

GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
February 21, 2011  
SUITE A9 (ARCADE), GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:00 p.m. on February 21, 2011, pursuant to due and lawful notice. Commissioners Johnson, McDonald, Cantoria, Perez, and Pangelinan were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

**1. Approval of Minutes**

The PUC reviewed the minutes of the meeting conducted on January 31, 2011. Upon motion duly made, seconded and unanimously carried, the minutes were approved.

**2. GTA Telecom LLC**

The Chairman announced that the first matter on the Agenda was GTA Docket 10-09, Joint Application of TeleGuam Holdings LLC and GTA Telecom LLC for Approval of the Transfer of Control of TeleGuam Holdings LLC and GTA Telecom LLC to AP TeleGuam Holdings, Inc., ALJ Report and Proposed Order. Frederick J. Horecky, sitting as Administrative Law Judge, indicated that he had filed his Report with the Commission and that the Commissioners have had the full opportunity to review said Report. The ALJ set forth the procedural Background of this proceeding and indicated that a rehearing had been ordered by the ALJ in January, 2011. A Public Hearing had been conducted on January 27, 2011, at which time considerable testimony was taken from Applicants, GTA TeleGuam and GTA Telecom, the AP Funds, and other telecom companies on Guam (PDS and IT&E). The ALJ indicated that a Partner of the AP Funds, Emmett Thomas, had testified, and that substantial financial information had been provided to the Commission by the AP Funds and GTA. Such information included financial statements, balance sheets and other documentation. Although most of such documentation is confidential, it was fully available to the Commissioners for review.

In his Report, the ALJ outlined the nature of the Transaction whereby Applicants would transfer control of TeleGuam and Telecom to AP TeleGuam Holdings, Inc. APTG will be comprised of four shareholders, which included various AP Funds. The present owner of GTA, Shamrock, would be replaced at the holding company level by APTG. The agreement between the parties, and documentation concerning the financing arrangements between the lending bank, BNP Paribas and purchaser, are also a part of the record. According to the ALJ, under 12 GCA §12103, the PUC has two roles: (1) to

determine whether the Applicants possess sufficient technical, financial, and managerial resources to provide telecommunications services presently provided after the sale; and (2) to determine whether the proposed sale is not contrary to the public interest. The ALJ concluded that, after the sale, Applicants would have sufficient financial resources to continue to provide telecommunications services under the existing Certificates of Authority, for the following reasons:

(a) The balance sheets of GTA and its subsidiaries for 2008 – 2010 indicated that these companies have substantial independent assets and telecommunications infrastructure, including plant/equipment, to provide telecom services;

(b) The balance sheets show a positive outlook for GTA; there have been consistent and healthy increases in GTA revenues from 2008 to the present. Long-term debt has gone down every year in the period. GTA has been able to pay down its debt out of existing revenues.

(c) The financial statements of the shareholders of purchaser, the AP Funds, indicate that they do have sufficient financial resources to fund the sale transaction and to assist GTA in providing telecom services after the sale.

(d) The Purchaser is placing substantial funds into the transaction, through the AP Funds; the financial statements of individual shareholders have been examined. AP Partners LLP has over \$700M of uninvested funds which could be available for injection to GTA if needed, on a case by case basis.

(e) An opinion letter from the financing institution, BNP Paribas, indicated that it had been involved in the 2007 financing of GTA; the bank is satisfied with transaction terms and is willing to loan amounts based on the creditworthiness of the borrowers.

(f) According to Paribas, the GTA position is better now than it was in 2007 - in 2007 the leverage ratio was 5.7x debt to EBITDA; at present, there is a reduced 4.7x debt to EBITDA ratio. This ratio is consistent with other similar deals.

(g) The Tokyo Star Bank loan transaction has no relevance to the GTA sale as neither the AP Partners nor the AP Funds are the guarantors for that loan.

(h) After the sale, GTA management will continue to be comprised of the same individuals that have managed GTA before the sale. The current GTA management has demonstrated an ability to operate GTA and should be able to continue to do so after the sale.

(i) The sale is not contrary to the public interest; although PDS has raised various concerns about alleged violations by GTA of tariff rules, discriminatory rates and charges, and a failure by GTA to conduct a TELRIC study, such matters are not directly relevant to the sale itself and should be brought before the PUC pursuant to a complaint proceeding under 12 GCA §12107.

(j) The sale is in the public interest because the Purchaser will continue to undertake GTA's 5 year build out plan after the sale; under the Guam Telecommunications Act of 2004, it is in the public interest to provide the public with new and innovative telecommunications technologies.

Although PDS and IT&E had requested that PUC obtain additional outside consultants to review this matter, the ALJ finds that PUC is able to determine whether the statutory

requirements are satisfied in the present case without the need for additional outside consulting services.

The ALJ presented a proposed Order to the Commission. Essentially, the Order approves the sale, conditional upon satisfaction of all terms and conditions of the Purchase Agreement, the approval by the Federal Communications Commission, and compliance by Purchaser and the AP Funds with all requirements of the Certificates of Authority. Commissioner McDonald asked whether FCC approval should occur before PUC approval. The ALJ replied there was no required procedure here; PUC approval before FCC approval was appropriate because it was conditional upon FCC approval. If there is no FCC approval, this order will not be operative. Commissioner Perez asked whether there was any hesitancy by Applicants to provide information to the ALJ and the PUC. The ALJ indicated that there was no such hesitancy; he was provided everything asked for in a timely and diligent manner; there was full cooperation by GTA and the AP Funds.

Commissioner Perez asked whether the Report in the Docket involving transfer of certificates of authority from IT&E to PTI was as detailed as the ALJ Report in this docket. The ALJ indicated that, in the docket involving IT&E's Certificate transfer to PTI, there was no public hearing and a brief review by GCG of the applicable statutory criteria. In that proceeding, there was no detailed examination of the financial resources of purchaser. The information presented and the financial review conducted was more detailed in this Docket. Upon motion duly made, seconded and unanimously carried, the Commissioners Approved the Joint Applications of TeleGuam Holdings LLC and GTA Telecom LLC for Approval of the Transfer of Control of TeleGuam Holdings LLC and GTA Telecom LLC to AP TeleGuam Holdings, Inc.; the Order adopted by the Commission is made *Attachment "B"* hereto.

### **3. Guam Power Authority**

The Chairman announced that the next matter on the Agenda was GPA Docket 10-01, Petition for Review and Approval of the Hagatna Breaker Replacement Project, PUC Counsel Report and Proposed Order. Counsel reported that this is the third time that this matter has been before the Commission. On July 27, 2010, the Commission approved this project as reasonable, prudent and necessary, and authorized the expenditure of \$1.25M. GPA went out to bid and had five competitive bids. The lowest bidder was GEMMCO at \$1.499M. GPA selected GEMMCO and is now requesting PUC approval of the award and proposed contract.

To fund this project, the Consolidated Commission on Utilities increased the obligating authority of the General Manager of GPA from \$250,000 to \$1.499M. Since the GM would ordinarily have authority to commit up to \$250,000, when the prior amount approved by the PUC of \$1.25M is included, there are sufficient funds for the project. The Hagatna Substation has been in operation for over 40 years; the transformers could

give out at any time and present a danger to the employees. There is a strong justification for approval of this award. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the award of the Hagatna Breaker Replacement Project and the award to GEMMCO in the amount of \$1.499M. The Order adopted is made *Attachment "C"* hereto.

The Chairman announced that the next matter for consideration by PUC was GPA Docket 11-01, Contract Review for Approval of Marbo to Pagat Underground Line Project, PUC Counsel Report, and Proposed Order. Counsel reported that the project was originally approved as part of the 1999 Bond Issuance. In March of 1999 PUC authorized GPA to expend funds for this project up to \$3.225M. Now, GPA indicates that the nature of the project has changed. Instead of an overhead line, it now wishes to convert to an underground line. Installation of an underground line will increase system reliability. Thus GPA requests an additional \$2.212M from the excess 1999 bond funds to fund the project. GPA issued a procurement and received nine bids; Helix Electric was the lowest bidder at \$5.058M. The CCU felt that the underground line project is reasonable, prudent and necessary and requests that the General Manager have up to \$5.058 expenditure authority for this project to pay for Helix' construction services.

GPA indicates that 1999 bond funds are available for the project. The project would convert the Pagat substation to a "Loop Feed System" through the installation of a new transmission line from the Marbo Substation to the Pagat Substation. This line will intersect the Marbo to Radio Barrigada 34.5kV line; two new transmission lines will serve the Pagat Substation. The redundancy in lines will increase the substation's reliability. The Pagat Substation serves the villages of Mangilao and Dededo.

✓ Counsel recommends that PUC approve the expenditure of \$5.058 in the 1999 bond funds for this project. The award to Helix Electric should be approved. GPA would be authorized to expend the original bond authorization of \$3.225M and to expend additional excess bond funds up to a total amount of \$5.058M. Commissioner Perez asked why this project hadn't been undertaken earlier. GPA Counsel Graham Botha indicated that it was a matter of project priorities; this project will be better now as an underground project. Commissioner Perez further asked how much was left from the 1999 bond funds. Cora Montellano, Assistant Controller, indicated that there was now approximately \$16M in the account. After this project there would be about \$9M. Commissioner Cantoria asked whether interest earned on these bond funds will be used to pay the cost differential. AGMO Melinda Camacho indicated that the additional costs were added to the original authorization. Chairman Johnson asked whether there were separate trenches. Camacho indicated that 34.5kV lines need to go into separate trenches, with separate manholes, because of the size of the cables. They will be side by side, on the same side of the road.

Commissioner Cantoria asked whether these lines would serve the Pagat area that is subject to the current dispute involving the military. Ms. Camacho indicated that the lines would serve development in that area, including such development as is attributable to the military buildup. In response to the Chairman's question, Camacho indicated that there are also redundant lines in other areas. Commissioner Perez asked for a breakdown of the balances of the bond funds. Counsel indicated that GPA had provided him with a breakdown of the balance of 1999 bond funds. Commissioner McDonald asked whether there was any difference in the timeline for the different bidders for the completion of the bids. GPA Legal Counsel stated that the bids have standard timelines with which all bidders must comply. Bidders are not allowed to alter delivery. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the award of the Marbo to Pagat Underground Line Project to Helix Electric. The Order adopted is made *Attachment "D"* hereto.

The Chairman announced that the next item for consideration by the PUC was GPA Docket 11-02, Petition to Approve Procurement of an Integrated Program Management Office, PUC Counsel Report and Proposed Order. GPA seeks to procure separate integrated program management offices for GPA and GWA. The justification is to address planned capital improvement projects, military buildup projects, and ongoing operational requirements. Due to the large number of projects that are estimated to result from the military buildup, GPA and GWA will lack the resources to undertake these projects in a quick timeframe. GPA and GWA indicate that they don't presently have the management resources to handle such a large number of contracts. The Request for Proposal sets forth a broad scope of work which includes project finance, program management, coordination with the Department of Defense/Government of Japan, program planning, environmental services, etc.

The PMO contract would be for five years, with 2 two year renewal options. GPA and GWA anticipate that funds will be received for the buildup projects in the amount of \$160M for GPA and \$420M for GWA. GWA funds are expected to be approved this year in the April to June timeframe and GPA funds for the second quarter of next year. Counsel recommends approval of the PMO, as there is a demonstrated need for the utilities to have assistance in this area. However, there are uncertainties as the amount and source of funding needed for the PMO, as well as the division of responsibilities between the PMO and the utilities. GPA has only provided an estimate of the total cost of the PMO for all projects, which is based upon a percentage fee of 6% for each project. It is not clear at present as to what the total cost will be. However, if GPA is authorized to issue a procurement, then it will obtain a more accurate idea of the cost, the sources of funding, and the terms and conditions of any contract. Once GPA/GWA select appropriate PMOs, they will have to seek PUC approval for the award and contract. Commissioner Perez indicated that she still had questions about the PMO and the funding sources. GPA Counsel indicated that Navy bases its construction management fees for projects based upon an 8-10% fee. For Military buildup projects for GPA/GWA, as well as federal grant projects, the federal government would bear the cost of

the PMO for such projects. GPA would bear the cost of its internal projects. The Chairman asked whether the \$160M for GPA was just for refurbishment of the generators and T&D. The GPA AGMO indicated that those funds were for all military buildup projects, but did not include new generation capacity. Commissioner Perez asked what investment Guam would get from the military. The AGMO indicated that they would fund all projects directly related to military growth. Commissioner Perez asked whether the military would require a PMO for each project. The AGMO stated that the military has asked for an overall PMO structure to manage the \$160M. For certain projects military buildup projects, the utilities would speak with one voice to the federal government. Waste water projects and secondary treatment projects would be the bulk of the work for GWA. GPA Counsel indicated that it was critical to have a PMO in place before the money starts hitting the ground.

The Chairman asked whether the anticipated GWA funds included upgrades for both of the treatment plants. GWA Counsel Taylor said that was the case. For military buildup projects, one entity is needed to coordinate such projects between the different government of Guam entities. Commissioner Pangelinan asked whether there would be confirmation of receipt of the funds from Japan when the utilities come back to the Commission for contract review approval. GPA Counsel indicated that he thought so. GPA would know by April whether Japan has appropriated the funds. Commissioner Cantoria asked whether a list of PMOs for the projects would be developed. According to the AGMO, the committee would select PMOs but would not execute task orders until its gets PUC approval and funds have been identified. Commissioner Pangelinan asked whether the estimated \$13M cost for the PMOs was just related to military projects; the AGMO indicated that no, such amounts included bond projects, buildup/ government funded projects, and all other projects. She stated that the \$13M was a "really rough estimate."

Commissioner Perez indicated a concern that tasks usually handled by GPA personnel would be passed off to the PMO. GPA Counsel did not think that would occur; GPA has never had a magnitude of this scope of projects. There's simply not enough staff to take on the magnitude in a short time period. Sufficient engineers are not available. The PMO will train GPA engineers for the 3-5 year period. When the buildup is over, the PMO engineers will leave. Senator Vicente Pangelinan gave his comments on the PMO. He believed that there could be two levels of PMOs with the military (JIGPO office) and GPA, a redundancy. He thought the RFP was premature. Commissioner Pangelinan asked the Senator if the PMO was premature because of the funding issue. The Senator responded that no, it was because of the structure. There will be a double PMO charge between JIGPO and GPA. GWA Counsel Taylor stated that such would not be the case because the military was not involved in the construction of Guam projects. GWA will be managing the projects, including the Northern Treatment upgrades. In response to Commissioner Pangelinan, GPA Counsel stated that there was no additional time needed to address Senator Pangelinan's concerns. GPA would

like Commission approval now so that GPA is ready to proceed when it receives the funds.

Commissioner Perez indicated that she needed more time to absorb the information and to understand the structure. The Chairman asked the Commissioners whether they would like GPA to provide a workshop on this matter, and they indicated that they would. A date of March 7, 2011 was scheduled for a GPA workshop on the PMO. Upon motion duly made, seconded and unanimously carried, the Commissioners agreed to delay a decision on the PMO until after the GPA work session is held, so that there would be more time to digest the request.

The Chairman announced that the next order of business was GPA Docket 11-03, Petition for Approval of Guaranteed Investment Contracts, PUC Counsel Report, and proposed Order. Counsel reported that GPA currently has an excess of \$100M in its Construction and Bond Reserve Funds. Such amounts are deposited in a local banking institution but at a low rate of interest, almost negligible. GPA seeks to increase the interest which it receives on these funds. A higher interest rate would be in the interest of ratepayers. GPA wishes to go out to bid for guaranteed investment contracts for a 5 year term. It has attached a sample contract to the Petition. The interest rate could be increased to .7% for the Construction Fund and .185% for the Bond Reserve Fund. GPA currently is getting .01%. Various approvals for the GICs are required under the Bond Indenture before GPA can enter into such contracts.

Counsel recommends that the PUC authorize GPA to issue the procurement for these GICs. Approval would be conditioned on GPA securing all necessary approvals under the Bond Indenture. Once bidders are accepted, GPA would come back to the PUC for approval of the award of the contracts. The Chairman clarified that there were projected interest rates of .7% on \$100M and .185% on \$12M. The Assistant Controller of GPA indicated that GPA could potentially gain over \$2M over a 5 year period. In response to Commissioner Cantoria's question as to whether more profitable investments could be made in the stock market, GPA Counsel indicated that GPA cannot invest in the stock market or any other risky investments. Upon motion duly made, seconded and unanimously carried, the Commissioners approved GPA's request to issue procurement for guaranteed investment contracts. The Order adopted is made *Attachment "E"* hereto.

#### **4. Port Authority of Guam**

The Chairman announced that the next matter for PUC consideration was Port Docket 09-01, Review of Proposed Contract Review Protocol, ALJ Report and Proposed Order. Counsel indicated that at present there was no protocol for the Port. ALJ Mair has filed his Report and examines in detail each section of the proposed protocol. The ALJ found that the PUC function under the statute is the review of contracts, not procurements. Counsel suggested that there will be a large number of Port contracts under the Port

Modernization Plan; the Port will need broad authority to operate its system. The issue then is what degree of regulation there should be of port contracts, and what deference should be given to the utility to handle its own procurements. Under this protocol, all internally funded O&M contracts in excess of \$1.5M would be reviewed by the PUC. For externally funded loan obligations, such as bond issuance, a different approach has been adopted. For bond projects, the Port would file a petition for approval of all anticipated projects under a bond issuance, with project descriptions, justifications, cost benefit analysis and estimated cost. If the PUC has approved the Port bond projects, the Port would not thereafter need to seek PUC approval for bond funded contracts.

Two weeks before a contract is executed, the Port would have to file such contract with the Commission. Commission staff would make a decision as to whether more information was needed, or whether the Port should have to file a Petition for Contract Review. Unless the PUC asked for additional information or filings, the contract would be deemed approved within 14 days after filing with PUC. For contracts involving receipt of revenues by the Port, such as for its rental of dock facilities, other easements, and pipelines, the Port would have to file such contracts. The PUC would have 30 days to review the contract, but the Port could proceed unless PUC rejected the contract. The ALJ and the Port Consultants have recommended that the Port be required to come back to the PUC for approval if the cost for an internally funded contract exceeds 10% over the amount originally approved by the PUC. All parties that reviewed this protocol, the ALJ, the Consultants, the Port and Legal Counsel, recommend that the protocol be approved.

Commissioner Cantoria asked whether the protocol was similar to that adopted for GWA. Counsel said that no, the current GWA protocol is not the same. However, there was a proposal to amend the GWA protocol, which would be similar to that proposed protocol for the Port. Commissioner Cantoria questioned the \$1.5M threshold. Counsel indicated that there would be buildup projects, and that the amounts of such contracts would increase. Commissioner Pangelinan asked what the process was for changing the protocol if the new protocol did not work out. Counsel indicated that the PUC could change the protocol at any time. The Contract Review Protocols are administrative orders changeable at the will of the PUC. Senator Pangelinan voiced a concern that the \$1.5M threshold might be too high in comparison to GPA, which receives far greater revenues. A threshold should be based upon the revenue structure of the Port. Counsel indicated that perhaps only 3 to 4 port contracts a year would require review. In response to the Chairman's question concerning the funding amounts for Port Contracts, CFO Jojo Guevarra indicated that the bulk of port contracts are in the \$800,000 to \$1.2M range. Commissioner Cantoria indicated her view that the threshold amount should be \$1M. Commissioner Pangelinan also indicated that, since this protocol might set precedent, he would rather set it lower and then raise it later if necessary. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the Port Contract Review Protocol, but with the contract



review threshold set at \$1M. The Contract Review Protocol for the Port Authority of Guam is made *Attachment "F"* hereto.

## **5. Guam Waterworks Authority**

The Chairman announced that the next matter for PUC consideration was GWA Docket 11-01, ALJ Opinion on Bond Funding issues, P.L. 30-145. Previously, Commissioner Pangelinan had requested a legal opinion on GWA bond issues raised by Senator Pangelinan. Counsel indicated that ALJ Mair had commenced working on this matter and that hopefully an opinion would be ready at the next meeting.

The Chairman announced that the next matter for PUC consideration was GWA Docket 11-02, Petition to Revise Protocol and Revise the Reports that GWA currently is required to file with the PUC, ALJ Report, and Proposed Order. GWA has requested a modification of the Contract Review Protocol. ALJ Mair concludes that the protocol should be changed to require review of contracts, but not procurements. However, GCG has filed a report indicating that procurements should also be reviewed. Counsel indicated that the GWA proposed protocol tracks what was previously discussed with regard to the Port protocol; a \$1.5M contract review threshold would be set. PUC approval would be required for internally funded contracts exceeding such threshold.

With bond funds, GWA would petition for approval of all bond funded projects, but would not have to seek approval for individual contracts. The ALJ recommends approval of the revised GWA protocol. Then ensued a statement of positions by GCG Counsel Bill Blair and GWA Counsel Sam Taylor. Mr. Blair agreed that the level of PUC review was a policy issue. However he felt that the PUC had broad contract review power and should exercise such power. The issue is the standard of review. The standard should be prudence, but the ALJ Report does not indicate what the standard is. PUC review should occur before the liability is incurred. PUC has a 20 year regulatory history for contract review; the protocol has previously been amended to ensure that CCU review is not duplicated. Mr. Blair believes that adoption of the revised protocol may erode confidence in the PUC in the contract review process. PUC would be emasculating itself.

GWA Counsel Taylor took the position that the protocol has not worked well. The protocol places too large of an administrative and financial burden upon GWA. GWA has improved as an agency, particularly under the management of the CCU, since 2003. Particularly with bond issuance and contracts, the process does not work. When the PUC approves the issuance of bonds, the amount is set and GWA has to repay that debt. Under the statute, contract review is limited to contracts which could increase rates. It is the approval of the bond purchase agreement itself that is the rate related aspect of the bonds. Individual contracts for the expenditure of bond funds have no additional impact on rates. GWA should be in a better position than the PUC to determine whether the expenditure of bond funds is necessary for a project. Mr. Blair

responded that PUC had done a lot to assist GWA with its progress. Mr. Taylor indicated that GWA was not asking the PUC to forgo its responsibility. However, contract review does not necessarily prevent bad management practices. Senator Vicente Pangelinan indicated his view that the new proposed protocol deviated from statutory purpose, which was that PUC should review expenditures that affect rates. If this review process is abandoned, why have a PUC. However the Chairman indicated that the PUC could step into the procurement process if it desired. The change in the process is to ease some of the administrative cost. In response to Commissioner Perez, the Chairman indicated that the protocol would raise the threshold from \$1M to \$1.5M. The Chairman asked the Commissioners if they would like to take action on this matter or postpone it. Commissioner Perez requested that the matter be postponed. The Chairman indicated that the Commission would take this matter under advisement and address it at the next meeting.

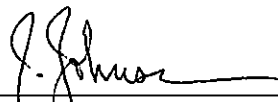
## **6. PUC Website**

For the PUC website update, the Chairman indicated his understanding, as explained by PUC Administrator Palomo, that the consultant's representative A.J. Rosario would not charge extra amounts for site services (such as input of data), beyond the monthly retainer. The Administrator said that this understanding was correct.

## **7. Administrative Matters**

Counsel indicated that, at the last meeting, the Commissioners had asked him to prepare a Resolution that would indicate the division of responsibilities as ALJ between Attorneys Mair and Horecky. Counsel presented such a resolution for the Commissioners consideration. Mair would handle Port Authority and GWA; Horecky would handle Telecom, Power, and Solid Waste. Upon motion duly made, seconded and unanimously carried, the Commissioners approved Resolution 11-03, which is made *Attachment "G"* hereto.

There being no further business, the Commissioners moved to adjourn the meeting.

  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
SUITE A12 (ARCADE) GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
6:00 p.m. February 21, 2011**

**Agenda**

- 1. Approval of Minutes of January 31, 2011.**
- 2. GTA Telecom LLC**
  - **GTA Docket 10-09, Joint Application of Teleguam Holdings LLC and GTA Telecom LLC for Approval of the Transfer of Control of Teleguam Holdings LLC and GTA Telecom LLC to AP Teleguam Holdings Inc., ALJ Report, and Proposed Order**
- 3. Guam Power Authority**
  - **GPA Docket 10-01, Petition for Review & Approval of the Hagatna Breaker Replacement Project, PUC Counsel Report, and Proposed Order**
  - **GPA Docket 11-01, Contract Review for Approval of Marbo to Pagat Underground Line Project, PUC Counsel Report, and Proposed Order**
  - **GPA Docket 11-02, Petition to Approve Procurement of an Integrated Program Management Office, PUC Counsel Report, and Proposed Order**
  - **GPA Docket 11-03, Petition for Approval of Guaranteed Investment Contracts, PUC Counsel Report, and Proposed Order**
- 4. Guam Waterworks Authority**
  - **GWA Docket 11-01, (for informational purposes), ALJ Opinion on Bond Funding Issues, P.L. 30-145.**
  - **GWA Docket 11-02, Petition to Revise Protocol and Revise the Reports that GWA Currently is Required to File with the PUC, ALJ Report, and Proposed Order**
- 5. Port Authority of Guam**
  - **Port Docket 09-01, General Regulatory; review of proposed Contract Review Protocol, ALJ Report, and PUC Order**
- 6. PUC Website**
  - **Update**
- 7. Administrative Matters**
- 8. Other Business**

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



In Re: Joint Application of TeleGuam  
Holdings, LLC, and GTA Telecom, LLC,  
for Approval of the Transfer of Control of  
TeleGuam Holdings, LLC, and GTA  
Telecom, LLC, to AP TeleGuam Holdings,  
LLC

GTA Docket 10-09

**ORDER APPROVING SALE/TRANSFER OF OWNERSHIP AND CONTROL OF  
TELEGUAM HOLDINGS, LLC, AND GTA TELECOM, LLC (SUBJECT TO CONDITIONS)**

**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the Joint Application of TeleGuam Holdings, LLC, and GTA Telecom, LLC, for approval by the PUC of the transfer of control of TeleGuam Holdings, LLC, and GTA Telecom, LLC, to AP TeleGuam Holdings, Inc. ["APTG"]. Applicants herein will be jointly referred to as "GTA".<sup>1</sup>
2. APTG, an investment vehicle formed by certain funds served by Advantage Partners LLP ["AP LLP"], seeks to acquire GTA from Shamrock Capital Advisors ["Shamrock"].<sup>2</sup>
3. On January 12, 2011, the proposed purchaser of GTA, APTG (including its investors and shareholders Advantage Partners IV, ILP, AP Cayman Partners II, L.P., and Japan Ireland Investment Partners [the "AP Funds"]) entered an Appearance in this matter and a Joinder in the Joint Application filed by GTA.<sup>3</sup>

**BACKGROUND AND PROCEDURAL HISTORY  
OF THESE PROCEEDINGS**

4. In 2005, the PUC issued Certificates of Authority to TeleGuam and GTA Telecom, authorizing them to provide certain telecommunications services in Guam.<sup>4</sup>

<sup>1</sup> Joint Application of TeleGuam Holdings, LLC and GTA Telecom, LLC, GTA Docket 10-09, filed November 19, 2010.

<sup>2</sup> GTA TeleGuam News Release issued on November 15, 2010, at p. 1.

<sup>3</sup> AP TeleGuam Holdings, Inc. Notice of Appearance and Joinder in Joint Application, GTA Docket 10-09, filed January 12, 2011.

<sup>4</sup> Teleguam Holdings, LLC Certificate of Authority, Docket 05-02, issued by the PUC on February 28, 2005; GTA Telecom LLC, Certificate of Authority, Docket 05-03, issued by the PUC on July 27, 2005.

5. Since privatization of GTA in 2005, Shamrock has been the owner of GTA.<sup>5</sup>
6. On November 19, 2010, Applicants TeleGuam Holdings, LLC and GTA Telecom, LLC filed their "Joint Application" requesting that PUC approve the sale and transfer of control of GTA from Shamrock to APTG.<sup>6</sup>
7. On November 29, 2010, after considering the matter at a meeting and upon the Report of PUC Counsel, the PUC issued an Order Approving the Sale/Transfer of Ownership and Control of TeleGuam Holdings, LLC and GTA Telecom, LLC, subject to conditions.<sup>7</sup>
8. Thereafter PTI Pacifica Inc. dba IT&E ["IT&E"], Pacific Data System Inc. ["PDS"], and NTT Docomo Pacific ["Docomo"] all filed requests that the PUC rehear this matter and provide an opportunity for public notice, comment, and hearing.<sup>8</sup>
9. By Order issued on December 15, 2010, the Administrative Law Judge granted the applications of IT&E, PDS, and Docomo for rehearing in this matter based upon the finding that there must a public hearing and an opportunity for the public to comment pursuant to 12 GCA §12103(c).<sup>9</sup>
10. Notice of the public hearing, and the opportunity to comment, were issued by the PUC.<sup>10</sup> Public comments were thereafter filed.
11. On January 27, 2011, the PUC conducted a Public Hearing during which testimony on the Joint Application was taken. Testimony was provided by representatives of GTA, the AP Funds, PDS, and IT&E. The ALJ and the PUC Chairman questioned the respective parties concerning their testimonies.<sup>11</sup>

---

<sup>5</sup> GTA TeleGuam News Release issued on November 15, 2010.

<sup>6</sup> Joint Application of TeleGuam Holdings, LLC, and GTA Telecom, LLC, GTA Docket 10-09, filed November 19, 2010.

<sup>7</sup> PUC Order Approving Sale/Transfer of Ownership and Control, GTA Docket 10-09, issued November 29, 2010.

<sup>8</sup> See PTI Pacifica Inc. dba IT&E Petition for Re-Hearing, GTA Docket 10-09, filed December 9, 2010; Pacific Data Systems Letter filing dated December 9, 2010, GTA Docket 10-09; and NTT Docomo Pacific Letter Filing dated December 13, 2010, GTA Docket 10-09.

<sup>9</sup> ALJ Order Granting Request for Rehearing, GTA Docket 10-09, issued December 15, 2010.

<sup>10</sup> PUC Public Notice of Joint Application of TeleGuam Holdings, LLC and GTA Telecom, LLC for PUC Approval of the Transfer of Control of TeleGuam Holdings, LLC and GTA Telecom, LLC to AP TeleGuam Holdings, GTA Docket 10-09, published in the Pacific Daily News on December 22, 2010, and January 3, 2011.

<sup>11</sup> PUC Public Hearing conducted on January 27, 2011.

12. On February 18, 2011, the Administrative Law Judge issued his Report herein which recommends approval by the PUC of the transfer of ownership and control of TeleGuam Holdings, LLC, and GTA Telecom, LLC, to APTG, subject to certain conditions.<sup>12</sup> Said Report sets forth, in detail, the nature of the private equity transaction which the parties seek to consummate herein.
13. The PUC adopts the Description of the Sales Transaction as set forth in the ALJ Report.
14. The owners of APTG will be, *inter alia*, Advantage Partners IV, ILP, AP Cayman Partners II, L.P., and Japan Ireland Investment Partners (collectively "the AP funds").<sup>13</sup>
15. Advantage Partners IV, ILP, AP Cayman Partners II, L.P. and Japan Ireland Investment Partners will own approximately 42.2%, 29.4% and 25.6%, respectively, of the shares of APTG following the transaction. The remaining 2.8% of APTG will be owned by a yet-to-be-formed employee-sponsored investment partnership.<sup>14</sup>
16. In response to the PUC's First Information Request, GTA filed, under seal, a copy of the Agreement and Plan of Merger, on November 24, 2010.<sup>15</sup> The agreement contains a detailed description of the terms and conditions of the sale. It also contains the total purchase price, as well as the equity contribution of the AP Funds.<sup>16</sup>
17. With regard to the present transaction, APTG will purchase all of the ownership of Shamrock in TeleGuam Holdings, LLC. AP TeleGuam Holdings will create a "Merger Sub", which will merge with TeleGuam Holdings. TeleGuam Holdings, LLC, the existing holder of the Certificate of Authority, will be the surviving company as a "wholly owned, direct subsidiary of Purchaser [AP TeleGuam Holdings, LLC] and GTA will become a wholly owned, indirect subsidiary of purchaser."<sup>17</sup>
18. The transaction contains a deadline of 270 days following the execution of the agreement, which means that completion of the transaction must occur on or about August 10, 2011.<sup>18</sup>

---

<sup>12</sup> PUC Counsel Report, GTA Docket 10-09, filed November 29, 2010.

<sup>13</sup> Exhibits D & E to Joint Application, GTA Docket 10-09, filed under Seal on November 19, 2010.

<sup>14</sup> AP Response to PUC Request for Information, GTA Docket 10-09, filed January 26, 2011.

<sup>15</sup> GTA Response to Information Request, GTA Docket 10-09, filed November 24, 2010.

<sup>16</sup> Agreement and Plan of Merger, Attachment 1 to AP Funds Response to Information Request, GTA Docket 10-09, filed November 24, 2010.

<sup>17</sup> Joint Application of TeleGuam Holdings, LLC, and GTA Telecom, LLC, for approval of the Transfer of Control, GTA Docket 10-09, filed November 19, 2010, at p. 4.

<sup>18</sup> Agreement and Plan of Merger at p. 2.

19. The transaction must also be approved by the Federal Communications Commission, which process may take 45 to 60 days or more.<sup>19</sup> Purchaser and other parties have filed their Joint Application with the FCC; a copy thereof has been provided to the PUC.<sup>20</sup>
20. When the transaction is completed, TeleGuam Holdings LLC will merge with the AP TeleGuam Merger Sub, with TeleGuam as the surviving company of the merger.<sup>21</sup> Completion of a number of detailed procedures remain to determine the final purchase price and to buy out the interests of the present owner Shamrock and its representatives.

### DETERMINATIONS

21. Before the sale or transfer of control can be effective, the Commission must make a determination that the proposed sale or transfer satisfies the requirements for granting a Certificate of Authority as set forth in 12 GCA §12103(c).<sup>22</sup>
  - (1) The Applicants Possess Sufficient Technical, Financial, and Managerial Resources and Abilities to Provide the Telecommunications Services in Guam under the Existing Certificate of Authority; and (2) the granting of a certificate of authority to the applicant would not be contrary to the public interest.<sup>23</sup>
22. A review of the record herein regarding the “financial resources” of TeleGuam holdings and GTA Telecom establishes that Applicants possess sufficient financial resources and will continue to possess sufficient financial resources to provide telecommunications services after the transfer of control of GTA:
  - a) The “Consolidated Balance Sheets” for TeleGuam Holdings LLC and Subsidiaries as of December 31, 2008 and 2009, and unaudited Consolidated Balance Sheet and Income Statement for 2010 indicate that Applicants have substantial and significant financial resources which should enable them to continue to provide telecommunications services in Guam after a transfer of control of GTA to Purchaser APTG.<sup>24</sup>

---

<sup>19</sup> Id. at p. 3; Testimony of Yoko Sugita, Senior Associate CPA (Advantage Partners, LLP) PUC Public Hearing on January 27, 2011.

<sup>20</sup> APTG’s Response to Third Set of PUC Requests for Information, GTA Docket 10-09, filed February 9, 2011, Exhibit A.

<sup>21</sup> See Pre and Post Ownership Structure of the Parties/ Applicants, Exhibit A to Joint Application.

<sup>22</sup> See 12 GCA §12103(c) (1) and (2).

<sup>23</sup> See 12 GCA §12103(c) (1) and (2).

<sup>24</sup> Exhibit D to Joint Application, GTA Docket 10-09, filed under seal on November 19, 2010.

- b) GTA owns assets, including property, plant and equipment which constitute its telecommunications system and enable it to provide telecommunications services.<sup>25</sup>
  - c) Said Balance Sheets and Income Statements indicate that there was a consistent and healthy increase in GTA's revenues for each year from 2008 to 2010 in amounts totaling millions of dollars; on the other hand, long-term debt has been reduced during that same period.
  - d) Long term debt has been reduced in substantial amounts every year from 2008 through 2010. Payoff of long term debt by GPA is an indication that it is capable of meeting its current debt obligations.
  - e) The Unaudited Financial Statement for 2010 establishes a continuing trend in the reduction of long term debt and increasing total current assets.
  - f) Because the proposed transaction will occur at the holding company level there is no proposed change in any of the assets or liabilities of the Applicants; the Applicants will continue to possess the same strong financial qualifications they do at present after the sale.<sup>26</sup>
23. Purchaser appears to have sufficient financial resources to fund the sale transaction and to assist GTA in continuing to provide telecommunication services in Guam under the existing Certificates of Authority.
- a) The Purchaser has committed to continue to build the infrastructure improvements set forth in the Five Year Build Out Plan.<sup>27</sup>
  - b) The 2011 "Capex Plan" submitted by the Purchaser APTG indicates that GTA intends to spend millions of dollars annually in the build out of its telecommunications system.<sup>28</sup>

---

<sup>25</sup> Id.

<sup>26</sup> Joint Application of TeleGuam Holdings, LLC and GTA Telecom LLC for Approval of the Transfer, GTA Docket 10-09, at p. 5.

<sup>27</sup> Exhibit A to PUC Request for Information, GTA Docket 10-09, filed January 26, 2011.

<sup>28</sup> Id.



- c) The Financial Statements of the Shareholders of APTG, AP Cayman Partners II, L.P. and Advantage Partners IV, ILP indicate that both companies have substantial financial assets.<sup>29</sup>
- d) In aggregate, AP IV, AP Cayman, and JIIP have capital commitments from their investors of billions of dollars for investment into multiple corporations including Purchaser and Applicants.
- e) In aggregate, AP IV, AP Cayman, and JIIP have capital commitments from their investors of billions of dollars for investment into multiple corporations including Purchaser and Applicants. Advantage Partners LLP, over the last 13 years, made more than 30 investments and had \$5.0 Billion of total capital commitments under its management from both Japanese and international investors, with over \$700M of un-invested capital in existing funds. Such un-invested funds will be available for capital injection to GTA if required, pending review on a case by case basis.<sup>30</sup>
- f) In Commitment Letters from each of the AP Fund shareholders of the Purchaser, they each agree to provide significant amounts of capital towards the equity in the purchase.<sup>31</sup>
- g) The Commitment Letter from financial institution BNP Paribas commits to financing the principal loan amount of the sales transaction.<sup>32</sup>
- h) BNP Paribas was previously involved in the financing of TeleGuam in 2007. Its familiarity with GTA over a number of years make it uniquely situated to give an opinion on the financial condition of GTA.
- i) BNP Paribas indicates that it is satisfied with the terms of the present sale transaction and is willing to loan the amounts indicated based upon its belief in the credit worthiness of the borrowers.<sup>33</sup>

---

<sup>29</sup> See Attachments 1 & 2, Exhibits D & E to Joint Application, GTA Docket 10-09, filed under seal on November 19, 2010.

<sup>30</sup> Testimony of Emmett Thomas at PUC Public Hearing conducted on January 27, 2011; email from AP Funds Attorney Joyce Tang to PUC Counsel, dated February 18, 2011.

<sup>31</sup> Exhibit E to Joint Application, GTA Docket 10-09, filed under seal on November 19, 2010.

<sup>32</sup> Confidential Letter from BNP Paribas dated February 7, 2011, to the Guam Public Utilities Commission.

<sup>33</sup> Id.

- j) According to BNP Paribas, the level of leverage for the transaction is reasonable and manageable. In its opinion, GTA, due to its greater size and diversification at present as compared with in 2007, make it a better credit versus 2007 at the same leverage level.<sup>34</sup>
  - k) The leverage of the present transaction is substantially lower now than it was in 2007. In 2007 the financing transaction was leveraged at 5.7x debt to "ebitda" (earnings before interest, tax, depreciation, and amortization). However, the contemplated acquisition leverages the Company at only 4.7x debt to ebitda.
  - l) The leverage level for the GTA sale transaction is consistent with that of other middle market leverage deals. BNP has confidence in the ability of TeleGuam to handle the contemplated leverage level.<sup>35</sup> GTA appears to have sufficient cash available to service its debt.
  - m) For all of the reasons set forth herein, the PUC concludes that Applicants, including the Purchaser and the AP Funds, have established that they do have sufficient financial resources to continue to provide the telecommunications services in Guam after the sales transaction is consummated.
24. There is no evidence in the record that the transaction involving Advantage Partners LLP and Tokyo Star Bank has any impact upon the GTA sale. There is no showing that the Purchaser of GTA is liable for the loans involving the Tokyo Star Bank.
- a) The testimony of Mr. Thomas at the Public Hearing established that the Tokyo Star Bank situation had no bearing on the GTA sales transaction and did not present any risk for GTA. The investment of Advantage Partners in the Tokyo Star Bank is through a "special purpose vehicle" and there is no recourse by the creditors on the Tokyo Star Bank Loan to the AP Funds, or Advantage Partners LLP.<sup>36</sup>

---

<sup>34</sup> Id.

<sup>35</sup> Id.

<sup>36</sup> Testimony of Emmett Thomas at PUC Public Hearing on January 27, 2011.

- b) Neither Advantage Partners nor the AP Funds had made any guarantees, concerning the Tokyo Star Bank Loan, nor were they liable for any interest or principal payments involving the Tokyo Star Bank.<sup>37</sup>
  - c) Neither AP LLP nor the AP Funds could “default” on the loans related to the Tokyo Star Bank because they have no liability to the individual investments. They have no liability to the creditors of the Tokyo Star Bank Investment.<sup>38</sup>
25. Applicants now have sufficient technical and managerial resources to provide telecommunications services in Guam and will continue to have such resources after the sale.
- a) Purchaser intends to maintain the Applicants’ existing management team and Guam-based employees following completion of the transaction, so that the Applicants will continue to possess the same technical and managerial qualifications as they do at present; and these will be supplemented by the management team of Purchaser.<sup>39</sup>
  - b) The same management team which has guided GTA forward since privatization will continue to manage GTA after the transfer of control of TeleGuam Holdings, LLC to APTG.
  - c) Based upon Mr. Thomas’ testimony, it is likely that a number of the current Directors of GTA will remain on the Board.<sup>40</sup> APTG may retain AP LLP as a consultant to GTA to support the management team of GTA.<sup>41</sup>
  - d) GTA has made a sufficient showing that it will continue to possess sufficient technical and managerial resources and abilities to provide the

---

<sup>37</sup> Id.

<sup>38</sup> APTG’s Response to Third Set of PUC Requests for Information, GTA Docket 10-09, filed February 9, 2011, at p. 3.

<sup>39</sup> Joint Application of Teleguam Holdings, LLC and GTA Telecom, LLC for Approval of the Transfer, GTA Docket 10-09, at p. 4-5.

<sup>40</sup> Testimony of Emmitt Thomas at PUC Public Hearing conducted on January 27, 2011.

<sup>41</sup> APTG’s Response to Third Set of PUC Requests for Information, GTA Docket 10-09, filed February 9, 2011, at p. 5.

telecommunications services to the people of Guam under the Certificates of Authority after the transfer of control of TeleGuam Holdings LLC to APTG.

26. Approval by the PUC of the sale/transfer of control of TeleGuam Holdings LLC is “not contrary to the Public Interest”.

- a) In written comments submitted on January 24, 2011, PDS has raised numerous concerns regarding the present operations of GTA. The concerns involve: (1) alleged violations of existing tariff rules; (2) alleged anti-competitive rates and charges in the form of discounts and other credits; (3) the failure of GTA to conduct a rate/TELRIC study concerning rates.
- b) PDS also claims that GTA has failed in its commitment, made at the time of its privatization, to provide wireless Wi-Fi broadband to Guam schools.
- c) PDS raised these “concerns” as comments questioning, or in opposition to, the Joint Application. However, there is no proper evidentiary record before the PUC at the present time proving or establishing the substance or validity of any of these concerns.
- d) It is not appropriate for the PUC to undertake a detailed examination of the legitimacy of the concerns raised by PDS in the context of this proceeding involving Certificates of Authority and transfer of control of GTA. Such concerns should be brought in the appropriate manner and in a separate docket.
- e) The formal matter now pending before the PUC is the Application for Approval of the transfer of control of GTA. The concerns raised by PDS are not directly relevant to the issue of **whether the sale of GTA is contrary to the public interest**. In this proceeding, the review and scope of issues before the PUC is constrained by the statutory framework under 12 GCA §12103.
- f) Such concerns must also be formally raised, if at all, and not solely through public comments. Should PDS desire to bring any of the forgoing matters before the PUC, there are adequate statutory means of doing so. 12 GCA §12107(a) provides: “Any interested person complaining of anything done or omitted to be done by any telecommunications company in violation of this Article or the rules, regulations and orders of the Commission may file a petition or complaint with the Commission.”

- g) If PDS claims that GTA's rates and charges are anti-competitive or discriminatory, it can invoke the PUC's jurisdiction pursuant to 12 GCA §12105 to specifically determine whether GTA's rates meet the "just and reasonable" standard.
- h) If PDS claims that GTA is violating existing tariff rules, it can invoke PUC's jurisdiction under 12 GCA §12106.
- i) Thus, should PDS have claims concerning GTA's violation of rules and regulations regarding tariffs, the imposition of discriminatory or anti-competitive rates, or the failure to provide required services, it has an appropriate remedy of filing a formal complaint pursuant to 12 GCA §12107.
- j) If PDS seeks to raise such claims, it should file a specific complaint about the concerns which it raises in a separate and specifically directed proceeding. In such case, the Applicants and all parties, as well as the PUC, would have a full and adequate opportunity to address the concerns raised by PDS.<sup>42</sup>
- k) GTA has presented information establishing that it has implemented nearly all of the matters it agreed to in Section 6.10(e) of the privatization Asset Purchase Agreement between Guam Telephone Authority and TeleGuam Holdings, LLC. The Company states that it is capable of deploying Wi-Fi technology in the schools and the libraries, but at present MCV and PDS are currently contracted by the government to provide telecom and broadband services to the public schools and libraries.<sup>43</sup>
- l) The Guam Telecommunications Act of 2004 provides that it is in the public interest to provide the people of Guam with modern, innovative, accessible and affordable telecommunications services and products.<sup>44</sup>
- m) TeleGuam Holdings, LLC, and GTA Telecom, LLC, will continue to offer service to the customers of Guam with no change in rates or terms and

---

<sup>42</sup> A full evidentiary proceeding would have to be undertaken by the PUC before any of the concerns of PDS could be substantiated.

<sup>43</sup> Id. at p. 6.

<sup>44</sup> 12 GCA §12101(a) (2).

conditions.<sup>45</sup> The sale will facilitate GTA's ability to provide telecommunications services and products to the people of Guam. All of the Applicants' current tariffs will remain in effect.

- n) Also in the interest of consumers of telecommunications services is that the expansion of facilities and technology continue on Guam. APTG is committed to investing in Guam to offer state of the art service to all customer segments. It indicates that, with its financial backing, APTG will be able to maintain its state of the art infrastructure, offer quadruple-play, and be poised to expand to serve new customers that are expected to result from the military buildup in Guam.<sup>46</sup>
- o) The Purchaser's plans to accelerate GTA's competitive service offerings and to provide customers with better service choices, and improved pricing, should further and promote the public interest.<sup>47</sup>

- 27. There is no necessity for the PUC to hire additional independent consultants to advise it on this matter at the present time.
- 28. The findings of the ALJ relevant to this point are adopted. Under the statutory framework in 12 GCA §12103, the duty to determine and find whether an applicant possesses sufficient financial resources to provide the telecommunications services in Guam is squarely placed upon the **Commission**.<sup>48</sup> In this instance, the Commission has been supplied with sufficient information to make the necessary statutory determinations and findings without the need for other consultants.

### **ORDERING PROVISIONS**

After review of the Joint Application, with supporting materials, the Responses of GTA and APTG to PUC Information Requests, the materials and comments submitted by the parties and members of the public, the Administrative Law Judge Report, and the record in this docket, and for good cause shown, the Guam Public Utilities Commission **HEREBY ORDERS** that:

---

<sup>45</sup> Joint Application of TeleGuam Holdings, LLC and GTA Telecom, LLC for Approval of the Transfer of Control, GTA Docket 10-09, p. 6.

<sup>46</sup> Response of APTG and AP Funds to PUC Request for Information, GTA Docket 10-09, filed January 26, 2011 at p. 3.

<sup>47</sup> Joint Application of TeleGuam Holdings, LLC and GTA Telecom, LLC for Approval of the Transfer of Control, GTA Docket 10-09, p. 6.

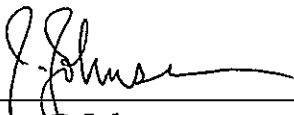
<sup>48</sup> 12 GCA §12103(c)(1)

1. All rulings and orders of the ALJ in this proceeding are confirmed and ratified. All motions not heretofore granted or denied are denied. No other matters currently require discussion.
2. The Report issued by the ALJ on February 18, 2011, is hereby adopted and approved. The PUC concurs with the determinations and findings therein.
3. The prior PUC Order approving Sale/Transfer of Ownership and Control of TeleGuam Holdings, LLC, and GTA Telecom, LLC (subject to conditions), issued November 29, 2010, is hereby vacated.
4. Applicants TeleGuam Holdings, LLC, and GTA Telecom, LLC, are authorized to proceed with, and complete, a transaction whereby Purchaser AP TeleGuam Holdings, Inc. will acquire direct control of TeleGuam and indirect control of GTA Telecom from Shamrock TeleGuam Holdings, LLC. The transaction shall be completed in the accordance with the Application submitted and the Agreement and Merger Plan.
5. Applicants satisfy the requirements of 12 GCA §§12103(c) and (g): Applicants and Purchaser now possess and will continue to possess sufficient technical, financial, and managerial resources and abilities to provide the telecommunications services authorized by the present Certificates of Authority after the transfer of control of GTA.
6. Purchaser appears to have sufficient financial resources to fund the sale transaction and to assist GTA in continuing to provide telecommunication services in Guam under the existing Certificates of Authority.
7. The sale or transfer of ownership and control of TeleGuam Holdings, LLC to AP TeleGuam Holdings, LLC is not contrary to the public interest.
8. The sale and/or transfer of ownership and control of TeleGuam Holdings, LLC and GTA Telecom, LLC from Shamrock to AP TeleGuam Holdings, LLC, does not appear likely to affect the abilities of TeleGuam and GTA Telecom to continue to provide telecommunications services under their respective Certificates of Authority.
9. Authorization for Applicants to complete the sale and transfer of ownership and control, as granted herein, is subject to satisfaction by Applicants of certain conditions : (1) Applicants must satisfy all requirements of the Federal Communications Commission with regard to this transaction, complete all necessary proceedings required by the FCC, and obtain all necessary FCC approvals; (2) there must be material compliance with the terms and

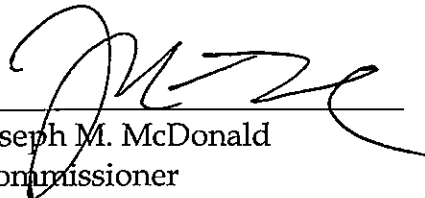
conditions of the Purchase and Merger Agreement, and the transaction completed in all material respects; (3) once the proposed transaction is completed in all material respects, Applicants shall continue to be subject to the terms, conditions and requirements of 12 GCA §12103, and all PUC rules, regulations and orders; (4) Purchaser APTG must comply with its representation, made of record, in the CERTIFICATION STATEMENT filed on January 12, 2011, that it will comply with all terms and conditions of the Certificates of Authority presently held by TeleGuam Holdings LLC and GTA Telecom LLC.

10. PUC approval of the sale and transfer of ownership and control, as granted herein, shall be final upon satisfaction by Applicants of all conditions in paragraph 9 above, and submission to the PUC of proof satisfactory to it that all such conditions have been satisfied.
11. TeleGuam Holdings, LLC, is ordered and directed to pay the PUC's regulatory expenses and fees in this docket.

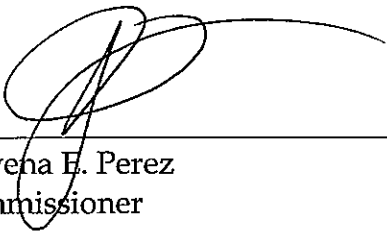
Dated this 21st day of February, 2011.



Jeffrey C. Johnson  
Chairman



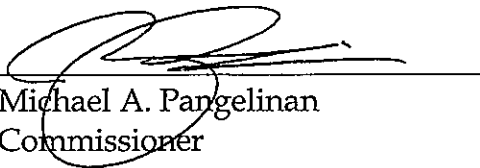
Joseph M. McDonald  
Commissioner



Rowena E. Perez  
Commissioner



Filomena M. Cantoria  
Commissioner



Michael A. Pangelinan  
Commissioner





BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

Guam Power Authority's Petition for  
Contract Review Approval of 2010 Bond  
Financed Projects

GPA Docket 10-01

ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for the Contract Review for Approval of the Hagatna Breaker Replacement Project.<sup>1</sup>

BACKGROUND

1. On July 27, 2010, the PUC approved the Agana Substation Capacity Upgrade, finding that such project was "reasonable, prudent, and necessary."<sup>2</sup>
2. The PUC approved the expenditure of 2010 Bond Funds for the Agana Substation Capacity Upgrade, which is the same project as the Hagatna Breaker Replacement Project, at a total cost of \$1,250,000.<sup>3</sup>
3. On February 15, 2011, PUC Counsel issued his report recommending PUC approval of the Hagatna Breaker Replacement Project.<sup>4</sup>

---

<sup>1</sup> GPA Petition for Contract Review for Approval of Hagatna Breaker Replacement Project, GPA Docket 10-01 filed January 18, 2011.

<sup>2</sup> PUC Order, GPA Docket 10-01, issued June 3, 2010.

<sup>3</sup> PUC Order, GPA Docket 10-01, issued July 27, 2010 at p. 2.

<sup>4</sup> PUC Counsel Report issued February 14, 2011 at p. 3.

### DETERMINATIONS

4. Pursuant to the Contract Review Protocol, and 12 GCA §12004, GPA has presented a reasonable justification to replace breakers at the Hagatna Substation. Such breakers have exceeded their life expectancy, and potential failure of such equipment poses a safety hazard to personnel who work within the substation confines.
5. The proposed project is "reasonable, prudent, and necessary."
6. GPA has engaged in an appropriate procurement process and selected GEMCCO as the lowest responsible bidder in accordance with procurement procedures.
7. The bid received from GEMCCO in the amount of \$1.499M is substantially less than the other bids received (nearly \$2.2M less than the highest bid received and \$500,000 less than the second lowest responsible bidder).<sup>5</sup>

### ORDERING PROVISIONS

After careful review and consideration of the above determinations, the report of PUC Counsel, and the record herein, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

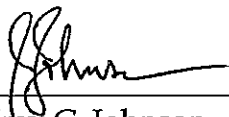
1. GPA's request to proceed with the award of the Hagatna Substation Breaker Replacement project to GEMCCO is approved on the grounds that the project is "reasonable, prudent and necessary."
2. The PUC reaffirms its approval of the use of 2010 bond funds up to the amount of \$1,250,000, as approved in its Order dated July 27, 2010.

---

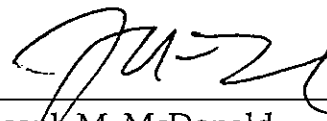
<sup>5</sup> Abstract of Bids attached to GPA Petition for Contract Review, filed January 18, 2010.

3. As requested by the Consolidated Commission on Utilities, the General Manager of GPA is authorized to expend up to the amount of \$1,499,400 for the purpose of purchasing the required construction services from GEMCCO for the Hagatna Substation 115kV and 34.5kV Breaker Replacement Project.
4. Such expenditure by the General Manager must be in accordance with the CCU authorization and Contract Review Protocol.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 21<sup>st</sup> day of February, 2011.



Jeffrey C. Johnson  
Chairman



Joseph M. McDonald  
Commissioner



Rowena E. Perez  
Commissioner



Filomena M. Cantoria  
Commissioner



Michael A. Pangelinan  
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

)  
) GPA Docket 11-01  
)

Guam Power Authority's Request for PUC  
Approval for the Construction of the  
Marbo to Pagat 34.5vK Underground Line )  
\_\_\_\_\_ )

) ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Contract Review for Approval of Marbo to Pagat Underground Line Project, and the award of the project to Helix Electric.<sup>1</sup>

BACKGROUND

2. On February 14, 2011, PUC Counsel filed his Report herein, which sets forth the relevant background and facts.<sup>2</sup>
3. On March 30, 1999, the PUC previously approved the 1999 GPA Bond issuance, and specifically authorized GPA to undertake the Marbo to Pagat 34.5kV line with a funding amount of \$3,225,000.<sup>3</sup>
4. To date, the 1999 Bond funds authorized for the Marbo to Pagat Line have been used, but the original project was later reconfigured into an underground project in order to increase system reliability.<sup>4</sup>
5. GPA conducted an appropriate procurement process, and Helix Electric was selected as the lowest responsible bidder with a bid for the project of \$5,058,000.<sup>5</sup>

---

<sup>1</sup> GPA Petition for Contract Review for Approval of Marbo to Pagat Underground Line Project, GPA Docket 11-01, filed January 18, 2011.

<sup>2</sup> PUC Counsel Report, GPA Docket 11-01, issued February 14, 2011.

<sup>3</sup> PUC Order Approving Long-Term Debt, Docket 99-01, Application of the Guam Power Authority to issue Revenue Bonds, dated March 30, 1999.

<sup>4</sup> Id. at pg. 1-2.

<sup>5</sup> CCU Resolution 2011-01.

### **DETERMINATIONS**

6. GPA's use of the 1999 bond funds in the amount of \$3,335,000 for the Marbo to Pagat 34.5kV line was previously approved by the PUC will now be available for the project.
7. This bid of Helix Electric in the amount \$5,058,000 appears to be reasonable. Helix's construction services provided appeared it was significantly lower than the other bids and is lower than the GPA estimate for the project.<sup>6</sup>
8. GPA has offered a substantial justification for the project. "Loop-Feeding" the Pagat Substation will improve the substation's reliability by providing two additional transmission line sources from the Pagat Substation Transformer, which serves the villages of Mangilao and Dededo. Installation of an underground system will minimize exposure to hazardous conditions during typhoons.<sup>7</sup>
9. In a report filed by GPA herein on February 9, 2011, it is established that there are unused excess bond funds from the 1999 issuance as of the amount of the \$2,212,000 additional needed to fund this project. GPA should be authorized to utilize such bond funds to fund this project.

### **ORDERING PROVISIONS**

After consideration of the above determinations, the PUC Counsel Report, and record herein, for good cause shown and motion duly made, seconded and carried by the undersigned Commissioners the Guam Public Utilities Commission **HEREBY ORDERS THAT:**

1. The award of the Marbo to Pagat Underground Line Project to Helix Electric is hereby approved.

---

<sup>6</sup> GPA Cost Estimate Project Description, attached to Petition for Contract Review for Approval of Marbo to Pagat Underground Line Project.

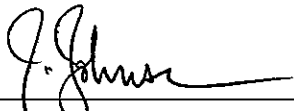
<sup>7</sup> Id.

ORDER  
Request for Approval for Construction  
Of Marbo to Pagat 34.5kV Underground Line  
GPA Docket 11-01  
February 21, 2011

---

2. GPA is authorized to expend the original amount of \$3,225,000, for such project, in accordance with Public Law 25-04, and the March 30, 1999 Order of the Commission.
3. GPA has presented a substantial justification for the project; it should be further authorized to expend excess 1999 bond funds up to a total amount of \$5,058,000 (which includes the original amount) for this project.
4. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

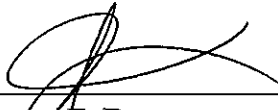
Dated this 21<sup>st</sup> day of February, 2011.



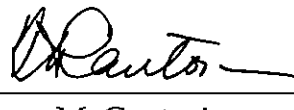
Jeffrey C. Johnson  
Chairman



Joseph M. McDonald  
Commissioner



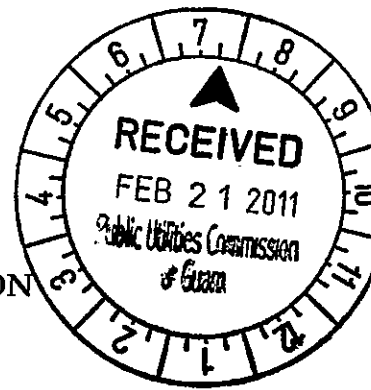
Rowena E. Perez  
Commissioner



Filomena M. Cantoria  
Commissioner



Michael A. Pangelinan  
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

	)	
<b>IN THE MATTER OF:</b>	)	<b>GPA Docket 11-03</b>
	)	
<b>The Application of the Guam Power</b>	)	<b>ORDER</b>
<b>Authority requesting Approval of the</b>	)	
<b>Procurement for Guaranteed Investment</b>	)	
<b>Contracts</b>	)	
	)	
	)	

## INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the Petition of Guam Power Authority [GPA] for contract review for Approval of the Procurement of Guaranteed Investment Contracts.<sup>1</sup>
2. GPA currently has an excess of \$100M in its Construction Fund and Bond Reserve Fund. It desires to improve the interest rate that it currently obtains.<sup>2</sup>
3. Through its Petition, GPA seeks to procure "Guaranteed Investment Contracts."<sup>3</sup>
4. The Consolidated Commission on Utilities, through issuance of Resolution No. 2011-04, has authorized the General Manager to proceed with the procurement of Guaranteed Investment Contracts.<sup>4</sup>
5. GPA seeks to issue a bid to obtain GICs as investment vehicles for the Construction Fund and Bond Reserve Fund, with a contract being awarded to the institution that would provide the highest earnings rate to the authority.<sup>5</sup>

### DETERMINATIONS

6. GPA could potentially, through GICs, earn additional interest on the monies in its Construction Fund (\$100M+) and the GPA Bond Reserve Fund (\$12M) in an amount in excess of \$2M over a 5 year period.<sup>6</sup>
7. GPA currently has Guaranteed Investment Contracts outstanding and has used them in the past; it is comfortable with this investment vehicle.<sup>7</sup>
8. PPFG is utilizing Kensington Advisors Group to develop a bid specification document. The document will be circulated to financial institutions, who will be potential bidders for the GIC. When the bid becomes due, GPA will select the most responsible bidder consistent with the highest interest rate bid.<sup>8</sup>
9. GPA's financial advisors indicate that current market conditions would support a rate of .7% for the construction fund and 1.85% for the Bond Reserve Fund.<sup>9</sup>
10. GPA's Bond Indenture Agreement requires notifications, consents or assurances in order to enter into such investment contracts from rating agencies as well as bond insurers, and GPA is currently seeking such approvals.<sup>10</sup>

### ORDERING PROVISIONS

After careful review and consideration of the above determinations, the Petition of GPA, the Report of PUC Counsel, and the record herein, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GPA's request to proceed with the procurement of Guaranteed Investment Contracts (GICs) is hereby approved. However, such approval is dependent upon GPA securing all necessary approvals under the Bond Indenture Agreement.

---

<sup>6</sup> Letter from GPA General Manager to PUC Legal Counsel, GPA Docket 11-03, dated January 24, 2011 at p. 1.

<sup>7</sup> Id. at p. 2.

<sup>8</sup> Id. at p. 2.

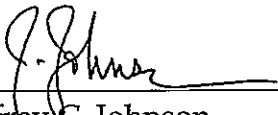
<sup>9</sup> Id. at p. 2.

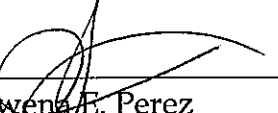
<sup>10</sup> CCU Resolution No. 2011-04, at p. 2, issued January 11, 2011.




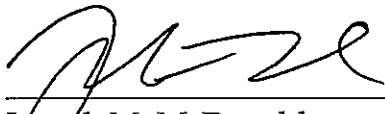
2. Procurement of Guaranteed Investment Contracts is reasonable, prudent, and necessary, as GPA should be able to obtain additional investment income over a 5 year period.
3. GPA is authorized to issue GUCs for the amounts requested, the amounts in the Construction Fund and the Bond Reserve Fund.
4. Once GPA has selected appropriate bidder(s) and is ready to enter into such Guaranteed Investment Contracts, it shall seek approval of PUC for any award and contract for GICs.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


Dated this 21<sup>st</sup> day of February, 2011.

  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman

  
\_\_\_\_\_  
Rowena E. Perez  
Commissioner

  
\_\_\_\_\_  
Michael A. Pangelinan  
Commissioner

  
\_\_\_\_\_  
Joseph M. McDonald  
Commissioner

  
\_\_\_\_\_  
Filomena M. Cantoria  
Commissioner

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN RE: ADMINISTRATIVE DOCKET ) PAG DOCKET 09-01  
CONTRACT REVIEW ) ORDER  
PROTOCOL FOR THE PORT )  
AUTHORITY OF GUAM )  
)

Pursuant to its authority under 12 G.C.A. § 12004, the Guam Public Utilities Commission (the “PUC”) establishes the following protocol to identify and review regulated contracts and obligations of the Port Authority of Guam (“PAG”):

1. The following PAG contracts and obligations shall require prior PUC approval under 12 G.C.A. § 12004:
  - a) All internally financed contracts utilizing O&M funds in excess of \$1,500,000, whether or not the contract extends over a period of one year or several years.
  - b) All professional service contracts in excess of \$1,500,000.
  - c) All externally funded loan obligations and other financial obligations, such as lines of credit, bonds, etc., in excess of \$1,500,000. PAG shall file a petition with the PUC seeking approval as to the intended uses of the proceeds from externally funded loan obligations. The petition shall include a detailed list of projects, a description of the projects, and their estimated costs. PAG shall thereafter report on the expenditure of such proceeds in the manner set forth in Section 5 below or as otherwise ordered by the PUC.
  - d) Any contract or obligation not specifically referenced above which exceeds \$1,500,000, not including individual contracts within an approved capital improvement project ("CIP") or contract.
  - e) Any internally funded contract in excess of a CIP expenditure ceiling, which the PUC shall establish on or before November 15 of each fiscal year.
  - f) Any agreement to compromise or settle disputed charges for services by PAG, when the amount of the waived charges would exceed \$1,500,000.
2. For contracts that involve the receipt by PAG of revenues or reimbursement of costs in excess \$1,500,000, the following procedure will apply:

- a) PAG is permitted to evaluate the contract without PUC approval.
  - b) Prior to entering into the contract, PAG will provide the following to the PUC:
    - i) The PAG Board of Directors resolution authorizing the contract.
    - ii) A petition describing the contract along with supporting documentation.
  - c) The contract will be deemed approved unless rejected by the PUC within thirty (30) calendar days after an adequate filing (as determined by the ALJ) has been made by PAG pursuant to subsection (b) of this Section.
3. Emergency procurements, which are made by PAG pursuant to 5 G.C.A. § 5215, shall not require PUC approval; provided, however, that PAG shall file with the PUC a report for any emergency procurement contract over \$1,500,000 within sixty (60) calendar days following the entry into such contract explaining the need for the procurement and providing supporting documentation and approvals for the emergency.
4. With regard to multi-year contracts:
- a) The term of a contract will include all options for extension or renewal.
  - b) The test to determine whether a contract exceeds the \$1,500,000 threshold for PUC review and approval (the review threshold) is the total bid amount of the procurement, including all costs incurred in any renewal options.
  - c) For a multi-year contract with fixed terms and fixed annual costs, PAG must obtain PUC approval if the total costs over the entire procurement term exceed the review threshold. No additional PUC review shall be required after the initial review process.
  - d) For multi-year procurements with fixed terms and variable annual costs, PAG shall seek PUC approval of the contract if the aggregate cost estimate for the entire term of the procurement exceeds its review threshold. On each anniversary date during the term of the procurement, PAG shall file a cost estimate for the coming year of the procurement. PAG shall seek PUC approval in the event a procurement subject to this Section should exceed 120% of the aggregate cost initially approved by the PUC.
5. On or before September 15 of each year, PAG will use best efforts to file with the PUC its capital improvement budget for the coming fiscal year, plus estimates for

the subsequent two (2) fiscal years. The filing shall contain a description of each CIP contained with the budget and estimates. Project descriptions should be sufficiently detailed to identify the specific location and type of equipment to be purchased, leased, or installed. For capital items that are subject to review by account group, PAG shall file information equivalent to that submitted to its Board of Directors for these items.

6. With respect to any contract or obligation which requires PUC approval under this Order, PAG shall initiate the regulatory review process through a petition, which shall be supported with the following:
  - a) A resolution from the PAG Board of Directors that the proposed contract is reasonable, prudent and necessary and that the PAG Board of Directors has authorized PAG to proceed with the procurement, subject to PUC review and approval.
  - b) The documentation on which the PAG Board of Directors based its approval under subsection (a) above, which shall include, at a minimum, a report from management or an independent third party, which contains the following:
    - i. A description of the project, including timeframes, time constraints, deadlines, and a justification of its need.
    - ii. The projected source of funding for the project with appropriate justification and documentation.
    - iii. A finding that the contract is necessary within the context of other utility priorities.
7. If during any fiscal year, PAG desires to undertake a contract or obligation covered by Section 1, for which approval has not otherwise been received, it may file an application with the PUC for approval of such contract or obligation, which shall contain the information required in Section 6 above.
8. PAG shall, on or before December 1 of each year, file a report on the contracts and obligations approved by the PUC for the prior fiscal year pursuant to this Protocol. This report shall show the amount approved by the PUC and the actual expenditures incurred during the preceding fiscal year for each such contract and obligation and other changes from the prior filing in cost estimates, start dates and in service or completion dates.
9. PAG shall not incur expenses for PUC approved internally financed contracts and obligations in excess of 10% over the amount authorized by the Commission without prior PUC approval. In the event that PAG estimates that it will exceed the PUC approved level of expenditures by more than 10%, it shall submit to the

PUC the revised estimate and full explanation of all additional costs. PAG shall not increase the amount of any externally financed obligation without prior PUC approval.

10. PAG shall file with the PUC monthly financial reports within five (5) business days of presentation of such monthly financial reports to its Board of Directors.
11. To the extent PAG submits a filing to the PUC under this Order which the PUC staff believes is incomplete or deficient, it shall notify PAG within fifteen (15) calendar days thereof with specific indication of the alleged incompleteness or deficiency.
12. The PUC staff will use best efforts to be prepared for hearing within thirty (30) calendar days of a complete PAG filing under the terms of Section 6 above. The PUC's administrative law judge is authorized, in his judgment, to shorten the above thirty (30) day period for good cause shown by PAG.
13. Within the context of a rate or management audit proceeding, the PUC staff may review the prudence of all procurement or obligations, whether or not subject to review herein.
14. The PUC's administrative law judge is authorized to interpret the meaning of any provision of this Order, in furtherance of the contract review process.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

---

Jeffrey C. Johnson  
Chairman

---

Joseph M. McDonald  
Commissioner

---

Rowena E. Perez  
Commissioner

---

Filomena M. Cantoria  
Commissioner

---

Michael A. Pangelinan  
Commissioner

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

<b>IN RE: ADMINISTRATIVE DOCKET</b>	)	<b>PAG Docket No. 09-01</b>
<b>CONTRACT REVIEW PROTOCOL</b>	)	
<b>FOR THE PORT AUTHORITY OF</b>	)	
<b>GUAM</b>	)	<b>ORDER</b>
	)	

---

**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the "PUC") upon the request of the Administrative Law Judge of the PUC (the "ALJ") for approval and adoption of the proposed Contract Review Protocol ("CRP") for the Port Authority of Guam ("PAG"), which is attached to the ALJ Report filed on February 14, 2011.

**DETERMINATIONS**

1. On February 14, 2011, the ALJ issued an ALJ Report regarding the approval and adoption of the CRP for PAG attached to the ALJ Report.
2. In the ALJ Report, the ALJ provided an overview of each provision contained in the proposed CRP.
3. The ALJ found that the provisions contained in the proposed CRP were reasonable and fair. The ALJ further found that the provisions contained in the CRP would promote better efficiency in the regulatory contract review process. Moreover, the ALJ additionally found that because PAG currently lacked a CRP, the adoption of one was crucial at this time, especially in light of the impending military buildup.
4. Thus, the ALJ recommended that the PUC approve and adopt the proposed CRP attached to the ALJ Report.

The Commission hereby adopts the findings made in the ALJ Report and, therefore, issues the following:

### ORDERING PROVISIONS

Upon consideration of the record herein, the February 14, 2011 ALJ Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. The Commission approves and adopts the Contract Review Protocol, which the Commission files as a separate Order. This Contract Review Protocol shall govern the procedure to identify and review regulated contracts and obligations of PAG.

2. PAG is further ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with conducting the review process. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

SO ORDERED this \_\_\_\_ of February, 2011.

---

Jeffrey C. Johnson  
Chairman

---

Joseph M. McDonald  
Commissioner

---

Rowena E. Perez  
Commissioner

---

Filomena M. Cantoria  
Commissioner

---

Michael A. Pangelinan  
Commissioner

**PUBLIC UTILITIES COMMISSION  
OF GUAM**

Jeffrey C. Johnson

Suite 207, GCIC Building  
Post Office Box 862  
Hagatna, Guam 96932

Joseph M. McDonald  
Filomena M. Cantoria  
Rowena E. Perez  
Michael A. Pangelinan

Telephone: (671) 472-1907  
Fax: (671) 472-1917  
Email: info@guampuc.com

David A. Mair  
Administrative Law Judge

Lourdes R. Palomo  
Administrator



**RESOLUTION NO. 11-03**

**RE: AUTHORIZATION FOR THE HEARING OF PUC REGULATORY  
MATTERS BY ADMINISTRATIVE LAW JUDGES**

**WHEREAS**, the PUC, at its meeting of January 31, 2011, adopted Resolution No. 11-02, which authorized Attorney Frederick J. Horecky to hear Guam Power Authority, Telecommunications, and Solid Waste matters as Administrative Law Judge; and

**WHEREAS**, at its meeting of January 31, 2011, the Commission considered the need for a division of responsibilities between Attorney David A. Mair and Attorney Frederick J. Horecky concerning the hearing of PUC regulatory matters as Administrative Law Judge; and

**WHEREAS**, the increasing workload of the Commission has established a need for the hearing of matters by two Administrative Law Judges; and

**WHEREAS**, a division of ALJ responsibilities between the two attorneys based upon their experience and background will be conducive to handling of Commission business;

**NOW, THEREFORE, BE IT**

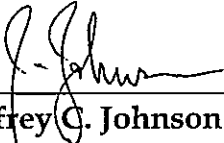
**RESOLVED**, that Attorney David A. Mair shall be responsible for handling all Guam Waterworks Authority and the Port Authority of Guam matters as Administrative Law Judge.

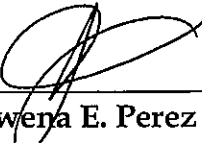
**FURTHER RESOLVED**, Attorney Frederick J. Horecky shall be responsible for hearing all telecommunications, Guam Power Authority, and Solid Waste Division matters as Administrative Law Judge.

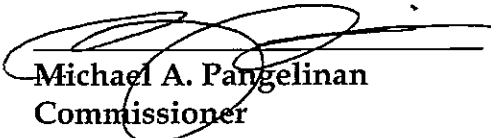


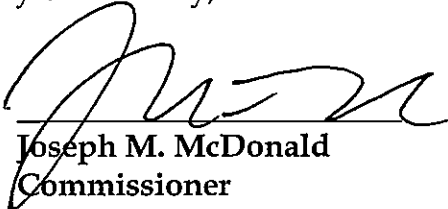
**FURTHER RESOLVED**, that this division of ALJ responsibilities shall remain in effect until such time as the PUC otherwise determines.


**DULY AND REGULARLY ADOPTED** on this 21<sup>st</sup> day of February, 2011.

  
\_\_\_\_\_  
**Jeffrey C. Johnson**  
Chairman

  
\_\_\_\_\_  
**Rowena E. Perez**  
Commissioner

  
\_\_\_\_\_  
**Michael A. Pangelinan**  
Commissioner

  
\_\_\_\_\_  
**Joseph M. McDonald**  
Commissioner

  
\_\_\_\_\_  
**Filomena M. Cantoria**  
Commissioner