

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

GUAM TELECOMMUNICATIONS
ACT OF 2004

DOCKET 05-01

AMENDED RULES GOVERNING REGULATORY FEES FOR
TELECOMMUNICATIONS COMPANIES

1. General Provisions.

- a. The Guam Public Utilities Commission ("*PUC*") is authorized under 12 GCA 12204(c)(7) to adopt reasonable rules to apportion its reasonable operating expenses among telecommunications companies, as that term is defined in 12 GCA 12201(h), including, without limitation companies providing commercial mobile service [*"carriers"*], for the regulation of such companies and for the administration of the Guam Telecommunications Act of 2004.
- b. PUC has three kinds of expenses, which shall be recovered under these rules:
 - i. Prior to the commencement of each fiscal year,¹ PUC establishes an annual budget to cover its administrative expenses, which has averaged in the range of \$490,000. It has been PUC's practice to allocate one-fifth of these expenses among the five regulated utilities: Guam Power Authority, Guam Waterworks Authority, GTA/ Other Telecom Companies, Port Authority of Guam, and Guam Solid Waste Authority. The one-fifth assessment charged to GTA and the Other Telecom Companies shall now be borne by the carriers and shall be allocated, commencing FY18, in the manner described in section 2[a] below.
 - ii. From time to time, PUC will undertake regulatory activities, which in its judgment, are of material interest to some or all of the carriers, such as the crafting of the rules authorized by 12 GCA 12204. Regulatory expenses² in these proceedings will be allocated among the carriers in the manner described in section 2.

¹ PUC's fiscal year runs from October 1 through September 30.

² Regulatory expenses include, without limitation, consultant fees, counsel and administrative law judge fees, hearing reporter fees, hearing room rental fees and publication expenses.

- iii. From time to time, PUC will conduct regulatory proceedings, including dispute resolution under Rule 4 of the Interconnection Implementation Rules, which involve one or more carriers as parties. PUC's regulatory expenses in such proceedings shall be allocated against such party or parties as the Commission deems appropriate, or as otherwise provided in 12 GCA 12207(d).

2. Allocation of Administrative and Regulatory Expenses.

- a. The one fifth share of PUC's annual administrative expenses ("*annual expenses*"), which will be assessed on carriers pursuant to section 1 [b][i] above, shall be the responsibility of TeleGuam Holdings LLC, or its successor, as the dominant carrier; provided, however, that they shall be shared with all other carriers, which were assessed during the preceding fiscal year under sections 1 [b][ii] or [iii].
- b. Each fiscal year there shall be a "baseline assessment" against the carriers for the PUC annual administrative expenses. The total baseline assessment shall be \$45,000.00 per fiscal year. The baseline assessment shall be apportioned among the carriers as follows:

				TOTAL BASELINE ASSESSMENT
GTA	\$10,000	0	\$6000	\$16,000
PDS	0	\$5000	0	\$5000
DPA	0	\$5000	\$6000	\$11,000
IT&E	0	\$5000	\$6000	\$11,000
iCONNECT	0	0	\$2000	\$2000
				\$45,000

- c. For each fiscal year, should there be PUC administrative expenses in excess of the amount of the baseline assessment, the remaining balance of such administrative expenses will be apportioned among the Telecom carriers based upon that carrier's percentage of the total regulatory fees assessed against all carriers for the prior fiscal year.
- d. The total assessments on all carriers for regulatory fees during the preceding year under section 1 shall be determined and a percentage shall be calculated of each carrier's regulatory assessments to the total regulatory assessments. A carrier shall be assessed for a portion of the PUC annual administrative expenses in excess of the baseline assessment, which shall be determined by multiplying the above percentage by the annual expenses.³

³ For example, if the total FY18 assessment of PUC Administrative expenses for GTA and Other Telecom Companies under section 1[b][i] was \$95,000; each carrier would first be assessed its portion of the administrative expenses due under the baseline assessment. Assume Company "A" owed \$11,000 for its baseline assessment. In addition to the

- e. The regulatory expenses, which are incurred in a proceeding under section 1 [b][ii] shall be allocated proportionally among all carriers, which PUC determines have a material interest in the proceeding. This allocation shall be made in accordance with the percentage of the total baseline assessment that each carrier pays under Section 2a. Should any carrier not be a party to such proceeding, its portion of the baseline assessment shall be excluded from the calculation. However, the PUC shall have the authority to alter or revise the allocation of regulatory expenses in a proceeding in the interests of justice and fairness to all parties.

3. Billing and Collection.

- a. The annual administrative assessments, which are described in section 1(b) (i), shall be invoiced on or about October first of each year. The regulatory fees and expenses, which are described in section 1(b) (iii) shall be assessed and invoiced on a monthly basis. PUC invoices shall be due and paid within 30 days of the date the invoice is sent to the carriers.
- b. Any PUC invoice not paid within 30 days of the date the invoice is sent shall subject a carrier to the penalties authorized in 12 GCA 12208. In a section 12208 enforcement hearing, a carrier may contest the reasonableness of an invoice. PUC's administrative law judge is authorized, with carrier's consent, to mediate any such dispute in advance of a hearing.

total baseline assessment, a balance of \$50,000 would remain for PUC administrative expenses [\$95,000 minus \$45,000 baseline assessment]. Assuming that company "A" had been assessed \$20,000 out of a total of \$100,000 as regulatory expenses incurred during the prior fiscal year, it would also be responsible for 20% of the balance of \$50,000, or \$10,000 [$\$50,000 \times .2\%$] (in addition to its baseline assessment). The total assessment against Company "A" would be \$21,000.