
LANCASTER	5,081,545	-	304,319	-	-	-	1,271,925	57,194	2,028,013	205,099	1,208,339	524	-	6,132	-	-	-	-	-	-	-
LATHROP	77,646	-	-	-	-	-	11,298	-	41,542	-	24,806	-	-	-	-	-	-	-	-	-	-
LAYTONVILLE	935,526	-	-	-	-	-	2,743	-	907,846	24,937	-	-	-	-	-	-	-	-	-	-	-
LEE VINING	328,045	-	79,002	-	-	-	75,325	37,159	67,684	21,748	25,605	-	-	21,525	-	-	-	-	-	-	-
LEGGETT	85,764	-	-	-	-	-	-	-	53,818	31,947	-	-	-	-	-	-	-	-	-	-	-
LEMON COVE	197,903	-	-	-	40,660	-	53,606	-	59,115	-	30,550	-	-	13,972	-	-	-	-	-	-	-
LENWOOD	934,640	-	-	-	-	-	118,543	-	499,461	21,689	163,701	-	-	131,245	-	-	-	-	-	-	-
LINDEN	525,178	-	-	-	32,261	-	146,121	-	161,818	1,108	183,870	-	-	-	-	-	-	-	-	-	-
LINDSAY	1,301,124	-	-	-	7,416	-	228,084	2,912	575,649	251,679	150,453	22,614	-	62,317	-	-	-	-	-	-	-
LOMA LINDA	1,188,600	-	-	-	-	-	133,024	62,481	386,591	9,980	588,799	2,673	-	5,052	-	-	-	-	-	-	-
LOMPOC	1,712,861	-	-	-	-	-	225,910	-	1,049,417	184,269	242,005	-	-	11,261	-	-	-	-	-	-	-
LONE PINE	566,047	-	-	-	-	-	108,217	37,099	236,174	113,574	37,143	-	-	25,012	-	-	8,828	-	-	-	-
LONG BEACH	11,624,434	-	384,461	-	61,490	-	1,072,895	662,526	6,564,440	551,274	2,222,227	58,608	-	42,279	-	-	-	-	-	-	4,234
LOS ALAMOS	263,508	-	7,541	-	-	-	98,088	-	153,440	-	4,439	-	-	-	-	-	-	-	-	-	-
LOS ANGELES	1,380,026	-	-	-	44,912	-	597,109	164,416	560,816	-	12,774	-	-	-	-	-	-	-	-	-	-
Los Gatos	2,815,697	-	-	-	6	-	497,961	1,016	1,429,650	335,117	489,614	13,616	-	48,717	-	-	-	-	-	-	-
LOS SERRANOS	2,100,104	-	-	-	-	-	257,502	7,444	152,210	119,759	902,445	586,875	-	73,869	-	-	-	-	-	-	-
LOST HILLS	207,446	-	-	-	-	-	-	-	26,895	-	180,551	-	-	-	-	-	-	-	-	-	-
LUCERNE VALLEY	1,815,148	-	-	-	46,769	-	294,541	168,819	824,861	157,666	322,492	-	-	-	-	-	-	-	-	-	-
MAD RIVER	115,378	-	-	-	-	-	-	-	115,378	-	-	-	-	-	-	-	-	-	-	-	-
MALIBU	29,632,161	-	-	-	245	-	4,021,578	371,496	1,093,280	9,897,441	249,012	13,743,658	-	-	-	-	-	238,519	12,786	4,146	-
MAMMOTH LAKES	289,274	-	-	-	18,424	-	9,773	40,993	176,528	15,876	27,680	-	-	-	-	-	-	-	-	-	-
MANHATTAN BEACH	712,967	-	-	-	105,950	-	15,903	61,536	338,028	69,131	122,419	-	-	-	-	-	-	-	-	-	-
Manteca	659,638	-	7,633	-	-	-	253,600	7,192	344,452	(11,612)	58,373	-	-	-	-	-	-	-	-	-	-
MARICOPA	207,697	-	-	-	-	-	36,109	-	94,269	-	77,318	-	-	-	-	-	-	-	-	-	-
MCFARLAND	225,455	-	-	-	-	-	-	-	146,539	9,323	26,881	-	-	42,712	-	-	-	-	-	-	-
MCKITTRICK	81,203	-	-	-	-	-	-	-	78,203	-	3,000	-	-	-	-	-	-	-	-	-	-
MECCA	402,985	-	-	-	23,787	-	175,673	18,685	52,108	-	127,003	-	-	5,730	-	-	-	-	-	-	-
MENTONE	515,667	-	-	-	-	-	114,443	59,283	38,097	93,535	182,829	13,595	-	13,885	-	-	-	-	-	-	-
MIRAMONTE	276,586	-	-	-	-	-	48,581	29,332	88,601	41,192	48,606	-	-	20,275	-	-	-	-	-	-	-
MONROVIA	2,391,431	-	9,932	-	-	-	209,112	-	1,539,770	213,374	417,666	4,627	-	(3,050)	-	-	-	-	-	-	-
MONTECITO	996,630	-	-	-	-	-	36,106	-	839,702	14,471	79,199	-	-	27,153	-	-	-	-	-	-	-
MORGAN HILL	2,810,743	-	-	-	-	-	253,413	-	661,408	294,171	1,578,250	-	-	23,501	-	-	-	-	-	-	-
MORONGO VALLEY	505,732	-	-	-	20,892	-	222,688	150,786	111,362	-	3	-	-	-	-	-	-	-	-	-	-
MURRIETA	2,091,434	-	107,095	-	101,207	-	617,480	169,936	201,676	99,340	413,786	252,426	-	128,487	-	-	-	-	-	-	-
MUSCOY DEVORE	1,398,997	-	-	-	48,246	-	70,263	-	913,216	219,848	119,348	5,346	-	22,731	-	-	-	-	-	-	-
Needles	39,665	-	-	-	-	-	39,390	-	-	275	-	-	-	-	-	-	-	-	-	-	-
NEWBERRY SPRINGS	1,091,483	-	-	-	-	-	142,236	46,268	450,903	219,234	75,516	157,326	-	-	-	-	-	-	-	-	-
NEWBURY PARK	767,743	-	-	-	8,427	-	153,278	56,554	214,895	1	333,259	1,330	-	-	-	-	-	-	-	-	-
NORTH EDWARDS	203,436	-	77,037	-	-	-	22,673	-	103,726	-	-	-	-	-	-	-	-	-	-	-	-
NORTH SHORE	341,298	-	-	-	17,793	-	49,606	85,719	119,149	8,131	60,900	-	-	-	-	-	-	-	-	-	-
NORWALK	3,586,445	-	667,830	-	-	-	340,751	6,163	1,439,086	262,445	852,397	3,565	-	14,209	-	-	-	-	-	-	-
NOVATO	3,926,776	-	-	-	469	-	1,120,026	7,430	317,117	1,299,174	118,464	1,043,849	-	-	-	-	-	-	20,226	20	-
OASIS	459,972	-	-	-	-	-	127,073	-	151,595	65,658	106,837	-	-	8,808	-	-	-	-	-	-	-
OLANCHA	288,560	-	-	-	-	-	70,876	77,409	122,925	-	-	-	-	17,349	-	-	-	-	-	-	-
ONTARIO	8,921,361	-	73,731	-	13,189	-	1,359,104	21,667	1,747,719	363,651	3,574,103	905,900	-	861,391	-	-	-	-	-	-	905
ORCUTT	1,483,542	-	-	-	-	-	59,510	-	1,196,886	198,246	28,899	-	-	-	-	-	-	-	-	-	-
ORLEANS	30,051	-	-	-	-	-	-	-	30,050	-	1	-	-	-	-	-	-	-	-	-	-
ORO LOMA	167,471	-	-	-	-	-	-	-	39,219	-	37,911	90,341	-	-	-	-	-	-	-	-	-
OXNARD	2,244,779	-	26,083	-	-	-	602,815	44,861	1,138,993	93,703	338,324	-	-	-	-	-	-	-	-	-	-
PACIFIC PALISADES	1,170,774	-	354,608	-	-	-	13,217	143,775	547,598	39,971	71,572	-	-	35	-	-	-	-	-	-	-
PACOIMA	2,077,214	-	-	-	-	-	133,970	-	1,245,038	560,459	137,748	-	-	-	-	-	-	-	-	-	-
PALM DESERT	1,754,637	-	17,708	-	-	-	433,200	300,289	442,021	418	557,999	-	-	3,001	-	-	-	-	-	-	-
PALM SPRINGS	3,031,956	-	261,487	-	911	-	864,129	1,123	843,977	28,834	863,934	94,483	-	73,078	-	-	-	-	-	-	-
PALOS VERDES ESTATES	937,271	-	16,903	-	-	-	32,768	-	664,513	38,267	184,820	-	-	-	-	-	-	-	-	-	-
PARKFIELD	1,577,595	-	332,321	-	-	-	577,883	9,469	(70,904)	292,308	-	434,260	-	-	-	-	-	-	1,737	521	-

ECONOMICS AND TECHNOLOGY, INC.

Table 8.11: GROSS PLANT ADDITIONS 2018-2019 (continued)

		USOA PLANT ACCOUNT																			
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
PASADENA	133,627	-	51,936	-	-	-	32,055	-	-	-	49,636	-	-	-	-	-	-	-	-	-	-
PERRIS	3,791,804	-	-	-	13,683	-	571,180	268,463	1,694,218	170,815	688,264	124,179	-	256,953	-	-	-	-	-	-	4,049
PHELAN	2,099,878	-	-	-	120,711	-	277,537	337,333	635,861	334,313	125,053	189,311	-	79,760	-	-	-	-	-	-	-
PICO RIVERA	1,727,179	-	-	-	-	-	11,435	-	764,877	168,796	244,119	-	-	537,951	-	-	-	-	-	-	-
PIERCY	46,973	-	-	-	-	-	-	-	46,973	-	-	-	-	-	-	-	-	-	-	-	-
PINE CREEK	179,572	-	-	-	-	-	29,914	-	149,658	-	-	-	-	-	-	-	-	-	-	-	-
PINYON PINES	134,336	-	-	-	-	-	-	-	134,336	-	-	-	-	-	-	-	-	-	-	-	-
PLAYA DEL REY	1,532,993	-	-	-	(540)	-	306,745	161,490	499,305	39,195	451,539	-	-	75,260	-	-	-	-	-	-	-
POINT MUGU NAWC	399,470	-	33,744	-	-	-	74,218	69,227	3,637	52,581	164,908	-	-	1,155	-	-	-	-	-	-	-
POMONA	3,009,499	-	-	-	-	-	282,718	7,809	1,884,585	182,679	611,285	40,423	-	-	-	-	-	-	-	-	-
QUAIL VALLEY	1,021,625	-	-	-	-	-	7,646	-	207,347	-	300,540	270,037	-	236,055	-	-	-	-	-	-	-
QUARTZ HILL	1,006,679	-	6,330	-	-	-	94,042	-	593,726	48,434	165,864	3,469	-	94,815	-	-	-	-	-	-	-
RANCHO CALIFORNIA	1,939,708	-	-	-	-	-	478,119	121,163	122,870	835	718,917	200,598	-	297,208	-	-	-	-	-	-	-
RANCHO CORDOVA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RANCHO MIRAGE	1,039,026	-	52,901	-	-	-	256,785	-	335,038	(6,762)	326,093	-	-	74,972	-	-	-	-	-	-	-
RANDSBURG	211,524	-	27,054	-	-	-	52,253	41,481	90,735	-	-	-	-	-	-	-	-	-	-	-	-
REDLANDS	3,849,081	-	-	-	-	-	192,890	6,337	2,700,290	54,750	703,113	153,979	-	37,722	-	-	-	-	-	-	-
REDONDO BEACH	1,781,660	-	-	-	-	-	96,090	40,423	975,693	48,976	620,477	-	-	-	-	-	-	-	-	-	-
REEDLEY	1,487,428	-	227,690	-	-	-	86,055	4,535	501,247	221,835	172,313	-	-	273,754	-	-	-	-	-	-	-
RIDGECREST	962,671	-	-	-	-	-	160,767	145,661	324,234	88,053	226,619	17,336	-	-	-	-	-	-	-	-	-
RIPON	918,939	-	-	-	-	-	138,287	16,935	159,173	133,592	102,422	139,469	-	229,062	-	-	-	-	-	-	-
ROBBINS	26,990	-	-	-	-	-	-	-	26,990	-	-	-	-	-	-	-	-	-	-	-	-
RUNNING SPRINGS	692,451	-	-	-	-	-	9,099	-	640,218	30,123	-	13,011	-	-	-	-	-	-	-	-	-
SALTON CITY	554,144	-	-	-	37,397	-	165,238	4,457	246,344	-	100,708	-	-	-	-	-	-	-	-	-	-
SAN BERNARDINO	47,793,287	18,554	-	-	19,955	-	5,386,810	354,060	4,508,755	5,810,677	1,254,235	30,410,205	-	1,825	-	-	-	-	22,751	2,398	3,063
SAN DIMAS	803,721	-	-	-	-	-	90,271	-	392,661	44,602	227,202	1,793	-	47,192	-	-	-	-	-	-	-
SAN FERNANDO	2,019,712	-	793,430	-	-	-	161,074	-	678,534	62,545	324,129	-	-	-	-	-	-	-	-	-	-
SAN JACINTO	1,292,510	-	-	-	-	-	118,081	6,609	430,006	184,457	290,154	142,310	-	120,894	-	-	-	-	-	-	-
SAN JOAQUIN	133,695	-	-	-	-	-	76,099	-	57,595	-	-	-	-	-	-	-	-	-	-	-	-
SAN MIGUEL	347,236	-	150,502	-	46,296	-	110,815	-	26,558	-	13,065	-	-	-	-	-	-	-	-	-	-
Sanger	682,722	-	-	-	-	-	91,851	5,507	329,799	49,979	142,962	20,720	-	41,903	-	-	-	-	-	-	-
SANTA BARBARA	4,152,509	-	27,428	104,839	327,137	-	1,214,503	27,506	1,163,487	661,214	271,470	-	-	-	-	-	-	-	185	-	354,740
SANTA MARIA	3,090,196	-	590,930	-	-	-	576,698	75,861	905,670	483,688	434,504	-	-	22,846	-	-	-	-	-	-	-
Santa Monica	4,600,613	-	1,038,033	-	504,292	-	974,063	1,052,594	679,705	166,663	82,346	-	-	1	-	102,916	-	-	-	-	-
SANTA PAULA	1,369,991	-	-	-	-	-	272,442	59,138	675,913	267,490	95,008	-	-	-	-	-	-	-	-	-	-
SEA RANCH	454,904	-	-	-	-	-	381,646	26,214	-	-	47,044	-	-	-	-	-	-	-	-	-	-
SEAL BEACH	2,482,731	-	17,450	-	-	-	873,113	-	594,633	347,040	650,496	-	-	-	-	-	-	-	-	-	-
SEPULVEDA	2,036,771	-	88,875	-	-	-	149,085	524,759	944,982	160,386	141,806	-	-	26,879	-	-	-	-	-	-	-
SIERRA MADRE	846,767	-	-	-	101,174	-	131,722	41,252	485,902	16,018	70,699	-	-	-	-	-	-	-	-	-	-
SNELLING	643,021	-	448,001	-	-	-	-	-	21,591	-	173,429	-	-	-	-	-	-	-	-	-	-
SOLVANG	2,064,205	-	-	-	-	-	1,038,934	-	711,169	118,721	156,532	-	-	38,850	-	-	-	-	-	-	-
SOUTH LAGUNA BEACH	327,044	-	-	-	-	-	158,403	55,001	39,213	-	74,427	-	-	-	-	-	-	-	-	-	-
SQUAW VALLEY	576,469	-	-	-	-	-	32,211	74,103	244,667	82,750	42,186	-	-	100,553	-	-	-	-	-	-	-
STRATHMORE	765,245	-	24,490	-	-	-	165,427	108,337	243,781	153,478	56,148	-	-	13,585	-	-	-	-	-	-	-
SUMMIT VALLEY	278,042	-	-	-	-	-	71,494	-	92,347	114,200	-	-	-	-	-	-	-	-	-	-	-
SUN CITY	2,084,380	-	-	-	-	-	122,015	289,912	422,969	1	653,647	402,313	-	193,522	-	-	-	-	-	-	-
SUNLAND	1,343,006	-	14,719	-	-	-	167,827	-	773,426	159,416	227,618	-	-	-	-	-	-	-	-	-	-
SUNNYMEAD	1,601,257	-	-	-	-	-	265,115	310,280	422,224	315	239,154	236,535	-	127,634	-	-	-	-	-	-	-
SYLMAR	1,354,387	-	74,095	-	27,211	-	545,137	-	384,225	129,137	194,583	-	-	-	-	-	-	-	-	-	-
TAFT	266,169	-	-	-	-	-	-	-	124,497	33,759	107,913	-	-	-	-	-	-	-	-	-	-
TEMECULA	1,848,191	-	11,967	-	17,703	-	705,376	49,589	415,323	-	521,718	52,186	-	74,330	-	-	-	-	-	-	-
THERMAL	763,599	-	-	-	39,783	-	132,802	119,319	227,935	59,349	133,038	51,155	-	218	-	-	-	-	-	-	-
THOUSAND OAKS	2,334,982	-	192,352	-	-	-	686,360	59,686	600,464	337,857	446,192	-	-	12,070	-	-	-	-	-	-	-
THOUSAND PALMS	396,326	-	7,027	-	-	-	150,251	-	205,802	-	33,245	-	-	-	-	-	-	-	-	-	-
TIMBER COVE	192,403	-	-	-	-	-	59,620	34,451	98,331	-	-	-	-	-	-	-	-	-	-	-	-
TIVY VALLEY	2,978,139	-	-	-	21,207	-	297,039	109,089	535,502	706,303	1,164,506	66,705	-	77,787	-	-	-	-	-	-	-
TOPANGA	1,093,056	-	-	-	-	-	33,833	115,723	320,086	45,894	3,753	-	-	573,768	-	-	-	-	-	-	-
TORRANCE	49,517,144	167	14,571	-	3,588,405	-	2,995,068	744,342	9,643,693	8,887,856	10,129,572	13,446,447	-	37,290	-	-	-	-	3,486	26,246	-
TRANQUILLITY	46,683	-	-	-	-	-	7,766	-	38,897	-	20	-	-	-	-	-	-	-	-	-	-
TRONA	416,075	-	-	-	-	-	133,797	24,966	124,634	83,691	48,987	-	-	-	-	-	-	-	-	-	-
TWENTYNINE PALMS	649,280	-	-	-	-	-	332,808	57,536	258,936	-	-	-	-	-	-	-	-	-	-	-	-
UPLAND	2,924,099	-	-	-	167,128	-	696,839	-	837,577	541,062	413,620	267,873	-	-	-	-	-	-	-	-	-
VALLE VISTA	251,711	-	-	-	-	-	-	25,235	226,477	-	-	-	-	-	-	-	-	-	-	-	-
VANDENBERG AFB	418,380	-	-	-	-	-	389,243	-	29,137	-	-	-	-	-	-	-	-	-	-	-	-
VICTORVILLE	4,536,395	-	389,362	-	16,459	19,239	1,319,109	311,395	674,569	314,692	749,893	111,829	-	626,760	-	-	-	-	25	-	3,063
WALNUT	1,500,298	-	-	-	-	-	39,947	-	465,736	287,697	596,720	110,198	-	-	-	-	-	-	-	-	-
WEAVERVILLE	2,933,321	-	267,414	-	353,754	-	376,088	34,933	1,526,583	23,522	213,539	29,298	-	108,189	-	-	-	-	-	-	-
WEIMAR	257,275	-	-	-	-	-	-	-	257,275	-	-	-	-	-	-	-	-	-	-	-	-
WELDON	309,077	-	-	-	-	-	63,643	-	188,527	-	7,907	48,330	-	670	-	-	-	-	-	-	-
WEST LOS ANGELES	2,946,834	-	20,812	-	-	-	25,825	1,504,634	745,268	304,271	146,916	1	-	199,107	-	-	-	-	-	-	-
WESTMINSTER	6,858,353	-	6,162	-	-	-	1,428,352	52,537	1,031,963	1,073,903	696,553	2,499,479	-	69,403	-	-	-	-	-	-	-
WHITETHORN	460,565	-	-	-	-	-	-	-	139,707	43,953	55,902	221,004	-	-	-	-	-	-	-	-	-
WHITTIER	8,824,810	1,788	863,741	-	-	-	339,213	2,783,403	2,448,936	775,874	1,035,705	-	-	576,150	-	-	-	-	-	-	-
WILLOW CREEK	4,911,000	-	-	-	7	-	684,786	104,184	1,107,660	1,143,271	545,572	910,943	-	35,303	-	-	-	-	377,627	1,646	-
WRIGHTWOOD	494,609	-	-	-	21,160	-	89,138	-	202,107	110,976	71,228	-	-	-	-	-	-	-	-	-	-
YERMO	513,081	-	-	-	-	-	246,299	39,439	138,925	-	88,418	-	-	-	-	-	-	-	-	-	-
YUCAIPA	1,347,191	-	-	-	-	-	44,171	-	1,061,440	140,947	82,754	17,880	-	-	-	-	-	-	-	-	-
YUCCA VALLEY	1,828,339	-	161,902	-	28,783	-	960,091	512,126	-	93,419	72,018	-	-	-	-	-	-	-	-	-	-
TOTALS	**564,214,905**	**272,873**	**13,915,231**	**104,839**	**7,032,691**	**19,239**	**74,602,568**	**19,326,111**	**143,159,993**	**63,410,662**	**77,552,596**	**145,708,827**	**391,545**	**16,846,406**	**432,764**	**102,916**	**55,583**	**238,519**	**624,224**	**47,265**	**370,054**

Table 8.12

FRONTIER CALIFORNIA
GROSS PLANT ADDITIONS 2018-2019
(sorted by highest to lowest wire center expenditure)

											USOA PLANT ACCOUNT										
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
ANZA	52,653,317	-	-	-	-	-	5,886,412	186,645	324,816	4,944,701	590,902	40,520,243	-	130,876	-	-	-	-	60,075	8,646	-
TORRANCE	49,517,144	167	14,571	-	3,588,405	-	2,995,068	744,342	9,643,693	8,887,856	10,129,572	13,446,447	-	37,290	-	-	-	-	3,486	26,246	-
SAN BERNARDINO	47,793,287	18,554	-	-	19,955	-	5,386,810	354,060	4,508,755	5,810,677	1,254,235	30,410,205	-	1,825	-	-	-	-	22,751	2,398	3,063
LA VERNE	44,244,163	252,365	52,622	-	31	-	6,136,762	126,025	432,562	8,830,018	314,878	28,057,966	-	8,768	-	-	-	-	28,656	3,509	-
MALIBU	29,632,161	-	-	-	245	-	4,021,578	371,496	1,093,280	9,897,441	249,012	13,743,658	-	-	-	-	-	238,519	12,786	4,146	-
LONG BEACH	11,624,434	-	384,461	-	61,490	-	1,072,895	662,526	6,564,440	551,274	2,222,227	58,608	-	42,279	-	-	-	-	-	-	4,234
ADELANTO	10,092,536	-	-	-	5,324	-	1,565,699	266,992	424,124	1,287,113	728,107	5,712,171	-	28,007	-	-	-	-	74,867	132	-
LA PUENTE	9,158,605	-	513,412	-	-	-	407,592	-	3,901,104	446,061	3,774,558	51,099	-	64,778	-	-	-	-	-	-	-
ONTARIO	8,921,361	-	73,731	-	13,189	-	1,359,104	21,667	1,747,719	363,651	3,574,103	905,900	-	861,391	-	-	-	-	-	-	905
WHITTIER	8,824,810	1,788	863,741	-	-	-	339,213	2,783,403	2,448,936	775,874	1,035,705	-	-	576,150	-	-	-	-	-	-	-
Huntington Beach	7,169,619	-	37,284	-	291,925	-	632,016	196,047	2,047,231	155,755	1,740,477	9,452	391,545	1,667,888	-	-	-	-	-	-	-
WESTMINSTER	6,858,353	-	6,162	-	-	-	1,428,352	52,537	1,031,963	1,073,903	696,553	2,499,479	-	69,403	-	-	-	-	-	-	-
HESPERIA	5,546,481	-	-	-	47,185	-	630,464	557,230	2,730,540	107,409	1,426,729	-	-	46,922	-	-	-	-	-	-	-
LANCASTER	5,081,545	-	304,319	-	-	-	1,271,925	57,194	2,028,013	205,099	1,208,339	524	-	6,132	-	-	-	-	-	-	-
WILLOW CREEK	4,911,000	-	-	-	7	-	684,786	104,184	1,107,660	1,143,271	545,572	910,943	-	35,303	-	-	-	-	377,627	1,646	-
Santa Monica	4,600,613	-	1,038,033	-	504,292	-	974,063	1,052,594	679,705	166,663	82,346	-	-	1	-	102,916	-	-	-	-	-
VICTORVILLE	4,536,395	-	389,362	-	16,459	19,239	1,319,109	311,395	674,569	314,692	749,893	111,829	-	626,760	-	-	-	-	25	-	3,063
BIG BEAR LAKE	4,380,012	-	-	-	-	-	6,174	-	686,777	22,003	615,598	5,062	-	3,044,398	-	-	-	-	-	-	-
COVINA	4,310,449	-	-	-	-	-	135,302	496,701	2,511,345	89,587	647,966	33,247	-	396,302	-	-	-	-	-	-	-
APPLE VALLEY	4,210,201	-	-	-	104,426	-	723,898	739,632	1,660,261	226,110	541,678	42,476	-	171,720	-	-	-	-	-	-	-
SANTA BARBARA	4,152,509	-	27,428	104,839	327,137	-	1,214,503	27,506	1,163,487	661,214	271,470	-	-	-	-	-	-	-	185	-	354,740
HEMET	3,987,089	-	-	-	-	-	434,799	97,554	1,384,729	324,028	1,203,883	35,778	-	506,317	-	-	-	-	-	-	-
NOVATO	3,926,776	-	-	-	469	-	1,120,026	7,430	317,117	1,299,174	118,464	1,043,849	-	-	-	-	-	-	20,226	20	-
REDLANDS	3,849,081	-	-	-	-	-	192,890	6,337	2,700,290	54,750	703,113	153,979	-	37,722	-	-	-	-	-	-	-
PERRIS	3,791,804	-	-	-	13,683	-	571,180	268,463	1,694,218	170,815	688,264	124,179	-	256,953	-	-	-	-	-	-	4,049
NORWALK	3,586,445	-	667,830	-	-	-	340,751	6,163	1,439,086	262,445	852,397	3,565	-	14,209	-	-	-	-	-	-	-
DOWNEY	3,262,674	-	-	-	-	-	375,296	61,001	2,163,539	82,792	580,047	-	-	-	-	-	-	-	-	-	-
SANTA MARIA	3,090,196	-	590,930	-	-	-	576,698	75,861	905,670	483,688	434,504	-	-	22,846	-	-	-	-	-	-	-
PALM SPRINGS	3,031,956	-	261,487	-	911	-	864,129	1,123	843,977	28,834	863,934	94,483	-	73,078	-	-	-	-	-	-	-
INDIO	3,018,409	-	736,757	-	-	-	315,730	225,161	874,038	62,581	577,574	189,719	-	36,848	-	-	-	-	-	-	-
POMONA	3,009,499	-	-	-	-	-	282,718	7,809	1,884,585	182,679	611,285	40,423	-	-	-	-	-	-	-	-	-
TIVY VALLEY	2,978,139	-	-	-	21,207	-	297,039	109,089	535,502	706,303	1,164,506	66,705	-	77,787	-	-	-	-	-	-	-
WEST LOS ANGELES	2,946,834	-	20,812	-	-	-	25,825	1,504,634	745,268	304,271	146,916	1	-	199,107	-	-	-	-	-	-	-
WEAVERVILLE	2,933,321	-	267,414	-	353,754	-	376,088	34,933	1,526,583	23,522	213,539	29,298	-	108,189	-	-	-	-	-	-	-
UPLAND	2,924,099	-	-	-	167,128	-	696,839	-	837,577	541,062	413,620	267,873	-	-	-	-	-	-	-	-	-
GILROY	2,898,508	-	-	-	33,151	-	636,610	-	643,682	344,694	983,135	3,517	-	252,562	-	-	-	-	1,158	-	-
BEAUMONT	2,853,141	-	-	-	-	-	221,279	48,613	847,180	77,513	395,975	848,627	-	413,955	-	-	-	-	-	-	-
LAGUNA BEACH	2,816,783	-	1,207,468	-	-	-	180,001	221,326	289,029	108	363,591	-	-	555,258	-	-	-	-	-	-	-
Los Gatos	2,815,697	-	-	-	6	-	497,961	1,016	1,429,650	335,117	489,614	13,616	-	48,717	-	-	-	-	-	-	-
MORGAN HILL	2,810,743	-	-	-	-	-	253,413	-	661,408	294,171	1,578,250	-	-	23,501	-	-	-	-	-	-	-
CLAREMONT	2,800,581	-	-	-	7,323	-	242,976	-	1,487,617	90,279	501,512	228,135	-	242,739	-	-	-	-	-	-	-
BALDWIN PARK	2,789,418	-	380,779	-	-	-	272,089	-	1,427,929	128,692	528,454	37,483	-	13,992	-	-	-	-	-	-	-
CUCAMONGA	2,768,334	-	66,685	-	-	-	364,297	12,767	417,502	84,599	1,760,299	6,273	-	55,912	-	-	-	-	-	-	-
ELSINORE	2,731,790	-	-	-	-	-	289,673	102,654	995,085	29,201	931,324	246,777	-	137,075	-	-	-	-	-	-	-
HERMOSA BEACH	2,552,773	-	974,862	-	-	-	273,791	-	1,163,864	3,781	136,476	-	-	-	-	-	-	-	-	-	-
SEAL BEACH	2,482,731	-	17,450	-	-	-	873,113	-	594,633	347,040	650,496	-	-	-	-	-	-	-	-	-	-
BARSTOW	2,438,680	-	-	-	-	-	229,108	175,550	940,843	121,343	971,836	-	-	-	-	-	-	-	-	-	-
CAMARILLO	2,411,594	-	43,431	-	-	-	446,861	-	700,363	127,618	1,037,766	-	-	24,255	-	-	31,300	-	-	-	-
MONROVIA	2,391,431	-	9,932	-	-	-	209,112	-	1,539,770	213,374	417,666	4,627	-	(3,050)	-	-	-	-	-	-	-
CARPINTERIA	2,356,540	-	-	-	-	-	105,757	-	531,912	467,117	813,593	-	-	438,162	-	-	-	-	-	-	-
THOUSAND OAKS	2,334,982	-	192,352	-	-	-	686,360	59,686	600,464	337,857	446,192	-	-	12,070	-	-	-	-	-	-	-
GOLETA	2,260,761	-	-	-	-	-	203,444	-	1,454,354	287,489	297,656	-	-	17,818	-	-	-	-	-	-	-
OXNARD	2,244,779	-	26,083	-	-	-	602,815	44,861	1,138,993	93,703	338,324	-	-	-	-	-	-	-	-	-	-
CHINO	2,158,044	-	-	-	-	-	355,098	-	905,708	65,666	447,394	363,369	-	20,809	-	-	-	-	-	-	-
LA HABRA	2,105,781	-	-	-	-	-	46,046	-	1,587,821	65,519	362,625	43,770	-	-	-	-	-	-	-	-	-
LOS SERRANOS	2,100,104	-	-	-	-	-	257,502	7,444	152,210	119,759	902,445	586,875	-	73,869	-	-	-	-	-	-	-
PHELAN	2,099,878	-	-	-	120,711	-	277,537	337,333	635,861	334,313	125,053	189,311	-	79,760	-	-	-	-	-	-	-
MURRIETA	2,091,434	-	107,095	-	101,207	-	617,480	169,936	201,676	99,340	413,786	252,426	-	128,487	-	-	-	-	-	-	-
SUN CITY	2,084,380	-	-	-	-	-	122,015	289,912	422,969	1	653,647	402,313	-	193,522	-	-	-	-	-	-	-
PACOIMA	2,077,214	-	-	-	-	-	133,970	-	1,245,038	560,459	137,748	-	-	-	-	-	-	-	-	-	-
SOLVANG	2,064,205	-	-	-	-	-	1,038,934	-	711,169	118,721	156,532	-	-	38,850	-	-	-	-	-	-	-
SEPULVEDA	2,036,771	-	88,875	-	-	-	149,085	524,759	944,982	160,386	141,806	-	-	26,879	-	-	-	-	-	-	-
SAN FERNANDO	2,019,712	-	793,430	-	-	-	161,074	-	678,534	62,545	324,129	-	-	-	-	-	-	-	-	-	-
CULVER CITY	2,013,573	-	-	-	-	-	244,289	203,928	1,119,176	112,441	333,739	-	-	-	-	-	-	-	-	-	-
RANCHO CALIFORNIA	1,939,708	-	-	-	-	-	478,119	121,163	122,870	835	718,917	200,598	-	297,208	-	-	-	-	-	-	-
HOMELAND	1,871,200	-	-	-	116,746	-	149,365	-	409,405	18,211	446,150	447,368	-	283,956	-	-	-	-	-	-	-
TEMECULA	1,848,191	-	11,967	-	17,703	-	705,376	49,589	415,323	-	521,718	52,186	-	74,330	-	-	-	-	-	-	-
YUCCA VALLEY	1,828,339	-	161,902	-	28,783	-	960,091	512,126	-	93,419	72,018	-	-	-	-	-	-	-	-	-	-
LUCERNE VALLEY	1,815,148	-	-	-	46,769	-	294,541	168,819	824,861	157,666	322,492	-	-	-	-	-	-	-	-	-	-
GLENDORA	1,795,702	-	-	-	-	-	70,107	-	920,012	28,598	471,088	-	-	305,897	-	-	-	-	-	-	-
REDONDO BEACH	1,781,660	-	-	-	-	-	96,090	40,423	975,693	48,976	620,477	-	-	-	-	-	-	-	-	-	-

Table 8.12: GROSS PLANT ADDITIONS 2018-2019 (sorted by highest to lowest wire center expenditure) (continued)

Wire Center	TOTAL	USOA PLANT ACCOUNT 2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
ARTESIA	1,774,273	-	-	-	-	-	202,762	32,753	588,143	66,551	887,211	(15,174)	-	12,027	-	-	-	-	-	-	-
PALM DESERT	1,754,637	-	17,708	-	-	-	433,200	300,289	442,021	418	557,999	-	-	3,001	-	-	-	-	-	-	-
PICO RIVERA	1,727,179	-	-	-	-	-	11,435	-	764,877	168,796	244,119	-	-	537,951	-	-	-	-	-	-	-
LOMPOC	1,712,861	-	-	-	-	-	225,910	-	1,049,417	184,269	242,005	-	-	11,261	-	-	-	-	-	-	-
BANNING	1,703,323	-	-	-	-	-	226,185	-	1,288,186	9,737	163,184	-	-	16,031	-	-	-	-	-	-	-
ELLWOOD	1,676,191	-	609,494	-	-	-	99,030	-	670,184	36,465	195,995	-	-	65,024	-	-	-	-	-	-	-
ARROWHEAD FARMS	1,626,913	-	-	-	-	-	54,066	-	1,469,535	84,264	19,049	-	-	-	-	-	-	-	-	-	-
EDGEMONT	1,615,489	-	-	-	-	-	269,906	76,148	173,293	403	948,322	115,093	-	32,325	-	-	-	-	-	-	-
SUNNYMEAD	1,601,257	-	-	-	-	-	265,115	310,280	422,224	315	239,154	236,535	-	127,634	-	-	-	-	-	-	-
PARKFIELD	1,577,595	-	332,321	-	-	-	577,883	9,469	(70,904)	292,308	-	434,260	-	-	-	-	-	-	1,737	521	-
DESERT HOT SPRINGS	1,564,312	-	10,306	-	112,944	-	395,806	149,876	494,748	4,234	374,064	12,753	-	9,582	-	-	-	-	-	-	-
PLAYA DEL REY	1,532,993	-	-	-	(540)	-	306,745	161,490	499,305	39,195	451,539	-	-	75,260	-	-	-	-	-	-	-
FOWLER	1,506,135	-	-	-	-	-	299,323	-	610,634	335,619	197,812	12,819	-	49,928	-	-	-	-	-	-	-
BIG BEAR CITY	1,501,957	-	318,681	-	-	-	7,814	-	1,147,181	28,281	-	-	-	-	-	-	-	-	-	-	-
WALNUT	1,500,298	-	-	-	-	-	39,947	-	465,736	287,697	596,720	110,198	-	-	-	-	-	-	-	-	-
REEDLEY	1,487,428	-	227,690	-	-	-	86,055	4,535	501,247	221,835	172,313	-	-	273,754	-	-	-	-	-	-	-
ORCUTT	1,483,542	-	-	-	-	-	59,510	-	1,196,886	198,246	28,899	-	-	-	-	-	-	-	-	-	-
LAKE ISABELLA	1,479,504	-	-	-	-	-	125,019	-	745,406	558,535	14,386	36,157	-	-	-	-	-	-	-	-	-
BELLFLOWER	1,427,814	-	-	-	-	-	141,233	111,980	1,051,088	44,437	79,076	-	-	-	-	-	-	-	-	-	-
AZUSA	1,406,077	-	-	-	-	-	42,096	-	888,761	80,225	391,245	1,898	-	1,852	-	-	-	-	-	-	-
MUSCOY DEVORE	1,398,997	-	-	-	48,246	-	70,263	-	913,216	219,848	119,348	5,346	-	22,731	-	-	-	-	-	-	-
LOS ANGELES	1,380,026	-	-	-	44,912	-	597,109	164,416	560,816	-	12,774	-	-	-	-	-	-	-	-	-	-
SANTA PAULA	1,369,991	-	-	-	-	-	272,442	59,138	675,913	267,490	95,008	-	-	-	-	-	-	-	-	-	-
SYLMAR	1,354,387	-	74,095	-	27,211	-	545,137	-	384,225	129,137	194,583	-	-	-	-	-	-	-	-	-	-
HOMESTEAD VALLEY	1,351,816	-	-	-	12,304	-	460,477	131,014	42,272	111,969	90,902	419,670	-	83,208	-	-	-	-	-	-	-
YUCAIPA	1,347,191	-	-	-	-	-	44,171	-	1,061,440	140,947	82,754	17,880	-	-	-	-	-	-	-	-	-
SUNLAND	1,343,006	-	14,719	-	-	-	167,827	-	773,426	159,416	227,618	-	-	-	-	-	-	-	-	-	-
CALIMESA	1,327,034	-	-	-	5,933	-	316,566	42,003	757,365	93,646	29,618	45,784	-	36,119	-	-	-	-	-	-	-
CRESTLINE	1,321,757	-	-	-	-	-	182,595	-	923,050	47,307	136,171	-	-	32,634	-	-	-	-	-	-	-
LINDSAY	1,301,124	-	-	-	7,416	-	228,084	2,912	575,649	251,679	150,453	22,614	-	62,317	-	-	-	-	-	-	-
SAN JACINTO	1,292,510	-	-	-	-	-	118,081	6,609	430,006	184,457	290,154	142,310	-	120,894	-	-	-	-	-	-	-
BEL AIR	1,283,863	-	-	-	-	-	-	195,730	664,513	27,765	408,014	-	-	(12,159)	-	-	-	-	-	-	-
LOMA LINDA	1,188,600	-	-	-	-	-	133,024	62,481	386,591	9,980	588,799	2,673	-	5,052	-	-	-	-	-	-	-
GRANADA HILLS	1,186,040	-	24,486	-	-	-	62,809	-	882,595	66,145	150,006	-	-	-	-	-	-	-	-	-	-
PACIFIC PALISADES	1,170,774	-	354,608	-	-	-	13,217	143,775	547,598	39,971	71,572	-	-	35	-	-	-	-	-	-	-
BELL GARDENS	1,094,856	-	-	-	-	-	-	-	583,760	136,008	222,949	-	-	152,139	-	-	-	-	-	-	-
TOPANGA	1,093,056	-	-	-	-	-	33,833	115,723	320,086	45,894	3,753	-	-	573,768	-	-	-	-	-	-	-
NEWBERRY SPRINGS	1,091,483	-	-	-	-	-	142,236	46,268	450,903	219,234	75,516	157,326	-	-	-	-	-	-	-	-	-
DUNLAP	1,055,035	-	-	-	-	-	207,804	30,260	373,128	137,767	260,167	-	-	45,908	-	-	-	-	-	-	-
RANCHO MIRAGE	1,039,026	-	52,901	-	-	-	256,785	-	335,038	(6,762)	326,093	-	-	74,972	-	-	-	-	-	-	-
GARBERVILLE	1,034,181	-	444,889	-	7,755	-	55,429	-	449,098	44,079	32,931	-	-	-	-	-	-	-	-	-	-
QUAIL VALLEY	1,021,625	-	-	-	-	-	7,646	-	207,347	-	300,540	270,037	-	236,055	-	-	-	-	-	-	-
QUARTZ HILL	1,006,679	-	6,330	-	-	-	94,042	-	593,726	48,434	165,864	3,469	-	94,815	-	-	-	-	-	-	-
BRIDGEPORT	1,004,643	-	-	-	-	-	63,518	213,525	195,426	-	39,782	30,121	-	29,508	432,764	-	-	-	-	-	-
MONTECITO	996,630	-	-	-	-	-	36,106	-	839,702	14,471	79,199	-	-	27,153	-	-	-	-	-	-	-
RIDGECREST	962,671	-	-	-	-	-	160,767	145,661	324,234	88,053	226,619	17,336	-	-	-	-	-	-	-	-	-
BISHOP	939,399	-	43,621	-	-	-	142,554	37,022	546,798	73,256	70,572	25,576	-	-	-	-	-	-	-	-	-
PALOS VERDES ESTATES	937,271	-	16,903	-	-	-	32,768	-	664,513	38,267	184,820	-	-	-	-	-	-	-	-	-	-
LAYTONVILLE	935,526	-	-	-	-	-	2,743	-	907,846	24,937	-	-	-	-	-	-	-	-	-	-	-
LENWOOD	934,640	-	-	-	-	-	118,543	-	499,461	21,689	163,701	-	-	131,245	-	-	-	-	-	-	-
LAKE HUGHES	919,798	-	-	-	-	-	199,806	-	429,315	(44,304)	286,399	17,035	-	31,547	-	-	-	-	-	-	-
RIPON	918,939	-	-	-	-	-	138,287	16,935	159,173	133,592	102,422	139,469	-	229,062	-	-	-	-	-	-	-
IDYLLWILD	900,395	-	-	-	-	-	210,746	83,615	531,549	-	70,744	-	-	3,742	-	-	-	-	-	-	-
INYOKERN	898,391	-	-	-	-	-	112,554	47,380	637,987	2,289	63,281	-	-	34,899	-	-	-	-	-	-	-
EXETER	856,172	-	-	-	-	-	110,464	3,031	284,214	97,780	304,098	-	-	56,584	-	-	-	-	-	-	-
EL RIO	851,267	-	-	-	-	-	216,110	-	23,779	122,613	462,097	-	-	26,669	-	-	-	-	-	-	-
SIERRA MADRE	846,767	-	-	-	101,174	-	131,722	41,252	485,902	16,018	70,699	-	-	-	-	-	-	-	-	-	-
KERNVILLE	832,307	-	-	-	38,810	-	104,108	-	499,889	158,962	7,565	22,973	-	-	-	-	-	-	-	-	-
SAN DIMAS	803,721	-	-	-	-	-	90,271	-	392,661	44,602	227,202	1,793	-	47,192	-	-	-	-	-	-	-
NEWBURY PARK	767,743	-	-	-	8,427	-	153,278	56,554	214,895	1	333,259	1,330	-	-	-	-	-	-	-	-	-
STRATHMORE	765,245	-	24,490	-	-	-	165,427	108,337	243,781	153,478	56,148	-	-	13,585	-	-	-	-	-	-	-
THERMAL	763,599	-	-	-	39,783	-	132,802	119,319	227,935	59,349	133,038	51,155	-	218	-	-	-	-	-	-	-
LA QUINTA	760,826	-	75,320	-	153,893	-	175,640	-	54,357	-	209,585	86,556	-	5,474	-	-	-	-	-	-	-
ETIWANDA	726,253	-	-	-	-	-	110,157	10,898	115,193	3,670	304,746	146,539	-	35,051	-	-	-	-	-	-	-
MANHATTAN BEACH	712,967	-	-	-	105,950	-	15,903	61,536	338,028	69,131	122,419	-	-	-	-	-	-	-	-	-	-
RUNNING SPRINGS	692,451	-	-	-	-	-	9,099	-	640,218	30,123	-	13,011	-	-	-	-	-	-	-	-	-
Sanger	682,722	-	-	-	-	-	91,851	5,507	329,799	49,979	142,962	20,720	-	41,903	-	-	-	-	-	-	-
Manteca	659,638	-	7,633	-	-	-	253,600	7,192	344,452	(11,612)	58,373	-	-	-	-	-	-	-	-	-	-
BERMUDA DUNES	649,431	-	-	-	-	-	28,233	165,500	142,211	3,451	233,547	71,163	-	5,326	-	-	-	-	-	-	-
TWENTYNINE PALMS	649,280	-	-	-	-	-	332,808	57,536	258,936	-	-	-	-	-	-	-	-	-	-	-	-
SNELLING	643,021	-	448,001	-	-	-	-	-	21,591	-	173,429	-	-	-	-	-	-	-	-	-	-
DESERT KNOLLS	626,319	-	-	-	-	-	49,416	-	441,973	11,795	107,679	-	-	-	-	-	15,455	-	-	-	-
DIAMOND BAR	610,249	-	-	-	-	-	52,190	-	161,342	39,243	240,102	-	-	117,371	-	-	-	-	-	-	-
SQUAW VALLEY	576,469	-	-	-	-	-	32,211	74,103	244,667	82,750	42,186	-	-	100,553	-	-	-	-	-	-	-
LONE PINE	566,047	-	-	-	-	-	108,217	37,099	236,174	113,574	37,143	-	-	25,012	-	-	8,828	-	-	-	-
GRANT GROVE VILLAGE	565,602	-	-	-	-	-	517,733	-	44,706	3,163	-	-	-	-	-	-	-	-	-	-	-
SALTON CITY	554,144	-	-	-	37,397	-	165,238	4,457	246,344	-	100,708	-	-	-	-	-	-	-	-	-	-

ECONOMICS AND TECHNOLOGY, INC.

Table 8.12: GROSS PLANT ADDITIONS 2018-2019 (sorted by highest to lowest wire center expenditure) (continued)

		USOA PLANT ACCOUNT																			
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
LINDEN	525,178	-	-	-	32,261	-	146,121	-	161,818	1,108	183,870	-	-	-	-	-	-	-	-	-	-
MENTONE	515,667	-	-	-	-	-	114,443	59,283	38,097	93,535	182,829	13,595	-	13,885	-	-	-	-	-	-	-
YERMO	513,081	-	-	-	-	-	246,299	39,439	138,925	-	88,418	-	-	-	-	-	-	-	-	-	-
MORONGO VALLEY	505,732	-	-	-	20,892	-	222,688	150,786	111,362	-	3	-	-	-	-	-	-	-	-	-	-
COACHELLA	498,408	-	-	-	-	-	141,761	10,586	158,295	-	150,346	31,469	-	5,950	-	-	-	-	-	-	-
WRIGHTWOOD	494,609	-	-	-	21,160	-	89,138	-	202,107	110,976	71,228	-	-	-	-	-	-	-	-	-	-
COLFAX	481,153	-	44,525	-	-	-	-	-	418,829	14,769	-	3,030	-	-	-	-	-	-	-	-	-
WHITETHORN	460,565	-	-	-	-	-	-	-	139,707	43,953	55,902	221,004	-	-	-	-	-	-	-	-	-
OASIS	459,972	-	-	-	-	-	127,073	-	151,595	65,658	106,837	-	-	8,808	-	-	-	-	-	-	-
SEA RANCH	454,904	-	-	-	-	-	381,646	26,214	-	-	47,044	-	-	-	-	-	-	-	-	-	-
GUADALUPE	440,862	-	-	-	-	-	30,282	-	227,795	11,087	165,831	-	-	5,867	-	-	-	-	-	-	-
CALIFORNIA CITY	422,332	-	-	-	-	-	29,765	-	377,076	2,208	10,053	3,230	-	-	-	-	-	-	-	-	-
COVELO	420,020	-	-	-	-	-	-	-	343,450	76,570	-	-	-	-	-	-	-	-	-	-	-
CORCORAN	418,516	-	-	-	7,048	-	174,332	-	163,064	(2,205)	76,277	-	-	-	-	-	-	-	-	-	-
VANDENBERG AFB	418,380	-	-	-	-	-	389,243	-	29,137	-	-	-	-	-	-	-	-	-	-	-	-
TRONA	416,075	-	-	-	-	-	133,797	24,966	124,634	83,691	48,987	-	-	-	-	-	-	-	-	-	-
MECCA	402,985	-	-	-	23,787	-	175,673	18,685	52,108	-	127,003	-	-	5,730	-	-	-	-	-	-	-
POINT MUGU NAWC	399,470	-	33,744	-	-	-	74,218	69,227	3,637	52,581	164,908	-	-	1,155	-	-	-	-	-	-	-
THOUSAND PALMS	396,326	-	7,027	-	-	-	150,251	-	205,802	-	33,245	-	-	-	-	-	-	-	-	-	-
HOOPA	379,305	-	-	-	-	-	-	-	330,371	41,734	7,200	-	-	-	-	-	-	-	-	-	-
HAYFORK	370,538	-	-	-	-	-	3,558	-	356,867	10,113	-	-	-	-	-	-	-	-	-	-	-
BORON	361,265	-	-	-	-	-	118,786	33,872	188,030	15,594	4,983	-	-	-	-	-	-	-	-	-	-
JOSHUA TREE	357,445	-	-	-	-	-	50,899	37,417	208,369	38,763	17,963	4,033	-	-	-	-	-	-	-	-	-
SAN MIGUEL	347,236	-	150,502	-	46,296	-	110,815	-	26,558	-	13,065	-	-	-	-	-	-	-	-	-	-
DOS PALOS	347,139	-	-	-	-	-	-	-	333,990	5,744	-	7,406	-	-	-	-	-	-	-	-	-
NORTH SHORE	341,298	-	-	-	17,793	-	49,606	85,719	119,149	8,131	60,900	-	-	-	-	-	-	-	-	-	-
CAZADERO	338,581	-	-	-	-	-	60,976	47,726	145,584	9,382	-	-	-	74,912	-	-	-	-	-	-	-
LEE VINING	328,045	-	79,002	-	-	-	75,325	37,159	67,684	21,748	25,605	-	-	21,525	-	-	-	-	-	-	-
SOUTH LAGUNA BEACH	327,044	-	-	-	-	-	158,403	55,001	39,213	-	74,427	-	-	-	-	-	-	-	-	-	-
JUNE LAKE	321,230	-	-	-	-	-	63,556	36,766	191,175	29,733	-	-	-	-	-	-	-	-	-	-	-
FORT IRWIN	317,793	-	-	-	-	-	188,594	-	53,868	-	13,416	41,269	-	-	-	-	-	-	20,645	-	-
WELDON	309,077	-	-	-	-	-	63,643	-	188,527	-	7,907	48,330	-	670	-	-	-	-	-	-	-
MAMMOTH LAKES	289,274	-	-	-	18,424	-	9,773	40,993	176,528	15,876	27,680	-	-	-	-	-	-	-	-	-	-
OLANCHA	288,560	-	-	-	-	-	70,876	77,409	122,925	-	-	-	-	17,349	-	-	-	-	-	-	-
BIG PINE	280,007	-	-	-	-	-	102,396	35,004	103,608	15,984	23,015	-	-	-	-	-	-	-	-	-	-
SUMMIT VALLEY	278,042	-	-	-	-	-	71,494	-	92,347	114,200	-	-	-	-	-	-	-	-	-	-	-
MIRAMONTE	276,586	-	-	-	-	-	48,581	29,332	88,601	41,192	48,606	-	-	20,275	-	-	-	-	-	-	-
TAFT	266,169	-	-	-	-	-	-	-	124,497	33,759	107,913	-	-	-	-	-	-	-	-	-	-
LOS ALAMOS	263,508	-	7,541	-	-	-	98,088	-	153,440	-	4,439	-	-	-	-	-	-	-	-	-	-
WEIMAR	257,275	-	-	-	-	-	-	-	257,275	-	-	-	-	-	-	-	-	-	-	-	-
VALLE VISTA	251,711	-	-	-	-	-	-	25,235	226,477	-	-	-	-	-	-	-	-	-	-	-	-
INDEPENDENCE	250,361	-	-	-	-	-	69,843	107,766	65,237	-	5,443	2,073	-	-	-	-	-	-	-	-	-
EL MIRAGE	248,537	-	-	-	-	-	87,587	34,832	76,802	-	49,317	-	-	-	-	-	-	-	-	-	-
CROWLEY LAKE	232,392	-	-	-	-	-	24,181	38,417	145,821	9,189	-	14,785	-	-	-	-	-	-	-	-	-
MCFARLAND	225,455	-	-	-	-	-	-	-	146,539	9,323	26,881	-	-	42,712	-	-	-	-	-	-	-
RANDSBURG	211,524	-	27,054	-	-	-	52,253	41,481	90,735	-	-	-	-	-	-	-	-	-	-	-	-
CLEMENTS	211,495	-	-	-	-	-	18,623	-	134,269	-	58,602	-	-	-	-	-	-	-	-	-	-
MARICOPA	207,697	-	-	-	-	-	36,109	-	94,269	-	77,318	-	-	-	-	-	-	-	-	-	-
LOST HILLS	207,446	-	-	-	-	-	-	-	26,895	-	180,551	-	-	-	-	-	-	-	-	-	-
NORTH EDWARDS	203,436	-	77,037	-	-	-	22,673	-	103,726	-	-	-	-	-	-	-	-	-	-	-	-
LEMON COVE	197,903	-	-	-	40,660	-	53,606	-	59,115	-	30,550	-	-	13,972	-	-	-	-	-	-	-
TIMBER COVE	192,403	-	-	-	-	-	59,620	34,451	98,331	-	-	-	-	-	-	-	-	-	-	-	-
PINE CREEK	179,572	-	-	-	-	-	29,914	-	149,658	-	-	-	-	-	-	-	-	-	-	-	-
ALDERPOINT	178,738	-	-	-	-	-	-	-	114,147	32,679	-	31,912	-	-	-	-	-	-	-	-	-
CHINA LAKE	171,121	-	-	-	-	-	62,195	-	70,631	-	38,295	-	-	-	-	-	-	-	-	-	-
ORO LOMA	167,471	-	-	-	-	-	-	-	39,219	-	37,911	90,341	-	-	-	-	-	-	-	-	-
KENWOOD	162,676	-	-	-	-	-	-	-	161,445	-	1,231	-	-	-	-	-	-	-	-	-	-
Blythe	155,878	-	-	-	-	-	86,327	-	-	13,554	54,394	-	-	1,603	-	-	-	-	-	-	-
GLENNVILLE	143,973	-	-	-	-	-	-	-	143,973	-	-	-	-	-	-	-	-	-	-	-	-
PINYON PINES	134,336	-	-	-	-	-	-	-	134,336	-	-	-	-	-	-	-	-	-	-	-	-
SAN JOAQUIN	133,695	-	-	-	-	-	76,099	-	57,595	-	-	-	-	-	-	-	-	-	-	-	-
PASADENA	133,627	-	51,936	-	-	-	32,055	-	-	-	49,636	-	-	-	-	-	-	-	-	-	-
DESERT HEIGHTS	133,310	-	-	-	-	-	98,504	29,449	1,838	3,520	-	-	-	-	-	-	-	-	-	-	-
FELLOWS	127,101	-	-	-	-	-	2,665	-	119,179	4,246	1,012	-	-	-	-	-	-	-	-	-	-
MAD RIVER	115,378	-	-	-	-	-	-	-	115,378	-	-	-	-	-	-	-	-	-	-	-	-
FARMINGTON	110,340	-	-	-	-	-	18,461	-	66,096	867	1,423	23,493	-	-	-	-	-	-	-	-	-
BADGER	103,341	-	-	-	-	-	37,979	-	65,362	-	-	-	-	-	-	-	-	-	-	-	-
DESERT SHORES	100,775	-	-	-	43,126	-	-	-	57,649	-	-	-	-	-	-	-	-	-	-	-	-
LEGGETT	85,764	-	-	-	-	-	-	-	53,818	31,947	-	-	-	-	-	-	-	-	-	-	-
BENTON	84,421	-	-	-	-	-	-	-	84,421	-	-	-	-	-	-	-	-	-	-	-	-
ALPAUGH	81,969	-	-	-	8	-	43,539	-	38,422	-	-	-	-	-	-	-	-	-	-	-	-
MCKITTRICK	81,203	-	-	-	-	-	-	-	78,203	-	3,000	-	-	-	-	-	-	-	-	-	-
LATHROP	77,646	-	-	-	-	-	11,298	-	41,542	-	24,806	-	-	-	-	-	-	-	-	-	-
BUTTONWILLOW	72,422	-	-	-	-	-	-	-	57,661	14,761	-	-	-	-	-	-	-	-	-	-	-
CALIFORNIA HOT SPRINGS	70,120	-	-	-	-	-	-	-	70,120	-	-	-	-	-	-	-	-	-	-	-	-
DESERT CENTER	53,810	-	-	-	-	-	-	-	53,810	-	-	-	-	-	-	-	-	-	-	-	-
KNIGHTS LANDING	51,705	-	-	-	-	-	-	-	51,705	-	-	-	-	-	-	-	-	-	-	-	-

Table 8.12: GROSS PLANT ADDITIONS 2018-2019 (sorted by highest to lowest wire center expenditure) (continued)

		USOA PLANT ACCOUNT																			
Wire Center	TOTAL	2116	2121	2124	2212	2231	2232	2362	2411	2421	2422	2423	2426	2441	2681	2712	2732	2744	2745	2746	2792
PIERCY	46,973	-	-	-	-	-	-	-	46,973	-	-	-	-	-	-	-	-	-	-	-	-
TRANQUILLITY	46,683	-	-	-	-	-	7,766	-	38,897	-	20	-	-	-	-	-	-	-	-	-	-
Guinda	40,408	-	-	-	-	-	40,408	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CANTUA CREEK	39,907	-	-	-	-	-	16,812	-	23,095	-	-	-	-	-	-	-	-	-	-	-	-
Needles	39,665	-	-	-	-	-	39,390	-	-	275	-	-	-	-	-	-	-	-	-	-	-
FARMERSVILLE	38,422	-	-	-	-	-	-	-	38,422	-	-	-	-	-	-	-	-	-	-	-	-
ORLEANS	30,051	-	-	-	-	-	-	-	30,050	-	1	-	-	-	-	-	-	-	-	-	-
ROBBINS	26,990	-	-	-	-	-	-	-	26,990	-	-	-	-	-	-	-	-	-	-	-	-
CUYAMA	23,095	-	-	-	-	-	-	-	23,095	-	-	-	-	-	-	-	-	-	-	-	-
Cedarville	2,479	-	-	-	-	-	-	-	2,479	-	-	-	-	-	-	-	-	-	-	-	-
RANCHO CORDOVA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HELENDALE-SILVER LAKES	(229,176)	-	-	-	-	-	51,960	35,649	-	-	(316,785)	-	-	-	-	-	-	-	-	-	-
TOTALS	**564,214,905**	**272,873**	**13,915,231**	**104,839**	**7,032,691**	**19,239**	**74,602,568**	**19,326,111**	**143,159,993**	**63,410,662**	**77,552,596**	**145,708,827**	**391,545**	**16,846,406**	**432,764**	**102,916**	**55,583**	**238,519**	**624,224**	**47,265**	**370,054**

Maintenance and rehabilitation expenses 2018-19

In CD Data Request 11-F-13, Frontier California was asked to "provide the Operating Expense charges as recorded on each of the following USOA expense accounts separately for each central office building and its associated wire center serving area, for each of the six-month periods between January 1, 2018 and December 31, 2019 ..." Frontier provided only summary, company-wide amounts, but has not provided this information "accounts separately for each central office building and its associated wire center serving area." The response also provided a breakdown of expenses as between regulated and non-regulated services. Table 8.13 below, which was prepared based upon data provided by Frontier California in response to DR 11-F-13, summarizes the information that was provided. Over the 2018-2019 period, Frontier California incurred a total of $1.02-billion in central office and outside plant operating costs. Of this amount, approximately $904.5-million, about 88.42%, was spent in support of regulated services, while the remaining $118.5-million, roughly 11.58%, was spent in support of non-regulated services.

Frontier California also provided operating expenses incurred in support of non-regulated services in its response to DR 12-F-5, which is summarized on Table 8.15. Table 8.14 is limited to outside plant expense accounts, whereas Table 8.13 includes central office expense accounts as well. Overall, both of these table put nonregulated operating expenses in the range of 11% of total OpEx.

Table 8.15, on the other hand, provides a breakdown of regulated and non-regulated revenues and operating expenses as provided by Frontier California in response to DR 5F-12. The Table includes a number of expense accounts in the 9XXX series that, when aggregated and compared with the total of regulated services expense accounts 6XXX series) produce a considerably higher non-regulated expense component overall. Table 8.15 also provides total and non-regulated revenues. The table provides calculations of the percentages of total revenues and total costs that are associated with non-regulated services; overall, these percentages, while not exactly the same for both revenues and expenses, are fairly close when viewed for each of the four years.

Table 8.13

FRONTIER CALIFORNIA
BREAKDOWN OF OPERATING EXPENSES
2018-2019

		ALL SERVICES	REGULATED SERVICES			NON-REGULATED SERVICES			
Account	Description	2- YRTOTAL	2018	2019	TOTAL	2018	2019	TOTAL	Pct Dereg
6212	Digital electronic central office switching expense	36,917,103	18,943,159	17,974,904	36,918,064	(961)	-	(961)	0.00%
6220	Operators system expense	37,648	19,599	18,049	37,648	-	-	-	0.00%
6231	Central Office Radio systems expense	2,731,535	87,419	27,120	114,539	1,684,420	932,576	2,616,996	95.81%
6232	Central Office Circuit equipment expense	99,443,811	52,759,252	46,339,284	99,098,536	296,784	48,491	345,275	0.35%
6411	Poles expense	9,780,313	7,332,630	2,447,683	9,780,313	-	-	-	0.00%
6421	Aerial cable expense	94,320,023	39,024,617	41,793,600	80,818,217	6,355,782	7,146,025	13,501,807	14.31%
6422	Underground cable expense	31,932,537	15,878,145	16,054,392	31,932,537	-	-	-	0.00%
6423	Buried cable expense	114,925,205	49,876,817	51,692,489	101,569,305	6,288,366	7,067,534	13,355,900	11.62%
6424	Submarine cable expense	209,411	92,418	116,993	209,411	-	-	-	0.00%
6426	Intra-building network cable expense	10,300	9,719	581	10,300	-	-	-	0.00%
6431	Aerial wire expense	971,717	757,981	213,737	971,717	-	-	-	0.00%
6441	Conduit systems expense	1,334,285	370,984	963,301	1,334,285	-	-	-	0.00%
6510	Other property, plant and equipment expenses.	-	-	-	-	-	-	-	
6511	Property held for future telecommunications use	-	-	-	-	-	-	-	
6534	Plant operations administration expense.	60,429,967	28,500,285	31,929,681	60,429,967	-	-	-	0.00%
6535	Engineering expense.	7,244,655	2,459,954	4,784,701	7,244,655	-	-	-	0.00%
6623	Customer services.	296,773,924	164,621,207	87,770,781	252,391,988	23,116,951	21,264,985	44,381,936	14.95%
6720	General and administrative expenses	265,983,166	96,650,533	125,035,314	221,685,847	23,123,045	21,174,274	44,297,319	16.65%
TOTALS		**1,023,045,600**	**477,384,719**	**427,162,610**	**904,547,329**	**60,864,387**	**57,633,884**	**118,498,271**	**11.58%**

Source: Frontier California Response to CD Data Request 11-F-13

Table 8.14

FRONTIER CALIFORNIA
OUTSIDE PLANT MAINTENANCE EXPENSES
2016-2019

Account	Description	2016	2016	2018	2019	2018-18 TOTAL	TOTAL
REGULATED SERVICES OUTSIDE PLANT MAINTENANCE EXPENSES							
6421	Aerial Cable	29,009,338	43,123,060	39,024,617	41,793,600	80,818,217	152,950,615
6422	Underground Cable	11,791,084	13,010,315	15,878,145	16,054,392	31,932,537	56,733,936
6423	Buried Cable	33,389,710	46,177,738	49,876,817	51,692,489	101,569,305	181,136,753
6424	Submarine Cable	8,312	155,066	92,418	116,993	209,411	372,789
6426	Intrabuilding Network	100,656	(15,829)	9,719	581	10,300	95,127
6431	Aerial Wire	1,638,866	2,802,085	757,981	213,737	971,717	5,412,668
6441	Conduit	345,625	366,839	370,984	963,301	1,334,285	2,046,749
	TOTAL REGULATED SERVICES EXPENSE	76,283,591	105,619,274	106,010,680	110,835,092	216,845,772	398,748,637
NON-REGULATED SERVICES OUTSIDE PLANT MAINTENANCE EXPENSES							
9421	Aerial Cable	5,249,955	4,200,725	6,355,782	7,146,025	13,501,807	22,952,487
9423	Buried Cable	6,624,484	4,579,832	6,288,366	7,067,534	13,355,900	24,560,216
	TOTAL NON-REGULATED SERVICES EXPENSE	11,874,439	8,780,557	12,644,148	14,213,559	26,857,707	47,512,703
TOTAL ALL OUTSIDE PLANT MAINTENANCE COST		**88,158,030**	**114,399,831**	**118,654,828**	**125,048,651**	**243,703,479**	**446,261,340**
PERCENT NON-REGULATED		**13.47%**	**7.68%**	**10.66%**	**11.37%**	**11.02%**	**10.65%**

Table 8.15

FRONTIER CALIFORNIA
REGULATED AND NONREGULATED REVENUES AND EXPENSES
2016-2019

Account	Description	2016	2017	2018	2019	2018-2019 TOTAL	4-YR TOTAL
	Regulated Revenues	819,948,000	2,054,287,000	1,916,501,000	1,817,555,000	3,734,056,000	6,608,291,000
5280	Non-regulated revenues	959,317,428	1,070,296,238	997,634,174	962,981,513	1,960,615,687	3,990,229,352
	Total Revenues	1,779,265,428	3,124,583,238	2,914,135,174	2,780,536,513	5,694,671,687	10,598,520,352
	Pct. Non-Reg Revenues	53.92%	34.25%	34.23%	34.63%	34.43%	37.65%
	Total operating expenses	863,814,000	1,213,774,000	1,160,941,000	1,116,584,000	2,277,525,000	4,355,113,000
	Non-reg operating expenses	409,910,751	467,310,225	413,216,959	362,464,986	775,681,945	1,652,902,921
	Pct Non-Reg expenses	47.45%	38.50%	35.59%	32.46%	34.06%	37.95%

Source: Frontier Responses to DR 12-F-3, 12-F-5

GO 133-D §9.7 Alternative Investments

As we discussed in our Phase 1 Report, in August 2016, the Commission issued a revised GO 133-D that imposes financial penalties upon ILECs that persistently fail to meet minimal POTS service quality standards. GO-133-D §§9.3, 9.4 and 9.5 provide for escalating daily fines where a carrier's failure to meet the required service standards persists for an extended period of time.[81] A total of $3.35-million in fines was assessed against Frontier California since this provision became effective.[82] §9.7 allows offending carriers the opportunity to submit an "Alternative Proposal for Mandatory Corrective Action" whereby carriers can avoid the fine by agreeing to invest an amount of at least double the fine if such an investment will be effective in remedying the service problem for which the fine had been imposed. This "alternative" opportunity is initiated by the carrier by submitting "a request to suspend the fine." Under this provision,

> ... carriers may propose, in their annual fine filing, to invest no less than twice the amount of their annual fine in a project (s) which improves service quality in a measurable way within 2 years. The proposal must demonstrate that 1) twice the amount of the fine is being spent, 2) the project (s) is an incremental expenditure with supporting financials (e.g. expenditure is in excess of the existing construction budget and/or staffing base), 3) the project (s) is designed to address a service quality deficiency and, 4) upon the project (s) completion, the carrier shall demonstrate the results for the purpose proposed.[83]

Carriers can avoid fines either by meeting the GO-133-D §3 performance standards or by investing in network upgrades that will result in improved service quality overall. These investments must, however, be directed specifically at services that fall within the scope of GO 133-D, i.e., legacy circuit-switched voice lines. Frontier California has sought approval of alternative proposals for mandatory corrective action under § 9.7 in lieu of paying the assessed fines in 2017, 2018 and 2019.[84] The company's "alternative investment" proposals for 2017 and 2018 amounted to $4.14-million, in liew of paying $2.07-million in fines for the two years. The Commission approved these requests for 2017 and 2018. For 2019, Frontier calculated its fine at $1.28-million and sought CPUC approval for its "alternative investment" proposal amounting to $2.56-million. However, CD staff recommended that the Commission deny Frontier's "alternative investment" proposal:

81. D.16-08-021 (R.11-12-001), Adopted Aug. 18, 2016; Effective Aug. 18, 2016; Except Section 9 on fines, which is effective Jan. 1, 2017.

82. CPUC Resolution T-17631, issued November 8, 2018; CPUC Resolution T-17652, issued May 30, 2019; CPUC Resolution T-17731, issued March 4, 2021.

83. GO 133-D, §9.7.

84. *See* Resolutions T-17631, Resolution T-17652, Resolution T-17731.

> This, however, is not the first time that Frontier CA has proposed a corrective action plan, pursuant to Section 9.7, in lieu of paying fines for failure to comply with the Commission's service quality standards. Its past corrective action plans have thus far not resulted in sustained improvement in its service quality performance, as demonstrated by Frontier CA's need to file this advice letter, which is its third consecutive Section 9.7 corrective action plan. As a result, it is unclear to Staff whether the project Frontier CA describes in its AL 12828 proposed corrective action plan would result in the necessary sustained performance results that are consistent with the Commission's long-term goals for service quality.[85]

CD has been tracking the effectiveness of such "alternative investments" in improving service quality and, in Frontier's case, has found them wanting.

> As background, from April 2016 (when Frontier CA acquired Verizon California) through the 4th Quarter of 2019, Frontier CA has repeatedly failed to meet the minimum Out of Service Repair Interval and Answer Time standards. For those past years, Frontier CA similarly proposed Section 9.7 corrective action plans in lieu of paying fines for its sub-standard service quality performance and non-compliance with the GO 133-D minimum standards in years 2017 and 2018, which CD approved in November 201813 and May 2019, respectively. Despite proposing to spend a total of $4,849,913 in those two previous GO 133-D corrective action plans, Frontier CA did not demonstrate significant improvement in its Out of Service Repair Interval standard through December 2019. Considering Frontier CA's past unsuccessful performances with its corrective action plans, CD found it unreasonable to similarly approve Frontier CA's third consecutive Section 9.6 corrective action plan proposed in AL 12828.[86]

As we noted above, during 2018-2019, Frontier California invested $562.8-million in Gross Plant Additions, primarily in central office equipment ($301.4-million) and outside plant ($261.4-million). Had it simply paid the fine, Frontier would have been out $2.07-million. That extra $2.07-million that Frontier had offered to invest (over and above the $2.07-million it would have paid anyway) amounts to less that 0.37$ of Frontier's total 2018-2019 plant additions – a truly *de minimis* sum, little more than a rounding error. There is no indication that, absent its acceptance of the §9.7 Alternative Investments option, the same total amount would not have been invested anyway. In our Phase 1 Report, we had concluded that the GO 133-D fines were insufficient to offer a financial inducement for ILEC compliance with the Commission's service quality minimum performance standards because the cost of the fine represented a minuscule fraction of the cost that the ILEC would need to incur to improve its service quality. We reiterate that observation here, as well as our recommendation that the level of these fines be significantly increased. We certainly concur with the Staff's recommendation and the

85. Draft Resolution T-17724, at 4.

86. *Id.*, citations omitted.

Commission's March 4, 2021 ruling that Frontier's §9.7 Alternative Investment proposal for 2019 be denied.[87]

Summary and conclusions

Frontier California represents a major component of its new parent, Frontier Communications Corp. But with the parent company's financial condition at a crisis stage, Frontier California's financial condition and investment policies will be dictated by conditions that are largely beyond the CPUC's control. The California ILEC entity has virtually no ability to raise equity or debt capital on its own. If the parent company successfully emerges from bankruptcy, its ability to raise capital may improve, and at this point that is speculative at best

Since taking over the company in 2016, Frontier has made gross infrastructure investments totalling some $946-million, the vast majority of which ($718-million) have been directed toward new outside plant. Although only a relatively small portion of that investment has been identified officially as supporting "non-regulated" services, it seems highly likely that the bulk of these projects have involved extending fiber optic distribution facilities to individual customer premises primarily to facilitate deployment of high-speed broadband Internet access and video services. While such undertakings also have the potential to improve the reliability of basic voice telephone service, such outlays could not be economically justified for that alone. Indeed, Frontier did not even offer standalone VoIP telephone services to customers who do not also take broadband Internet access before July 2019, and does not track the number of such customers: "The number of interconnected VoIP subscriptions on a standalone basis is not tracked and Frontier is investigating whether this data is available."[88] For those customers who continue to take legacy basic voice telephone services, such investments have limited benefit. As we noted in Chapter 4F above, with respect to such legacy services, Frontier California has seen deterioration in almost all of the GO 133 service quality metrics in most of the company's wire centers over the 2018-2019 period. With Frontier having invested nearly a billion dollars in California since acquiring the company, this is not the outcome that one would expect to see.

87. CPUC Resolution T-17731, issued March 4, 2021.

88. Frontier response to CD DR 13-F-03(d).