

PUBLIC UTILITIES COMMISSION

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**Zayo Group, LLC's Prineville to Reno Fiber Optic Line Project****Analysis of and Potential Revisions to Zayo's Alternatives Analysis in the PEA and Data Request No. 3**

The CPUC is concerned that the Project's objectives, as stated in the PEA, are (1) not met by the Proposed Project as described and (2) do not reflect the perceived actual purpose of the project, which is to connect data centers in Oregon and Nevada. This inconsistency makes it difficult to develop and select alternatives that meet the applicant's objectives. Additionally, if a Statement of Overriding Considerations is required for the Project, the information in the PEA does not describe the Project benefits that would override the potential adverse effects of the Project.

Zayo has proposed the following as the screening criteria for evaluating alternatives to their Proposed Project. Does the alternative:

1. Improve quality of rural broadband service in Oregon, NE California and NW Nevada
2. Provide affordable broadband service to currently underserved communities
3. Remain within existing road ROWs and have fiber optic cable buried underground
4. Reduce or eliminate impacts to environmental resources

It should be noted that Zayo also has implied in the PEA that other goals of the Project are to have the most direct route in order to save construction time and costs.

In the current project description in the PEA, Zayo does not indicate how the Project would meet Objectives 1 and 2. The PEA does not describe how the Proposed Project will improve the quality of rural broadband service and provide affordable internet access to underserved communities in California. The Project as proposed is a trunk line fiber optic cable from Prineville, Oregon to Reno, Nevada (middle mile project). There is no discussion as to how the Proposed Project will serve communities in California.

It is also questionable that the alternative screening process as described by Zayo has demonstrated an adequate technical analysis of how Objective 4 (reducing or eliminating potential environmental impacts) has been determined. Of particular concern, the locations and extent of cultural resources and tribal cultural resources and the effects to these have not (and cannot) yet be fully known. Therefore, CPUC cannot yet evaluate the alternatives the applicant has proposed (or fully identify alternatives in addition to those suggested by Zayo) with respect to the extent that they might avoid or reduce significant effects to these resources.

The above-listed objectives also do not elaborate on the applicant's goal to connect data centers in Oregon and Nevada. Without fully understanding this goal, it is possible that the CPUC could evaluate an alternative that does not meet the applicant's goal.

Data request #3 seeks supporting information to the alternatives analysis in Zayo's PEA, clarification/reconciliation of the stated objectives and goal of connecting to data centers for the proposed project, and more information on how the proposed project meets those objectives. Data request #3 response would allow CPUC to develop and properly analyze a list of potential alternatives. This list may need to be adjusted to avoid sensitive cultural resources or tribal cultural resources when

the inventory and testing reports are completed by Stantec. Here are some preliminary thoughts on the matter.

Discussion of Zayo's PEA Alternatives Analysis

Currently through the PEA, Zayo has provided the CPUC the following alternatives that they determined were reasonable to evaluate:

- Oregon/Nevada only alternative
- Private land route alternative
- Co-location and above ground installation alternative
- Only use Route 395 for alignment in California (no County roads)
- No Project

Oregon/Nevada Only Alternative

The Oregon/Nevada Only Alternative would only build the fiber optic line in Oregon and Nevada from Prineville to Reno. According to Zayo, this route would have fewer rural internet hookups due to the sparse population in SE Oregon and NW Nevada. This route would also require additional electrical support that could be provided by solar PV arrays and battery back-up. Zayo also stated that, as they wanted to find the most direct route for efficiency and cost considerations, the Oregon/Nevada route was considered to potentially have more environmental effects than the Proposed Project and did not meet Goals 1 and 2 as outlined above.

This alternative may be functionally equivalent to the No Project Alternative.

The alternative as described and whether it meets Zayo's goals and objectives has almost no back-up information to evaluate Zayo's assertions. There are no route maps provided, no potential customer hook-up numbers provided, and no descriptions of the electrical facilities needed to support the Project nor other ancillary facilities shown and possible locations evaluated. Therefore, it is impossible at this time to determine if this alternative is environmentally superior to the Proposed Project.

Private Land Alternative

This alternative, according to Zayo, would require lease agreements with potentially thousands of parcels and individual owners. This alternative would also potentially lead to lengthy delays due to the time required to arrange the required leases. This alternative would also potentially have more/greater environmental impacts. The alternative does meet Zayo's Goal 3, which is to stay in an existing road ROW and be entirely buried.

While Zayo does indicate in the PEA on two maps a general location for the alternative in terms of alignment that closely follows 395, there is no real route shown and no indication of how many and where the private parcels are located. This at the very least makes it impossible to determine if there are more, less or different potential impacts to environmental resources posed by this alternative and their location. Once again it is impossible to determine whether this alternative is environmentally superior to the Proposed Project. Zayo provides little detail as to the actual route, location and number of parcels. There is no backup data in either the PEA section or an appendix which indicates how an analysis was prepared. We are only provided a very short summary.

Co-location and Above Ground Installation Alternative

In the description of this alternative in the PEA, Zayo has indicated that they have been in contact with other fiber optic providers (it appears two firms, one of which is Frontier) developing projects in the area to determine if they could co-locate fiber in a common alignment. Zayo determined that co-location with other fiber optic providers was not feasible and that there would be many areas/locations where above ground installation would be required. Because Zayo's goal is to be in a road ROW and have the cable entirely buried underground this alternative was considered environmentally inferior to the Proposed Project. In large part, beside the difficulty of constructing with several other cable providers, Zayo believes that the use of above ground cable is less reliable than buried cable (due to potential impacts to the cable from winds, fire, etc) and, therefore, has the potential for more environmental impacts.

It is difficult to determine if Zayo's analysis of this alternative is accurate as we have no information regarding with which carriers Zayo would be co-located, where that would occur and where above ground installation would occur. Zayo has provided no potential route maps, no information on co-location partners (this could be redacted to the public if need be), and no data as to how this would affect construction schedule and where additional impacts to environmental resources would occur. Again there is no information detailing how the analysis was prepared and how Zayo's findings arrived at in either the PEA section or in an appendix.

Utilize Route 395 Entirely Only in California

This alternative would only utilize Caltrans road ROW on Route 395. It would add 9 miles to the alignment as compared to the Proposed Project, which partially uses County roads in Lassen County to shorten the route. The entire cable would be buried underground. Zayo rejected this alternative on the basis that it was not the most direct route, was 9 miles longer and could take more time to construct, which could lead to more (or longer duration) construction related impacts. The potential for other impacts to environmental resources were alluded to in the PEA but not identified. The reality is that this alternative is almost identical to the Proposed Project. The analysis contained in the PEA of the Proposed Project did not identify any significant impacts to any environmental resources in the 9 miles in question, but also did not identify if there are resources in the County roads (particularly cultural or tribal cultural resources) that would be better avoided with the alternative. Therefore, it is probable that the impacts and mitigations required by the Proposed Project and this alternative are almost identical and that the only difference between the Proposed Project and the alternative are construction time related to the build out on the 9 mile differential. This could also beg the question; is this a real alternative?

No Project

With this alternative the Project would not be built and all impacts associated with the Proposed Project would not occur. However, the alternative would also not provide any additional rural access to the internet and underserved communities would potentially continue to have poor or no internet access.

Other Alternatives

In addition to the alternatives that have been proposed by Zayo in the PEA there are at least three additional California alternatives that could be explored. The first would be to analyze a route from Alturas to Reno utilizing existing utility corridors. The primary one that comes to mind is NV Energy's Alturas to Reno transmission line/corridor which has been previously evaluated by the CPUC. There may

be others such as a combination of gas and or electrical or water lines. The Alturas /Reno transmission corridor would be potentially ideal for a trunk fiber optic line between hubs.

The second California alternative would be to use a combination of Route 395 and other Federal and State roads where the opportunity actually to reach more rural and small community customers, or to avoid resources on Route 395, could be achieved.

The third alternative would be to locate all fiber cable installation above ground. This would avoid or lessen impacts associated with ground disturbance.

Conclusion

The alternatives proposed by Zayo in the PEA that bear further review are: Oregon to Nevada only route; private land route; co-location and above ground installation (and only use Route 395 ROW). All of these alternatives are legitimate to consider and analyze. However, other than a cursory summary cross alternative table review of some plusses and minuses (in the PEA) there are no data and maps to support the conclusions reached by Zayo as to the Proposed Project being the environmentally superior alternative.

Data Request

In order to adequately access the alternatives in comparison to the Proposed Project, additional research needs to be undertaken and that data analyzed in a consistent manner in order to determine if the Proposed Project is the environmentally superior alternative or not. Should you have questions regarding this data request, please contact Connie Chen at connie.chen@cpuc.ca.gov or (415) 703-2124.

- Please provide an updated discussion clarifying/reconciling the stated objectives and goal of connecting to data centers for the Proposed Project.
- Please provide explanation of how the Proposed Project would meet the stated objectives in the PEA.
- Please provide an updated discussion and supporting information for the PEA alternatives analysis. The supporting information should include relevant files regarding how the alternatives were arrived at and the data collected and analyzed to reach the conclusions.