California High Cost Fund A

Public Utilities Code Section 275.6 requires the California Public Utilities Commission (CPUC) to minimize telephone rate disparities between rural and metropolitan areas to keep rates affordable in areas with lower population densities. This fund supports 13 small independent telephone companies to allow rural residents to stay connected to essential services to maintain public safety and public health.

Fiscal Year 2015-16 Program Budget - $43.4 Million

<table>
<thead>
<tr>
<th>Company</th>
<th>Lines</th>
<th>Company</th>
<th>Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calaveras</td>
<td>3,601</td>
<td>Pinnacles</td>
<td>238</td>
</tr>
<tr>
<td>Cal-Ore</td>
<td>1,850</td>
<td>Ponderosa</td>
<td>7,743</td>
</tr>
<tr>
<td>Ducor</td>
<td>969</td>
<td>Sierra</td>
<td>18,953</td>
</tr>
<tr>
<td>Foresthill</td>
<td>2,561</td>
<td>Siskiyou</td>
<td>3,729</td>
</tr>
<tr>
<td>Happy Valley*</td>
<td>2,566</td>
<td>Volcano</td>
<td>9,228</td>
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<tr>
<td>Hornitos*</td>
<td>559</td>
<td>Winterhaven*</td>
<td>985</td>
</tr>
<tr>
<td>Kerman</td>
<td>5,193</td>
<td>TOTAL</td>
<td>58,175</td>
</tr>
</tbody>
</table>

*Does not currently draw from the CHCF-A Fund

Supports 54,065 lines at an average of $50.86 per line or $610.29 per year per line to 10 carriers

Promotes customer access to advanced services and deployment of broadband-capable facilities

Subject to CPUC rate regulation as an eligibility requirement to receiving funding support

State operations constitute approximately 3.4 percent of total program budget.
For more detail on California High Cost Fund A: [www.cpuc.ca.gov/PUC/Telco/Public+Programs/chcfa.htm](http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/chcfa.htm)