

**GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SEPTEMBER 25, 2012
SUITE 202, GCIC BUILDING, HAGATNA**



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 7:43 p.m. on September 25, 2012, pursuant to due and lawful notice. Commissioners Johnson, McDonald, Perez, and Montinola were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

1. Approval of Minutes

The Chairman announced that the first order of business was approval of the minutes of the meeting conducted on August 27, 2012. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the minutes subject to correction.

2. Ratification

The Chairman announced that the next item for consideration by the Commissioners was GTA Docket 12-03, Joint Petition of Teleguam Holdings, LLC, and Guam Telecom LLC for Approval of the Interconnection Agreement. Counsel indicated that the Chairman had previously signed an Order approving certain amendments to the Interconnection Agreement of Teleguam Holdings and Guam Telecom. Teleguam and Telecom agreed to adopt the form of an interconnection agreement which had already been approved by the PUC in a docket involving Pacific Data Systems Inc. Since the Commission had approved the same ICA, the Chairman believed that it was appropriate to sign the Order approving the ICA. The Commissioners are requested to ratify the Chairman's approval of the ICA between Teleguam and Guam Telecom. Upon motion duly made, seconded and unanimously carried, the Commissioners ratified the Chairman's approval of the Interconnection Agreement entered into between Teleguam Holdings LLC and Guam Telecom LLC.

3. Guam Waterworks Authority

The Chairman indicated that the next matter for consideration was GWA Docket 11-01, reconsideration of a Petition for Expedited Approval of \$23 Million Bond Reprogramming, and an ALJ Status Report. Counsel indicated that GWA had filed a second lawsuit, again challenging the Orders of the Commission involving the \$20M obligation of GWA has to the Government of Guam. There

has been discussion between the parties toward resolution of the case. As a result, GWA's Request for Reconsideration has been taken off calendar until next month. GWA has also extended the time within which PUC can respond to the lawsuit. Therefore, the ALJ recommends that this matter be postponed until the PUC meeting next month.

The Chairman then asked whether there was a report concerning GWA Docket 09-01, the Annual True-Up of the GWA five year base rate case. Counsel indicated that Georgetown and GWA were still discussing a stipulation. The ALJ needs to review the stipulation before preparing and submitting a report. This matter should be continued until the next month.

4. Port Authority of Guam

The Chairman indicated that the next item for discussion was PAG Docket 12-01, Review of the ANZ Loan Offer, ALJ Report and Proposed Order. Counsel indicated that, based upon the PUC's approval of the crane purchase by PAG, there is now a need to secure financing for the crane purchase. The Port has been in negotiations with ANZ as to the terms and conditions of the loan. The term is a 15-year loan with interest at 6%. Principal and interest is approximately \$12M for the duration. The ALJ recommends approval of the loan terms, and that PUC authorize the Port to proceed with such loan terms. However, since the final loan documentation has not yet been prepared, the Port would submit the same back to the PUC for final approval. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the proposed loan terms between PAG and ANZ, and authorized the Port to proceed ahead with such loan. The Commissioners approved the Order made *Attachment "B"* hereto.

The Chairman announced that the next matter for consideration was PAG Docket 12-02, Petition regarding the Crane Surcharge, and ALJ Status Report. Counsel indicated that the PAG Board of Directors has approved a surcharge to fund the purchase of the cranes. Payments will be used to fund the debt service, principal and interest payments made by PAG to ANZ and also for the maintenance and other matters related to the cranes. The PAG Board approved a surcharge of up to \$125.00 per loaded container and \$5.00 per tonnage for non-containerized cargo. Approval of the surcharge is currently pending before the Commission. The PUC Port Consultants are investigating the surcharge petition and will report back to the PUC concerning their findings. Once the ALJ receives the report from Slater, Nakamura, a public hearing will be set for this matter and the surcharge will then be considered by the PUC.

The Chairman announced that the third item for consideration concerning the Port was PAG Docket 12-03, Review of the Insurance Agreement, ALJ Report and Proposed Order. Counsel indicated that the Port requires various types of insurance, including property insurance, general liability, directors and officer's

liability, automobile insurance and prime insurance. PAG procured insurance bids, and AM Insurance was the only bidder. The PAG Insurance Consultant reviewed the AM Insurance proposal and found that it complied with the bid and technical requirements. PAG now requests PUC approval of the AM Insurance bid. The total amount of the bid award is nearly \$2M. A three year contract is proposed with an option for a two year renewal. The ALJ recommends approval of the Port's Contract with AM Insurance. Upon motion duly made, seconded and unanimously carried, the Commissioners approved PAG's insurance contract with AM Insurance and adopted the Order made *Attachment "C"* hereto.

5. Guam Telecom LLC

The Chairman announced that the next item for consideration was GT Docket 12-02, Petition of Guam Telecom LLC for Annual Certification from PUC for Universal Service Funds, Counsel Report, and USAC Certification. Counsel indicated that Guam Telecom has complied with all of the requirements for USAC Certification. Due to the deadline at the end of September, the Chairman has already signed and submitted the Certification. The Commission is asked to ratify the Chairman's certification. Telecom has filed a detailed five year build out plan indicating specific improvements concerning expansion and improvement of the current hybrid fiber coax network through the placement of more fiber optic lines and equipment. GT reported one outage, had no unfulfilled requests for services, no complaints to the PUC and further complied with quality standards. The Commission should ratify the Certification, finding that Guam Telecom will use the USAC funds for the purposes stated in the Federal Act. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for Guam Telecom LLC for this year, which Certification is made *Attachment "D"* hereto.

6. Teleguam Holdings LLC

The Chairman stated that the next item of business was GTA Docket 12-07, Petition of GTA for Annual USAC Certification, PUC Counsel Report, and Proposed Order. Counsel indicated that the Chairman has already signed the Certification due to the deadline at the end of September. This year Teleguam Holdings is the party applying for the Certification; in previous years Guam Telecom was the applicant (due to the corporate reorganization of GTA).

Teleguam has met all the requirements under law for certification. It certifies that the funds will be used for the nine core services required under federal law. A detailed five year progress plan was submitted, indicating improvements to be implemented over the next few years. GTA has plans to improve service quality and network reliability. It has migrated digital customers to soft switch and rehabilitated plant distribution, cables, pedestals and connections. New capacity

has been added to central switching offices and new subdivisions wired with the latest optical equipment and fiber. Teleguam has met the requirements for USF funds. There were no outages lasting at least 30 minutes, and only a few customers per month that could not be serviced. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for Teleguam Holdings LLC for this year, which Certification is made *Attachment "E"* hereto.

The Chairman announced that the next item of business was GTA Docket 12-08, Petition of Pulse Mobile for Annual USAC Certification, PUC Counsel Report, and Proposed Order. Counsel indicated that Guam Telecom is now a division under Teleguam Holdings; so technically, the applicant is Teleguam. Teleguam has certified that funds will only be used for the purposes authorized by the Federal Act and that it will maintain the nine core services required by federal law. The Pulse five year plan has been filed; Pulse currently operates two separate networks on Guam, a GSM network and a 3G network. Pulse will ultimately deploy its 4G high speed packet access, plus an interim 4G solution with enhanced fiber backhaul. Pulse Mobile will continue expanding coverage including 3G in the UMTS network. All requirements appear to have been satisfied. Counsel recommends that the Commissioners ratify the Chairman's signature on the Certification. Upon motion duly made, seconded, and unanimously carried, the Commissioners approved the USAC Certification for Pulse Mobile for this year, which Certification is made *Attachment "F"* hereto.

The Chairman announced that the next item for consideration was GTA Docket 12-09, Joint Application of Teleguam Holdings LLC and GTA Telecom LLC to assign and transfer GTA Telecom's Interconnection Agreement with PTI Pacifica Inc., PUC Counsel Report and Proposed Order. Counsel indicated that all services of Teleguam Holdings are now centralized under Teleguam. Previously the Interconnection Agreement was between GTA Telecom and PTI Pacifica. Because GTA now operates solely under Teleguam Holdings, it wishes to assure that the Interconnection Agreement with PTI is in the name of Teleguam Holdings. PTI has agreed to allow GTA Telecom to assign and transfer the agreement to Teleguam Holdings. There are lengthy terms and conditions in the stipulation which protect the rights of PTI. Upon motion duly made, seconded, and unanimously carried, the Commissioners approved the assignment and transfer of GTA Telecom's Interconnection Agreement with PTI Pacifica, Inc. to Teleguam Holdings LLC and adopted the Order made *Attachment "G"* hereto.

7. Guam Power Authority

The Chairman announced that the next item of business was GPA Docket 12-03, GPA Petition Requesting Approval of a bond Issuance for Restructuring and Refinance, PUC Consultant Reports from GCG and Shaw, and Proposed Order.

Counsel indicated that one aspect of this bond issuance was the buyout of the Lehman Forward Bond Delivery Agreements at a cost of \$4.5M. Counsel believes that it would be a benefit to GPA to remove the restrictions imposed by the Lehman agreement but that financially over the long term the buyout would be a "wash". The second part of this bond issuance is "restructuring." The goal of the restructuring is to levelize the debt service, principal and interest payments on bonds and the IPP payments that would occur over the period of 2013 to 2034. Without restructuring, debt service payments would increase substantially in 2014 up to \$74M, likely necessitating substantial rate increases. The debt service then reduces considerably to about \$40M in 2019 as a result of the end of IPP payments.

GPA wishes to levelize rates over the entire period from 2013 to 2034. Such action is consistent with the basic principle of rate making that rates should be "levelized." Instead of having high rate payments due in 2014, GPA would levelize rate payments by restructuring the debt service. Such levelizing would provide additional cash flow to GPA of \$8M to \$9M from 2013 through 2018. However from 2019 to 2035 there would be an increase in the required revenues of \$5M per year. The ratepayers would likely wish to see the decrease that would result from restructuring. In terms of present value savings, restructuring could result in positive net value savings for the entire period under certain scenarios. An issue is the potential cost of the restructuring. It is possible that there would be a negative net savings for the restructuring over the period from 2013 to 2034. It is hoped that the restructuring would result in a positive net value savings; however, even with a slightly negative net savings value, the benefits to ratepayers in the next few years could possibly justify some increases in the later years.

The third element is the "refunding." The payments due on the '93 bonds and the '99 bonds would be refinanced using present interest rates, which are somewhat lower than the original rates. There is a definite savings through the refunding. Based on present interest rates, net present savings could be in the nature of 2% to 3%. It is likely that, over the course of 2013 to 2034, GPA could save between \$900,000 and \$1M per year. In the 2010 bond issue, the PUC adopted a 2% net value savings threshold for the refunding of bonds. The PUC should not go back on that standard. Both Consultants agreed that such standard should be applicable cumulatively to the restructuring, the refunding and the Lehman termination proposed in this 2012 bond issuance. Just how good this transaction will be for the ratepayers really depends upon the conditions on the particular day when GPA goes out for the bonds. From a business viewpoint, there may be certain conditions under which this transaction is not viable. Shaw Consultants recommended that the bond issuance should not proceed ahead unless the all-in total interest cost is less than 4.85%. The Commission has an obligation to ensure that there is some business sense to this

transaction. By imposing a standard, a “TIC” that GPA has to achieve could be somewhat artificial; however, if you don’t do so there is no protection against higher interest rates which could make the bond issuance less worthwhile. The proposed Order would also require, after closing, that GPA petition the PUC for a resetting of its revenue requirements which takes into account the savings resulting from the restructuring and refunding.

Simon Sanchez, the Chairman of the Consolidated Commission on Utilities, then presented the bond financing/restructuring from the GPA perspective. The current debt service structure requires payment for the IPP assets over a 20 year period, rather than a 40 year period. Thus, current ratepayers pay off the generators by 2019, but ratepayers that join the system after 2019 get the generators for free. Ratepayers that use such asset should pay for the assets; by stretching payments over 40 years, everyone pays for the generators. For the current debt service structure, debt service climbs to almost \$75M per year in 2014. Rate relief would otherwise be necessary to pay for this expensive short term debt, which would come from ratepayers. With oil prices, base rate increases and LEAC increases there would be a “double whammy” to ratepayers. Through restructuring, there can be savings of \$8M to \$9M a year.

However, Sanchez does not agree with the ALJ and consultant recommendations of a 2% positive net present value savings requirement for the bond issue. If the PUC adopts the 2% rule, the market would have to stay within 13 basis points of where it is today. However, without the restructuring aspect, it doesn’t help the ratepayers’ bills. GPA is willing to accept restructuring and refinancing together, even if there is no net present value savings or that’s only neutral to GPA without benefit or slightly negative. Regardless of net present value, there will be \$9M a year in rate savings for the ratepayers over the next six years. The imposition of a 2% threshold could prevent GPA from doing the deal. The utility would be willing to incur a small net present value loss in order to obtain cash savings of \$9M a year for the next six years. Even if there is no net present value benefit to the Authority, restructuring will save \$9M for ratepayers for the next six years.

The Chairman clarified that Mr. Sanchez, when indicating that 0% net present value savings would be acceptable, was talking about the full deal in the aggregate. Sanchez indicated that the three pieces of the restructuring/refinance should be examined together. The Chairman indicated to Mr. Sanchez that both PUC Consultants had recommended the 2% threshold on present net value savings, and Mr. Sanchez indicated that was correct. Counsel indicated that, under all the updates provided by Morgan Stanley for May, July, August, September and today’s, in no case was the savings ever less than the 2%. It is not conceivable that GPA would have a problem practically meeting the 2% requirement. Sanchez would set NPV at neutral instead of a 2% requirement.

GPA is willing to accept a neutral NPV on this deal. The Chairman pointed out that even under a worst case scenario, GPA still meets the 2% threshold. He doesn't understand what the concern is with the 2% threshold.

Sanchez again emphasized the need to give savings to ratepayers even if the NPV is negative. GPA recommends that NPV be set at neutral. Sanchez fears that imposition of the 2% requirement would prevent the deal if the market moves, thus denying benefits to Tan Maria and ratepayers. Mr. Sanchez raised the concern that the Order proposed would require GPA to locate the Chairman at 2 or 4:00 in the morning to determine whether the market terms and conditions would satisfy the Order. Mr. Sanchez feels that discretion should not be left to the chairman in the Order, the language is not practicable. Mr. Sanchez apparently feels that, if the TIC is below 5.17%, GPA should proceed ahead with the deal and give ratepayers the annual cash savings of \$9M. The Chairman pointed out that this deal was different because no capital improvement projects were being purchased by GPA; it's simply a monetized deal, it's just financial. Mr. Sanchez stated that the purpose of this transaction was to lower future rate increases, and to roll back the May 1 rate increase.

Mr. Sanchez would be willing to accept a requirement that GPA could not request rate relief on any loss resulting from the transaction. Legal Counsel indicated that it would not be lawful for the PUC to fail to compensate GPA for losses. Mr. Sanchez wants GPA to have maximum flexibility at the market to give the ratepayers maximum savings. Counsel indicated he did recognize that putting the burden on the Chairman to approve the transaction might not be appropriate. The Chairman asked Mr. Sanchez whether there was a point at which the transaction would not be a good deal for any ratepayers. Mr. Sanchez indicated that he understood that. Net present value should be set at neutral. Mr. Sanchez suggested a higher TIC, for example, 4.95. The Chairman indicated that a ceiling has to be set at some level.

Commissioner Montinola asked what \$9M would mean to the ratepayer. Mr. Sanchez indicated that it would be approximately a 6% rate decrease on the base rate. It should be a 2% decrease on the total bill. The recent rate increase would be rolled back if this transaction is successful. The May rate increase could be rolled back. Mr. Blair of Georgetown pointed out that GPA's willingness to accept negative NPV could reduce the number of available days of cash GPA would have, which is contrary to GPA's request for additional days of cash.

The Chairman indicated that there could be another big capital project as a result of GPA's needing fuel diversification. Mr. Sanchez mentioned the possibility of conversion of facilities to LNG. Commissioner Montinola asked whether the all-in TIC determined whether the cash flow savings would be \$9M or \$8M. Mr. Sanchez indicated that the \$9M would come from the restructuring of the term

by pushing the principal portions that are due. However the restructuring by itself alone would not be economic. The financing and restructuring together would benefit GPA because of the current interest rates. Commissioner Perez asked whether GPA could take the proposed \$4.5M for the Lehman buyout and just give it back to the ratepayers. Mr. Sanchez indicated that GPA wished to payoff Lehman because they are in bankruptcy. They currently present an impediment to GPA. The original buyout was \$7.7M but Lehman has now offered GPA \$4.5M. Ms. Tina Garcia from GEDA indicated that GPA could recover up to \$8M when reserve fund balance is released from Lehman. Mr. Sanchez indicated that, overall, there is a small economic loss from the Lehman transaction of \$185,000.

Counsel indicated that the TIC arrived at, 4.85, was in consultation with bond counsel Stan Dirks. Counsel indicated that he did agree that the provisions in the proposed Order requiring GPA to contact the Chairman and to secure his approval prior to bond issuance were problematic. Decisions involving such administrative discretion could be removed from the Order. Counsel recommends that the all-in TIC remain the same, and there is no case for getting rid of the 2% NPV savings requirement. In response to questions from Commissioner Montinola, Mr. Sanchez indicated that, without the restructuring, GPA would have to keep the \$9M awarded in the last rate case, and would follow with a series of rate increases. Commissioner Perez asked whether, if GPA went below the 2% NPV, the transaction would be to our benefit. GPA General Manager Flores indicated then the criteria would not be met. CCU Commissioner Joey Duenas indicated that the 2% criteria would be good policy if GPA were doing a standard deal, building a plant. However cash is the objective in this transaction. Counsel Horecky responded that the 2010 bonds, the 2% rule was applied for refunding; it had nothing to do with the buying of plants or anything else.

The Chairman asked if there were any conditions under which GPA wouldn't do the deal. GPA General Manager Flores stated that GPA would still do the deal at zero. Sanchez indicated that if the deal was significantly below zero, GPA would have to revisit it. The Chairman indicated that in the \$9M per year over the next six fiscal years was GPA's highest priority. Commissioner McDonald asked Mr. Sanchez if he were comfortable with a TIC of 4.85 or 4.95%? Mr. Sanchez indicated that GPA could live with a TIC if they are "forced to live with it." It prefers not to have any restriction on the TIC. The Chairman indicated to Counsel that GPA would apparently would like to have just one of the numbers, rather than multiple parameters that they have to deal with. GPA would rather either deal with the all-in TIC or the net present value savings. The Chairman felt more comfortable with the TIC. Counsel indicated that the all-in TIC was the more important criteria. Counsel recommends that the PUC adopt the 4.85 TIC.

If there is no limit, GPA has absolute discretion to do this deal at any interest rate. That is too much discretion.

The Chairman asked whether the market might target an all-in TIC if a rate is set by the PUC. Mr. Carlson from GEDA indicated that he did not believe so. Mr. Carlson indicated that if there were to be a parameter, he believes that the PUC should target a total interest cost parameter. The Chairman agreed that the PUC should look at an all-in TIC. Commissioner Montinola indicated that he felt a TIC within the 4.9 range would be adequate. Commissioner Montinola clarified that net present value savings would be driven by the TIC rate. Counsel indicated, based on the consultants' reports and past precedent, the PUC should retain the minimum 2% NPV for the entire bond issuance.

The Commissioners then commenced a discussion of the proper elements of the Order. Commissioner McDonald moved for approval with the adjustment of removing the language concerning the need for GPA to be "reasonably close" with the recent Morgan Stanley update. The TIC would be increased from 4.85 to 4.95. Commissioner Perez clarified that the 2% NPV for the entire bond issuance would remain. Upon motion duly made, seconded, and unanimously carried, the Commissioners approved GPA's Bond Issuance for restructuring and refinancing, subject to the stated terms and conditions, and adopted the Orders made *Attachments "H" and "I"* hereto.

8. PUC Website

Administrator Palomo indicated that the PUC has been sending documentation for upload. A meeting will be scheduled with Ideal in October to decide what the website should look like and implement the changes recommended by the Commissioners.

9. Administrative Matters

As to the update on the GWA v. PUC Superior Court case, Counsel indicated that such update had been provided earlier to the Commissioners. Counsel indicated that the case was ongoing, and that currently settlement discussions were taking place. The Chairman indicated that he had spoken with Counsel and ALJ Mair about setting a less confrontational path, that path would have been expensive and long. GWA will be coming to the PUC in 2013 for a bond issue.

The Chairman announced that the next matter for consideration was the FY 2013 Administrative Budget/Annual Assessment Order. Counsel indicated that there was a meeting of the Budget Committee last week and the recommended budget is in the Commissioners' packets. The overall administrative budget is in the amount of \$381,750 which is roughly \$80,000 more than the current budget.

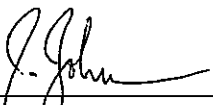
There are amounts included for Commissioner stipends. Counsel recommends that the Commissioners review the budget and then approve it as the first step. Commissioner Perez asked whether this was the allocation and breakdown. The Chairman replied that it was. Counsel indicated that the calculations for stipends were based upon seven Commissioners. Commissioner Perez asked whether, if there were shortfalls in any of line items, the Commissioners could do a transfer. The Chairman indicated that they could. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the FY 2013 Administrative Budget for the Guam Public Utilities Commission. The approved Budget is made *Attachment "J"* hereto.

Counsel then indicated that, under the proposed Administrative Assessment Order, each utility would pay for the Commission's administrative expenses the sum of \$76,350. GTA and the telecom companies split the amount of \$76,350 based upon the fees that were generated in dockets last year by the telecom companies. In addition, a full assessment is made this year to the Guam Solid Waste Authority because of the pending rate case before us and the likelihood of the PUC having to hire a consultant. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the proposed Assessment Order for FY 2013; the Order is made *Attachment "K"* hereto.

Counsel then presented the PUC contracts for deliberation by the Commissioners on extension for the next fiscal year. Counsel indicated that there were three resolutions before the Commissioners, the first would extend Administrator Palomo's contract for an additional year and would increase her salary. Upon motion duly made, seconded, and unanimously carried, the Commissioners approved Resolution 12-03, which extends the Administrator's Contract for an additional year, a copy of which is made *Attachment "L"* hereto.

Counsel then presented a second Resolution, which would extend the Attorney, Administrative Law Judge, and PUC Consultant for an additional year. The coming year is the last year on a five year contract. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the extension of contracts for Legal Counsel, Administrative Law Judge, and Consultant for an additional year and adopted Resolution 12-04, a copy of which is made *Attachment "M"* hereto. Counsel indicated that the Consultant Agreement between PUC and its Port Consultant Slater, Nakamura, expires November 13. Counsel requested that the Commissioners approve a third Resolution in order to extend such contract. Upon motion duly made, seconded and unanimously carried, the Commissioners approved Resolution No. 12-05, which extends the contract of Slater, Nakamura & Co., the PUC Port Consultant, for one additional year; a copy of said Resolution is made *Attachment "N"* hereto.

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



Jeffrey C. Johnson
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE. HAGATNA, GUAM
7:00 p.m., September 25, 2012**

Agenda

- 1. Approval of Minutes of August 27, 2012**
- 2. Ratification**
 - **GTA Docket 12-03, Joint Petition of TeleGuam Holdings, LLC and Guam Telecom LLC for Approval of the Interconnection Agreement pursuant to Section 252 of the Telecommunications Act of 1996, PUC Counsel Report, and Order dated June 20, 2012**
- 3. Guam Power Authority**
 - **GPA Docket 12-03, GPA Petition requesting Approval of a Bond Issuance for restructuring and refinancing, GCG Report, Shaw Consultants' Report and Proposed Order**
- 4. Guam Waterworks Authority**
 - **GWA Docket 11-01, Reconsideration Re: Petition for Expedited Approval of \$23.246M Bond Reprogramming, ALJ Report, Proposed Order**
 - **GWA Docket 09-03, Petition for Rate Relief: Annual True-Up, ALJ Report, Proposed Order**
- 5. Port Authority of Guam**
 - **PAG Docket 12-01, Review of ANZ Loan Offer, ALJ Report, Proposed Order**
 - **PAG Docket 12-02, Petition Re: Crane Surcharge, Status Report**
 - **PAG Docket 12-03, Review of Insurance Agreement, ALJ Report, Proposed Order**
- 6. Guam Telecom LLC**
 - **GT Docket 12-02, Petition of Guam Telecom LLC for Annual Certification from PUC Re: Universal Service Funds, PUC Counsel Report, USAC Certification**
- 7. Teleguam Holdings LLC**
 - **GTA Docket 12-07, Petition of GTA for Annual USAC Certification, PUC Counsel Report, and Proposed Order**
 - **GTA Docket 12-08, Petition of Pulse Mobile for Annual USAC Certification, PUC Counsel Report, and Proposed Order**

- **GTA Docket 12-09, Joint Application of Teleguam Holdings LLC and GTA Telecom, LLC to Assign and Transfer GTA Telecom's Interconnection Agreement with PTI Pacifica, Inc. to Teleguam Holdings, PUC Counsel Report, and Proposed Order**
- 8. PUC Website**
- **Report by Administrator and Legal Counsel on progress of Ideal Advertising, website input catch up**
- 9. Administrative Matters**
- **ALJ Report and Recommendations regarding GWA v. PUC, Special Proceedings Case No. SP148-12**
 - **FY2013 Administrative Budget/Annual Assessment Order**
 - **Deliberations concerning Extension of PUC Contracts:**
 - **Legal Counsel**
 - **Administrative Law Judge**
 - **PUC Consultant**
 - **Port Consultant**
 - **Administrator**
 - **Draft Resolutions and Proposed Letters**
- 10. Other Business**

Further information about the meeting may be obtained from the PUC's Administrator Lou Palomo at 472-1907. Those persons who require special accommodations, auxiliary aids, or services to attend the meeting should also contact Ms. Palomo.

This Notice is paid for by the Guam Public Utilities Commission



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: REQUEST BY THE PORT) PAG DOCKET 12-03
AUTHORITY OF GUAM FOR) ORDER
FOR APPROVAL OF)
CONTRACT FOR INSURANCE)
_____)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the September 21, 2012 Petition for Review and Approval for Bid Award for Insurance Coverage (hereinafter referred to as the “Petition”), filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (“PAG”). PAG seeks PUC approval of its contract for insurance, which it intends on executing prior to the expiration of its current insurance coverage on September 30, 2012.

BACKGROUND

On August 28, 2012, the General Services Agency of the Government of Guam (“GSA”) publicly announced Invitation for Bid No. PAG-006-12 in the Marianas Variety newspaper, which sought sealed bids for property insurance, general liability insurance, directors and officers liability insurance, automobile insurance, and crime insurance. Board of Directors, Port Authority of Guam, Resolution No. 2012-07 (Sept. 21, 2012) (“Resolution”).

On September 14, 2012, GSA held a bid opening. Petition, p. 1. Thereafter, GSA transmitted a copy of the sole submission by AM Insurance (hereinafter referred to as “AM”) to

PAG for its review. Petition, p. 1. On September 15, 2012, Mike Moody of IRIS, Ltd., PAG's risk management consultant, transmitted a memorandum to PAG stating that, based on his review of the proposal and price bids submitted by AM, the bid submitted by AM complied with, and met the technical requirements of, the insurance bid. Petition, p. 1. On September 20, 2012, PAG's Board of Directors issued Resolution No. 2012-07, which approved GSA's award to AM in the amount of \$1,957,484.75. On September 21, 2012, PAG petitioned the PUC to approve PAG's contract for insurance with AM. On September 21, 2012, the Administrative Law Judge of the PUC (the "ALJ") issued an ALJ Report recommending that the PUC approve PAG's contract for insurance with AM for coverage indicated in the Petition and for the total cost of \$1,957,484.75.

DETERMINATIONS

Pursuant to 12 G.C.A. §12004, PAG cannot enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Additionally, pursuant to PAG's current Contract Review Protocol, "[a]ll internally financed contracts utilizing O&M funds in excess of \$1,000,000" and "[a]ll capital items by account group utilizing O&M funds, which in any year exceed \$1,000,000"; and "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000" "shall require prior PUC approval under 12 G.C.A. Section 12004." Contract Review Protocol, PAG Docket 09-01, p. 1 (June 20, 2011).

In the September 21, 2012 ALJ Report, the ALJ found that based on the documentation in the record, the proposed insurance coverage would "serve as safeguards to all

of PAG's assets from all risks, including natural disasters or catastrophic events, as well as, coverage for any liabilities resulting from PAG's operations." ALJ Report, pp. 4-5 (Sept. 21, 2012) (quoting Petition, p. 2). Additionally, the ALJ found that such insurance coverage "is instrumental to PAG's compliance to the existing loan conditions." ALJ Report, p. 5 (quoting Petition, p. 2).

The ALJ further found that PAG's Petition was supported by the findings of PAG's Board of Directors. The Board of Directors found that "the Port's Risk Management Consultant reviewed the proposal and found that such proposal complies with the instructions and meets the technical requirements of the insurance specifications"; which resulted in its recommendation to GSA that GSA award the bid to AM in the amount of \$1,957,484.75. The Board of Directors also "authorized PAG to petition the PUC for approval of the new contract for insurance." ALJ Report, p. 5.

Accordingly, the ALJ ultimately recommended that the PUC approve PAG's contract for insurance with AM for the following: (1) \$25 million Property Insurance at an annual premium of \$1,558,225.00, with a \$50,000 deductible for each and every loss, and a \$2,350,000 deductible for earthquake, flood and windstorm; (2) \$50 million Liability Insurance at a premium of \$334,945.92, with a \$15,000 deductible for each accident; (3) \$5 million Directors and Officers Liability Insurance at a premium of \$46,875.00, with a \$10,000 for any one claim, and \$75,000 for employment practice liability claims; (4) \$2 million Automobile Insurance at a premium of \$13,276.33, with a \$1,000 deductible for any one claim; and (5)

\$250,000 Crime Insurance at a premium of \$4,162.50, with a \$15,000 deductible for any one claim/aggregate—for a total cost of \$1,957,484.75.

The Commission hereby adopts the findings made in the September 21, 2012 ALJ Report and, therefore, issues the following:

ORDERING PROVISIONS

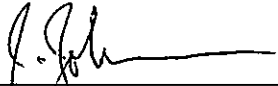
Upon consideration of the record herein, the September 21, 2012 ALJ Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. The PUC approves PAG's contract with AM Insurance for the following: \$25 million Property Insurance at an annual premium of \$1,558,225.00, with a \$50,000 deductible for each and every loss, and a \$2,350,000 deductible for earthquake, flood and windstorm; \$50 million Liability Insurance at a premium of \$334,945.92, with a \$15,000 deductible for each accident; \$5 million Directors and Officers Liability Insurance at a premium of \$46,875.00, with a \$10,000 for any one claim, and \$75,000 for employment practice liability claims; \$2 million Automobile Insurance at a premium of \$13,276.33, with a \$1,000 deductible for any one claim; and \$250,000 Crime Insurance at a premium of \$4,162.50, with a \$15,000 deductible for any one claim/aggregate.

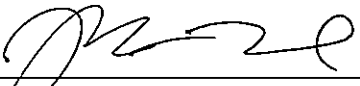
2. PAG is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with the instant contract review process. Assessment of the PUC's regulatory fees and expenses is

authorized pursuant to 12 G.C.A. §§ 12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

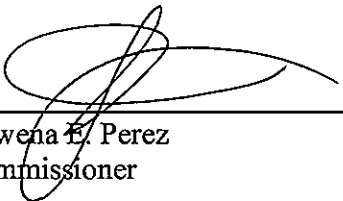
SO ORDERED this 25th day of September, 2012.



Jeffrey C. Johnson
Chairman



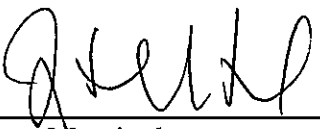
Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

P124074.JRA



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE:	REQUEST BY THE PORT)	PAG DOCKET 12-03
	AUTHORITY OF GUAM FOR)	
	FOR APPROVAL OF)	ALJ REPORT
	CONTRACT FOR INSURANCE)	
)	

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the September 21, 2012 Petition for Review and Approval for Bid Award for Insurance Coverage (hereinafter referred to as the “Petition”), filed by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (“PAG”). PAG seeks PUC approval of its contract for insurance, which it intends on executing prior to the expiration of its current insurance coverage on September 30, 2012.

BACKGROUND

On August 28, 2012, the General Services Agency of the Government of Guam (“GSA”) publicly announced Invitation for Bid No. PAG-006-12 in the Marianas Variety newspaper, which sought sealed bids for property insurance, general liability insurance, directors and officers liability insurance, automobile insurance, and crime insurance. Board of Directors, Port Authority of Guam, Resolution No. 2012-07 (Sept. 20, 2012) (“Resolution”).

On September 14, 2012, GSA held a bid opening. Petition, p. 1. Thereafter, GSA transmitted a copy of the sole submission by AM Insurance (hereinafter referred to as “AM”) to PAG for its review. Petition, p. 1. On September 15, 2012, Mike Moody of IRIS, Ltd., PAG’s risk management consultant, transmitted a memorandum to PAG stating that, based on his review of the proposal and price bids submitted by AM, the bid submitted by AM complied with,

ORIGINAL

and met the technical requirements of, the insurance bid. Petition, p. 1. On September 20, 2012, PAG's Board of Directors issued Resolution No. 2012-07, which approved GSA's award to AM in the amount of \$1,957,484.75. On September 21, 2012, PAG petitioned the PUC to approve PAG's contract for insurance with AM.¹

DISCUSSION

1. PAG's Petition

In its Petition, PAG requests that the PUC approve PAG's purchase of property insurance, as well as other types of insurance, itemized in the Petition on the basis that such insurance serves "as safeguards to all of PAG's assets from all risks, including natural disasters or catastrophic events, as well as, coverage for any liabilities resulting from PAG's operations." Petition, p. 2. Furthermore, PAG also maintains that such insurance coverage "is instrumental to PAG's compliance to the existing loan conditions." Petition, p. 2. PAG specifically seeks approval to contract with AM for the following coverage: Property Insurance, General Liability Insurance, Directors and Officer Liability Insurance, Crime Insurance, and Automobile Insurance. The Petition is supported by PAG's Board of Directors' Resolution No. 2012-07, which approved GSA's award to AM in the amount of \$1,957,484.75. In sum, PAG requests that the PUC approve GSA's bid award to AM Insurance for 2013FY insurance coverage for the total cost of \$1,957,484.75.

¹ A copy of PAG's Executive Summary prepared for the September 20, 2012 Meeting of the Board of Directors is attached herein as "Exhibit A." The Executive Summary contains a schedule for the FY2013 insurance coverage, which indicates the policy descriptions, limits of liability, and annual premiums.

2. Proposed Insurance Coverage

In the Petition, PAG seeks approval for the following: (1) \$25 million Property Insurance at an annual premium of \$1,558,225.00, with a \$50,000 deductible for each and every loss, and a \$2,350,000 deductible for earthquake, flood and windstorm; (2) \$50 million Liability Insurance at a premium of \$334,945.92, with a \$15,000 deductible for each accident; (3) \$5 million Directors and Officers Liability Insurance at a premium of \$46,875.00, with a \$10,000 for any one claim, and \$75,000 for employment practice liability claims; (4) \$2 million Automobile Insurance at a premium of \$13,276.33, with a \$1,000 deductible for any one claim; and (5) \$250,000 Crime Insurance at a premium of \$4,162.50, with a \$15,000 deductible for any one claim/aggregate. The total cost for the premiums offered by AM is \$1,957,484.75. This is a three-year contract, with an option to renew for two additional years.

With respect to PAG's existing insurance coverage, specifically for fiscal year 2012 (FY2012), PAG maintained the following coverage: (1) \$25 million Property Insurance at an annual premium of \$1,372,500.00; (2) \$50 million Liability Insurance at a premium of \$396,000.00; (3) \$5 million Directors and Officers Liability Insurance at a premium of \$46,875.00; (4) \$2 million Automobile Insurance at a premium of \$14,990.74; and (5) \$250,000 Crime Insurance at a premium of \$4,162.50. The total cost for the premiums for FY2012 was \$1,834,528.24. Accordingly, the cost of insurance for FY2013 reflects a reasonable increase of \$122,956.51 from FY2012.

3. PAG's Contract Review Protocol

Pursuant to 12 G.C.A. §12004, PAG may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express

approval. Additionally, pursuant to PAG's current Contract Review Protocol, "[a]ll internally financed contracts utilizing O&M funds in excess of \$1,000,000" and "[a]ll capital items by account group utilizing O&M funds, which in any year exceed \$1,000,000"; and "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000" "shall require prior PUC approval under 12 G.C.A. Section 12004." Contract Review Protocol, PAG Docket 09-01, p. 1 (June 20, 2011).

4. Board Approval

The Resolution issued by the Board of Directors approved PAG's recommendation to award the contract for insurance coverage to AM. The Board of Directors found that "the Port's Risk Management Consultant reviewed the proposal and found that such proposal complies with the instructions and meets the technical requirements of the insurance specifications" In addition, the Board of Directors accepted the proposal submitted by AM, and recommended that GSA award the bid to AM in the amount of \$1,957,484.75. Moreover, the Board of Directors authorized PAG to petition the PUC for approval of the new contract for insurance.

RECOMMENDATION

Pursuant to 12 G.C.A. §12004, PAG cannot enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Additionally, pursuant to PAG's current Contract Review Protocol, "[a]ll internally financed contracts utilizing O&M funds in excess of \$1,000,000" and "[a]ll capital items by account group utilizing O&M funds, which in any year exceed \$1,000,000"; and "[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000" "shall require prior PUC

approval under 12 G.C.A. Section 12004.” Contract Review Protocol, PAG Docket 09-01, p. 1 (June 20, 2011).

Based on the documentation provided, the ALJ agrees with PAG and therefore finds that “these insurance policies will serve as safeguards to all of PAG’s assets from all risks, including natural disasters or catastrophic events, as well as, coverage for any liabilities resulting from PAG’s operations.” *See* Petition, p. 2. Additionally, the ALJ further finds that such insurance coverage “is instrumental to PAG’s compliance to the existing loan conditions.” *See* Petition, p. 2.

Furthermore, PAG’s Petition is supported by the findings of PAG’s Board of Directors, which has found that “the Port’s Risk Management Consultant reviewed the proposal and found that such proposal complies with the instructions and meets the technical requirements of the insurance specifications” As a result, the Board of Directors accepted the proposal submitted by AM, and recommended that GSA award the bid to AM in the amount of \$1,957,484.75” as well as “authorized PAG to petition the PUC for approval of the new contract for insurance.”

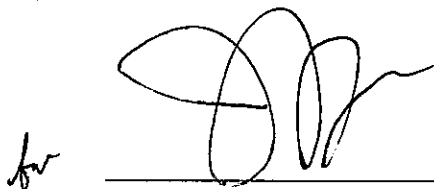
Accordingly, the ALJ therefore recommends that the PUC approve PAG’s contract for insurance with AM for the following: (1) \$25 million Property Insurance at an annual premium of \$1,558,225.00, with a \$50,000 deductible for each and every loss, and a \$2,350,000 deductible for earthquake, flood and windstorm; (2) \$50 million Liability Insurance at a premium of \$334,945.92, with a \$15,000 deductible for each accident; (3) \$5 million Directors and Officers Liability Insurance at a premium of \$46,875.00, with a \$10,000 for any one claim, and \$75,000 for employment practice liability claims; (4) \$2 million Automobile

Insurance at a premium of \$13,276.33, with a \$1,000 deductible for any one claim; and (5) \$250,000 Crime Insurance at a premium of \$4,162.50, with a \$15,000 deductible for any one claim/aggregate. The total cost for the premiums offered by AM is \$1,957,484.75.

CONCLUSION

Based on the documentation provided by PAG in this docket, along with the approval of PAG's Board of Directors, and for the other reasons set forth herein, the ALJ recommends that the PUC approve PAG's contract for insurance with AM for coverage indicated in the Petition, and for the total cost of \$1,957,484.75. A proposed Order for the PUC is attached hereto for the PUC's consideration.

Dated this 21st day of September, 2012.

A handwritten signature in black ink, appearing to read 'David A. Mair', is written over a horizontal line.

DAVID A. MAIR
Administrative Law Judge

P124070.JRA

**Port Authority of Guam
Board of Directors Meeting
September 20, 2012**

Executive Summary

**Port Insurance Coverages – Fiscal Year 2013
Reference: GSA Bid No. PAG-006-12**

PURPOSE: Request the Board of Directors to approve the award of the Port's Insurance Coverages and Premiums for Fiscal Year 2013.

BACKGROUND AND OVERVIEW:

On July 3, 2012, the Port initiated on-line requisition to General Services Agency (GSA) for the competitive solicitation of Fiscal Year 2013 Port's Insurance Coverages. The insurance specifications prepared by our Risk Management Consultant were transmitted to GSA on July 5, 2012. On August 17, 2012, GSA transmitted the insurance bid package and specifications to Attorney Michael Phillips for concurrence and in compliance to PL 30-72. On August 28, 2012, GSA publicly announced Invitation For Bid No. PAG-006-12 through Marianas Variety newspaper. The bid opening took place at GSA conference room on September 14, 2012 in the presence of bidders and Port Procurement representative.

The technical specifications, along with the insurance specimen received by GSA from the bidder were inspected and reviewed by Mr. Moody for compliance. The report is attached for your reference. An overview of the proposed FY 2013 Port's insurance coverage identifying the limit of liabilities, deductibles, carriers/insurers and the annual premiums are all reflected in the attached worksheet.

FINANCIAL REVIEW

The Operations and Maintenance Budget for Fiscal Year 2013 reflects a proposed budget of \$2,000,000.00.

Property Insurance	\$1,558,225.00	AM Insurance (Ropner Insurance)
Liability Insurance	\$ 334,945.92	AM Insurance (Calvo's Insurance)
Directors & Officers Liability	\$ 46,875.00	AM Insurance (Calvo's Insurance)
Automobile Insurance	\$ 13,276.33	AM Insurance (Moylan's Insurance)
Crime Insurance	<u>\$ 4,162.50</u>	AM Insurance (Moylan's Insurance)
Total Premiums	\$1,957,484.75	

RECOMMENDATION

Management requests the Board of Directors' motion to approve GSA's bid award for the placement of Fiscal Year 2013 Insurance Coverages to AM Insurance in the amount of \$1,957,484.75.

EXHIBIT A

JOSE D. LEON GUERRERO
PORT AUTHORITY OF GUAM
FISCAL YEAR 2013 INSURANCE COVERAGES
GSA BID NO. PAG-006-12

POLICY DESCRIPTION	COVERAGE (Limit of Liability)	INSURED BY: (CARRIER/INSURER)	FY 2013 ANNUAL PREMIUM
PROPERTY COVERAGE All Risks of Physical Loss or Damage, including Machinery Breakdown Property & Equipment Values: FY 2012: \$172,397,829 FY 2013: <u>\$173,360,714</u> Difference: \$ 962,885 Deductible: \$50,000 each & every loss; \$2,350,000 for Earthquake, Flood & Windstorm	\$ 25,000,000	AM Insurance (Ropner Ins. Svcs) (Lloyds of London)	\$ 1,558,225.00
LIABILITY COVERAGE Port Authority Legal and/or Public Liabilities Deductible: \$15,000 each accident	\$ 50,000,000	AM Insurance (Calvo's Insurance) (National Union Fire Insurance Co.)	\$ 334,945.92
DIRECTORS & OFFICERS LIABILITY Including Employment Practice Liability Deductible: \$10,000 - any one claim \$75,000 - Employment Practice Liability Claims	\$ 5,000,000	AM Insurance (Calvo's Insurance) (American Home Assurance Co.)	\$ 46,875.00
AUTOMOBILE INSURANCE Including Comprehensive, Collision and Typhoon Total Number of Vehicles: 24 Deductible: \$1,000 - any one claim	\$ 2,000,000	AM Insurance (Moylan's Insurance) (Dongbu Insurance Co.)	\$ 13,276.33
CRIME INSURANCE (5-YEAR POLICY) Employee dishonesty, Loss Inside/Outside Premises Money orders & Counterfeit, Currency, Depositor's Forgery incl Ck Forgery, Credit Card Forgery, 3rd Party Computer Fraud & Costs Deductible: \$15,000 - any one claim/aggregate	\$ 250,000	AM Insurance (Moylan's Insurance) (Dongbu Insurance Co.)	\$ 4,162.50
TOTAL PREMIUMS:			\$ 1,957,484.75

Guam Public Utilities Commission

**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

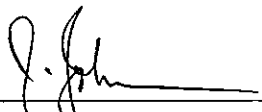
**Irene M. Flannery
Vice-President - High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**

RE: CC Docket 96-45 - "Use" Certification

This is to certify that Guam Telecom LLC will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669005 for the Territory of Guam.

Dated this 10th day of September, 2012.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

ATTACHMENT D

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	
)	GT DOCKET 12-02
)	
GUAM TELECOM, LLC)	PUC COUNSEL REPORT
USAC CERTIFICATION)	
)	
)	

BACKGROUND

On November 29, 2010, the PUC granted GT's Petition for Designation as an Eligible Telecommunications Carrier ("ETC") throughout the Territory of Guam.¹ In accord with such Order, GT's annual designation as an ETC is subject to the provision of annual certifications and data submissions to the PUC.

GT has previously filed two Petitions for USAC Certification with the PUC.² On March 21, 2011, and September 19, 2011, the PUC Chairman issued "Use" Certifications indicating that Guam Telecom LLC would use federal high cost support funds only for the purposes for which the support is intended.³

On August 28, 2012, Guam Telecom, LLC ("GT") petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that GT will use federal universal service support funds for purposes in compliance with Section 254(e) of the Telecommunications Act.⁴ GT seeks a finding by the PUC that GT will comply with §254(e), which states that universal service funds ("USF") may be used only for the purposes designated in the Federal Act.

REQUIREMENTS AND COMPLIANCE THEREWITH

1. The requirements for an eligible telecommunications carrier to qualify for the receipt of universal service support funds are set forth in 47 C.F.R. Part 54.⁵

¹ PUC Order Approving Designation, GT Docket 10-01, issued November 29, 2010.

² GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-02, filed March 10, 2011; GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-03, filed September 8, 2011.

³ PUC "Use" Certification, CC Docket 96-45, issued March 21, 2011; PUC "Use" Certification, CC Docket 96-45, issued September 19, 2011.

⁴ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012.

⁵ 47 C.F.R. Part 54, Universal Service.

- (a) A carrier that receives federal universal service support must use that support only for the provision, maintenance and upgrading of facilities and services for which the support is intended.⁶ Attached as Exhibit A to GT's Petition for Certification is the certification and declaration by Craig R. Thompson, the Chief Executive Officer of GT, that GT will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act. This certification is for study area 669005.⁷
 - (b) Pursuant to 47 C.F.R. §54.101(e), an eligible telecommunications carrier must offer each of the designated services in order to receive federal universal service support.⁸ In particular, an ETC is required to provide the following services in order to be supported by Federal Universal Service Support mechanisms: (1) Voice grade access to the public switched network; (2) Local Usage; (2) Dual tone multi-frequency or its functional equivalent; (4) Single-party service or its functional equipment; (5) Access to emergency services (such as 911 and enhanced 911); (6) Access to operator services; (7) Access to interexchange service; (8) Access to directory assistance; and (9) Toll limitation for qualifying low-income consumers.⁹
2. GT has certified that it complies with its ETC Designation Order Requirements as set forth in 47 C.F.R. §54.101(a).¹⁰
- (a) Local Usage. GT certifies that it currently provides throughout Guam all of the services and functionality supported by the federal universal service program enumerated in 47 C.F.R. §54.101(a).¹¹

⁶ 47 C.F.R. §54.7.

⁷ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds, GT Docket 12-02, Exhibit A [Declaration of Craig R. Thompson].

⁸ 47 C.F.R. §54.101(b).

⁹ Id.

¹⁰ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2011, at pgs. 2-4.

¹¹ Id., at p.2.

- (b) E911 Service. GT has certified that it currently provides its subscribers with 911 and enhanced 911 through arrangements with the incumbent local exchange carrier, GTA, which has the sole connection to the government of Guam's PSAP in the service area.¹²
- (c) Certification of Service. GT has provided a certification that it offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale. It further certifies that it advertises the availability of supported services through general television advertisements and on radio stations. Lifeline Assistance Service and Operator Assisted Services are now included in its General Exchange Tariff No. 1.¹³
- (d) Notification of Inability to Provide Service to a Requesting Customer. An ETC such as GT is required to report "the number of requests for service from potential customers within the eligible telecommunication carrier's service areas that were unfulfilled during the past year."¹⁴ GT certifies that, for the period of March 1, 2011 to December 31, 2011, it had no unfulfilled requests for voice service interconnected with the public phone network.¹⁵
- (e) Filing of a Detailed Build-Out Plan Satisfying the FCC's Requirements. GT is required to submit a five year plan that describes with specificity proposed improvements or upgrades in its network.¹⁶ GT's Five Year Network Improvement Plan is set forth as Exhibit B to its Petition, filed under a claim of confidentiality with the PUC on August 28, 2012.¹⁷ The Plan provides a detailed description of the detailed improvements which GT intends to make to its network over the next five years. It will

¹² Id.

¹³ Id.

¹⁴ 47 C.F.R. §54.209(a)(3).

¹⁵ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012, at p. 2.

¹⁶ 47 C.F.R. §54.202(a)(6)(ii).

¹⁷ Confidential Submission of Exhibit B to Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012.

¹⁷ 47 C.F.R. §54.202(a)(6)(ii).

continue with various projects designed to expand its network in Year One (this year), including to underserved area(s). It will use high cost support to expand and improve its current Hybrid-Fiber-Coax network through the placement of more fiber optic lines and equipment.¹⁸ It will increase its power back up capabilities and ability to operate during power outages by placing more fiber and optical lines in the neighborhoods.¹⁹ It will continue to place its aerial network in underground conduits.²⁰

GT indicates that its expansion plans will continue over the five year duration of the plan. Network expansion will continue to areas which are presently non-serviceable.²¹ Its network expansion and plan to increase power back up capabilities will take up to five years for completion.²²

GT plans to make various improvements to its wire centers.²³

- (f) Filing of Annual Certification under 47 C.F.R. §54.314(b). As required, GT has certified that all federal high-cost support provided to it in the Territory of Guam will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. It will file with the PUC by August 31 of each year an annual certification verifying that high cost support will only be used for those facilities and services for which the support is intended.²⁴
- (g) Required Documentation. In accordance with the FCC ETC Designation Order²⁵ and Order Approving ETC Designation for GT²⁶, GT is required to file certain documentation to maintain its ETC Designation Status and to obtain an Order from the PUC approving its annual USAC Certification.

¹⁸ Confidential Submission of Exhibit B to Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012, at p. 4.

¹⁹ Id. at p. 5

²⁰ Id.

²¹ Id. at pgs. 5-10.

²² Id. at p. 9.

²³ Id. at p. 10.

²⁴ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 12-02, filed August 28, 2012, at p. 3.

²⁵ *In the Matter of Federal – State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46(Released March 17, 2005).

²⁶ PUC Order Approving Designation, GT Docket 10-02, filed November 29, 2010.

- (1) Five Year Network Plan. As outlined above, GT has demonstrated substantial progress in meeting its 5-year network improvement plan.²⁷ Once it receives the universal support funds anticipated, it will more likely be able to achieve its goals in the Plan.
- (2) Information on any outages. For the period of March 1, 2011, to December 31, 2011, GT had one instance of an outage lasting at least 30 minutes and potentially affecting either at least ten percent of the end users served or 911 facilities as detailed in Exhibit C, which is submitted under seal.²⁸
- (3) Unfulfilled Requests for Service. For the period of March 1, 2011 to December 31, 2011, GT did not have any unfulfilled requests for service from potential customers within GT's service area.²⁹
- (4) Complaints per 1,000 lines. For the period of March 1, 2011, to December 31, 2011, GT is not aware of any complaints filed with the PUC or any other regulatory body.³⁰
- (5) Service Quality Standards and Consumer Protection Rules. GT certifies that it is complying with applicable service quality standards and consumer protection rules.³¹
- (6) Ability to Function in Emergency Situations. GT certifies that it is able to function in emergency situations.³²
- (7) Certification of Local Usage Plan. GT includes unlimited local usage in its service rate plans and certifies that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier, GTA Telecom.³³

²⁷ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-03, filed August 28, 2012, at p. 3; see also Exhibit B.

²⁸ Id. at p. 3; Confidential Submission of Exhibit C to Petition for Annual Certification from the Guam Public Utilities Commission Re Universal Service Funds.

²⁹ GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 11-03, filed August 28, 2012, at p. 3

³⁰ Id. at p. 4.

³¹ Id.

³² Id.

- (8) Equal Access Certification. GT acknowledges and certifies that the PUC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.³⁴

RECOMMENDATION

It is Counsel's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to GT in calendar year 2013 will be used in accord with the purposes and requirements stated in the Federal Act and Code of Federal Regulations. Counsel recommends that GT's request for USAC certification be GRANTED.

Legal Counsel has not become aware of any contrary evidence which would contradict any of the above certifications by GT. It is Legal Counsel's belief that GT has satisfied all of the requirements set forth in the Code of Federal Regulations, the GT ETC Designation Order, and the FCC's requirements. There is no basis upon which it would be expected that USF support will not be used by GT for the purposes intended. Therefore, Legal counsel recommends approval of GT's request for USAC certification.

Dated this 8th day of September, 2012.

Frederick J. Horecky
PUC Legal Counsel

³³ Id.

³⁴ Id.

Guam Public Utilities Commission

**To: Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

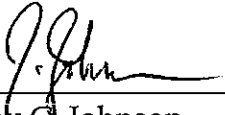
**Irene M. Flannery
Vice-President - High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**

RE: CC Docket 96-45 - "Use" Certification

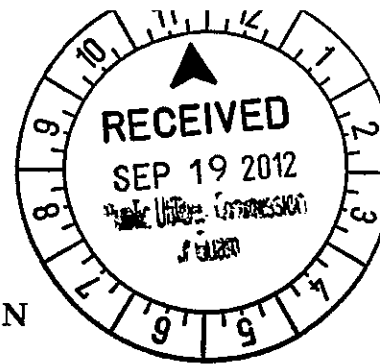
This is to certify that Teleguam Holdings, LLC f/k/a GTA Telecom, LLC will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 663800 for the Territory of Guam.

Dated this 17th day of September, 2012.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of:

**Teleguam Holdings, LLC ("GTA")
USAC CERTIFICATION**

GTA Docket 12-07

PUC LEGAL COUNSEL REPORT

BACKGROUND

On September 12, 2012, Teleguam Holdings LLC ("GTA") petitioned the Guam Public Utilities Commission ("PUC") to issue a Certification that GTA will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.¹ Previously, GTA has filed such petitions with the Commission through its subsidiary GTA Telecom, LLC. However, on March 26, 2012, PUC approved the transfer of the Certificate of Authority and Eligible Telecommunications Carrier ("ETC") from GTA Teleguam to GTA Telecom. Therefore, Teleguam Holdings is now the appropriate entity to petition PUC for USAC Certification.²

GTA receives monies from interstate universal service funds (USF) that are designated to support local services, build needed infrastructure and improve service quality. Each year the PUC is required to certify (by September 30) to the Federal Communications Commission (FCC) and Universal Service Administrative Company (USAC) that those funds will be used only for the purposes designated in the federal Act.³ Absent such a Certification by PUC, GTA, as an "Eligible Telecommunications Carrier" ("ETC"), would be denied funds for each quarter of the year that certification is delayed.

GTA's Petition states that universal support funds received by it are all being used to support core services that are designated for USF support.⁴ The Vice President-Regulatory of GTA has certified that all federal high-cost support received will be used only for the provision, maintenance, and upgrading of facilities and services for which

¹ GTA Petition for Annual USAC Certification, GTA Docket 12-07, filed September 12, 2012.

² PUC Order, GTA Docket 11-14, filed March 26, 2012, at p. 10.

³ Georgetown Consulting Group Report on USAC Certification - GTA Telecom, dated September 12, 2008.

⁴ GTA Petition, p. 1.

support is intended. GTA thus indicates that the cost of providing these core services is covered by federal USF support as intended by the federal USF programs.⁵

On March 17, 2005, the FCC released its ETC (“Eligible Telecommunications Carrier”) Designation Order, which adopted specific requirements for ETCs granted designation pursuant to Section 214(e)(6) of the Federal Act.⁶ The FCC designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services, access to directory assistance; and toll limitation service for qualifying low-income consumers.⁷

COMPLIANCE WITH FCC AND ETC DESIGNATION ORDER REQUIREMENTS

In its Petition, GTA certifies that, in accordance with 47 C.F.R. §54.101, GTA provides all of the core services that are designated for USF support. It provides those services as part of its basic residential and business local line service under its General Exchange Tariff approved by the PUC.⁸ Through GTA’s tariff, its customers are able to purchase single party, unlimited local usage telephone services that utilize dual tone multifrequency signaling. In addition, GTA provides access to 911 as well as access to operator services, directory assistance and access to interexchange services. It provides toll limitation for domestic and international toll calls.⁹

GTA has submitted information to demonstrate that it is in compliance with the FCC requirements of the ETC Designation Order:

1. Progress report on the ETC’s five-year service quality improvement plan.
Construction projects listed under GTA’s plan are designed to improve service quality, network reliability and enhanced capabilities as envisioned under the federal USF program. GTA has increased its capacity for communications between Guam and the mainland USA, migrated digital customers to soft switch, rehabilitated plant distribution cables, pedestals, and connections. New equipment for enhanced survivability has been

⁵ Id., and Letter from Eric N. Votow, Vice President-Regulatory to Fred Horecky, PUC Counsel, GTA Docket 12-07, dated September 11, 2012.

⁶ *In the Matter of Federal –State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (released March 17, 2005) (the “ETC Designation Order”).

⁷ Id.

⁸ GTA Petition, *supra*, at p. 2-3.

⁹ GTA Petition, *supra*, at 3.

installed. GTA has also added capacity to central switching offices, and wired new subdivisions with the latest optical equipment and fiber.¹⁰ GTA has submitted its filing for a five-year service quality improvement plan. The plan provides cost and cost projections for succeeding years.

2. Detailed information on any outage lasting at least 30 minutes. GTA did not have any outages during calendar year 2011, or year-to-date 2012, that lasted 30 minutes.¹¹
3. The number of requests for service from potential customers that were unfulfilled for the past year. GTA estimates that it was unable to fulfill an average of 5 subscribers per month during calendar year 2011. The majority of the requests that GTA was unable to fulfill were due to the subscriber's inability to pay the required deposits for delivery of service drops for new subscribers.¹²
4. The number of complaints per 1,000 handsets or lines. During calendar year 2010 GTA was not aware of any complaints filed with the PUC or any other regulatory body.¹³
5. Certification that the ETC is complying with applicable service quality standards. GTA has filed its Quality of Service Reports with the PUC and indicates that it is complying with applicable service standards.¹⁴
6. Certification that ETC is able to function in emergency situations. GTA certifies that it has the ability to remain functional in emergency situations. Through the use of its backup electricity generators, buried copper and fiber plant, and backup battery power at its central offices, GTA has the necessary infrastructure and equipment to remain functional in situations that include fires, earthquakes or typhoons.¹⁵

¹⁰ GTA Petition, Exhibit A [Estimated Five-Year Network Improvement Plan 2009-2014].

¹¹ Id. at p. 3.

¹² Id. at pgs. 3-4.

¹³ Id. at p. 4.

¹⁴ Id.

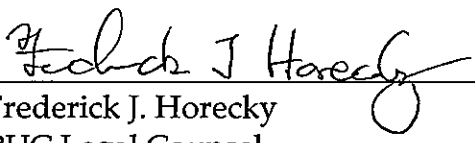
¹⁵ Id.

7. Certification that the ETC is offering a local usage plan that is comparable to the incumbent LEC. GTA is the incumbent LEC and offers an unlimited local usage plan to its subscribers.¹⁶
8. Certification that the carrier acknowledges that the Commission may require it to provide equal access. GTA currently offers equal access to all of its subscribers and therefore is in compliance with this requirement.¹⁷

GTA's Petition contains a certification that, as a designated ETC, it has offered all of the services required by the FCC for support pursuant to Section 254(c) of the Communications Act during calendar year 2010, in compliance with 47 C.F.R. §54.101. GTA has also provided the required certification that it has advertised the availability of the supported services and charges through advertising, internet, and general media distribution.¹⁸

GTA indicates that, for calendar year 2011, it received \$6,030,198.00 in USF. To date through August 2012, it has received \$3,850,394.00.¹⁹ GTA has also submitted audited financial data for 2011 as an attachment to its Petition to demonstrate that all funds are being used to support core services.²⁰ Based upon the Petition and supporting exhibits submitted by GTA, it appears that the USF received in calendar year 2011 has been used as intended. Counsel is not aware of any evidence which contradicts the above certifications by GTA and believes that such certifications should be accepted. It is Legal Counsel's recommendation that GTA's request for USAC Certification be granted. The Commission may reasonably certify that future USF received by GTA will be appropriately used. A draft letter to the FCC approving GTA Telecom LLC's "use" certification is submitted herewith.

Dated this 14th day of September, 2012.



Frederick J. Horecky
PUC Legal Counsel

¹⁶ Id.

¹⁷ Id.

¹⁸ Id at p. 4-5.

¹⁹ Email from Eric Votaw, Vice President-Regulatory, to Frederick J. Horecky, PUC Counsel, GTA Docket 12-07, dated September 14, 2012.

²⁰ Petition, Id. at p. 5; see also Exhibit B [GTA Audited Financial Information].

Guam Public Utilities Commission

**To: Marlene H. Dortch
Office of the Secretary**

**Federal Communications Commission
445 12th Street, SW
Washington, DC 20554**

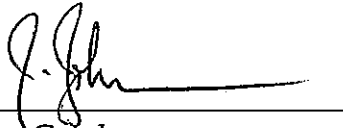
**Irene M. Flannery
Vice-President - High Cost & Low Income Division
Universal Service Administration Company
2000 L Street, N.W. Suite 200
Washington, DC 20036**

RE: CC Docket 96-45 - "Use" Certification

This is to certify that TeleGuam Holdings, LLC f/k/a Pulse Mobile, LLC will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669003 for the Territory of Guam.

Dated this 17th day of September, 2012.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of

**Pulse Mobile, LLC ("Pulse")
USAC CERTIFICATION**

GTA Docket 12-08

**AMENDED PUC LEGAL
COUNSEL REPORT**

BACKGROUND

On September 12, 2012, TeleGuam Holdings, LLC f/k/a Pulse Mobile, LLC ("Pulse" or "Pulse Mobile") petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that Pulse will use federal universal support funds for purposes in compliance with Section 254(e) of the Communications Act.¹ Pulse receives monies from interstate universal service funds (USF) that are designated to support local services, build needed infrastructure and improve service quality. Each year PUC is required to certify (by September 30) to the Federal Communications Commission (FCC) and Universal Service Administrative Company (USAC) that those funds will be used only for the purposes designated in the Federal Act. Absent such a Certification by PUC, Pulse, as an "Eligible Telecommunications Carrier" ("ETC"), would be denied funds for each quarter of the year that certification is delayed.

On February 1, 2007, the PUC granted Pulse Mobile's Petition for designation as an ETC.² ETCs are service providers eligible to receive federal support for local services from Universal Service Funds. In accordance with such Order, Pulse Mobile's annual designation as an ETC is subject to its provision of annual certifications and data submissions to the PUC. The PUC requires such information so that it can ensure that funds received by Pulse will be expended in accord with the requirements of the Telecommunications Act. Based upon the certifications and documentation provided by Pulse in its Petition for Annual USAC Certification, it is Counsel's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to Pulse in calendar year 2012 will be used in accordance with the purposes and requirements designated in the Federal Act. Counsel recommends that Pulse's Petition for USAC certification be GRANTED. A draft letter to the FCC is submitted herewith.

¹ Pulse Mobile Petition for Annual USAC Certification, Docket No. 12-08, filed September 12, 2012.

² Application of Pulse Mobile, LLC for Designation as an Eligible Telecommunications Carrier (Order Approving Designation, Docket No. 06-8, issued February 1, 2007).

RECENT DEVELOPMENTS

In support of its certification, Pulse indicates that it currently provides two separate wireless networks on Guam, a GSM network and a 3G network. Coverage maps are attached to its petition which indicate the reach of its two wireless networks throughout Guam. It has also provided a list indicating percentage of coverage for each village of Guam by its two networks.³ The percentage of areas covered has been increasing, and Pulse has committed to a Five Year Plan which will enhance its services and networks. Pulse's Five Year Plan indicates that over the next five years it will continue to enhance its service and network. It will seek to increase full island capacity and coverage and remote area coverage.⁴ Pulse has commenced its deployment of 4G High Speed Packet Access Plus as its interim 4G solution with enhanced fiber backhaul.⁵

During 2012-13, Pulse intends to continue to enhance its services and network and build out various aspects of its GSM/UMTS wireless network. It plans to continue to expand its core island coverage and capacity by adding additional cell sites, including its 3G UMTS Network.⁶ It is offering enhanced features to its subscribers and upgrading its high speed mobile data coverage through upgrading of its GSM Network to UMTS/HSPA⁷. Pulse continues to evolve its network to include Long Term Evolution ("LTE") or 4G networks, throughout Guam.⁸ 4G cell sites and network upgrades are being added.⁹ Pulse is looking at newer technologies for continued broadband development.¹⁰

REQUIREMENTS

The Pulse ETC Designation Order contains the following requirements:

- (a) Pulse Mobile must comply with any local usage requirements prescribed by the FCC;
- (b) Pulse Mobile must comply with any FCC requirements concerning E911 service when implemented in the Territory of Guam;

³ Attachment A to Pulse's Petition, Pulse Mobile's Five Year Build-Out Plan Updated -- August 2012 [Pulse Mobile Percentage of Guam Coverage by Village -- Information provided as of August 15, 2011].

⁴ Attachment A to Pulse's Petition, Pulse Mobile's Five Year Build-out Plan.

⁵ Id. at p.3.

⁶ Id. at p. 3.

⁷ Id. at pgs. 4-5.

⁸ Id. At pgs. 5-6.

⁹ Id.

¹⁰ Id. at p. 9.

- (c) Pulse Mobile must certify to the Commission on October 1 of each year, that Pulse Mobile (i) offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale and (ii) advertises the availability of supported services and the charges there for using medial of general distribution as described in its petition;
 - (d) Pulse Mobile must notify the Commission within thirty (30) days of any determination that it cannot provide service to a requesting customer in accordance with the FCC's requirements;
 - (e) Pulse Mobile must file a detailed build-out plan satisfying the FCC's requirements.
 - (f) Pulse Mobile will file with the Commission as part of its annual submission of certification and documentation by August 31 of each year, an annual certification in substantially the form required by Section 54.314(b) and 54.314(c) of the FCC's Rules to verify that Pulse will use federal high-cost support only for those facilities and services for which the support is intended.
 - (g) Pulse Mobile must submit to the Commission on October 1 of each year the following documentation: (i) Pulse Mobile's progress towards meeting its build-out plans; (ii) information on any outage lasting at least 30 minutes and potentially affecting either at least 10 percent of the end users served or 911 facilities; (iii) the number of requests for service from potential customers within Pulse Mobiles' service area that were unfulfilled for the past year; (iv) the number of complaints per 1,000 handsets; (v) Pulse Mobile's compliance with the CTIA Consumer Code; (vi) Pulse Mobile's certification that it is able to function in emergency situations; (vii) Pulse Mobile's certification that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier; and (viii) Pulse Mobile's certification that it acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.
 - (h) Pulse Mobile must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time.
-

COMPLIANCE WITH REQUIREMENTS

- (a) *FCC Local usage requirements-*

The FCC has designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services; access to directory assistance; and toll limitation service for qualifying low-income consumers.¹¹ In its Petition, Pulse certifies that, in accordance with 47 C.F.R. §54.101, it provides all of the core services that are designated for support for USF throughout its licensed service territory.¹²

(b) E911 Service-

Pulse indicates that it currently offers its customers access to operators throughout Guam to provide the requested services.¹³ Pulse certifies that it continues to support 911 services and supports E911 services including providing the automatic numbering information throughout the territory of Guam.¹⁴ In accordance with the ORDER APPROVING DESIGNATION, Pulse is required, to the extent that a governmental authority in Guam implements E911 systems, to provide E911 service. Pulse's designation as an ETC is also conditioned on its compliance with any FCC requirements concerning E911 service when implemented in Guam.¹⁵

(c) Certification of services -

In compliance with Pulse's ETC Designation Order, and FCC 05-46, it certifies to the PUC that it offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act by using its own facilities and advertising the availability of supported services and charges using media distribution available on Guam.¹⁶ Pulse also advertises its services on its website and through direct mail. It provides advertising and education of lifeline services through its website to eligible low income subscribers and has advertised such services through flyers distributed through various government agencies, and publication in newspapers of general circulation.¹⁷

¹¹ 47 U.S.C. §214(e).

¹² Pulse Petition for Annual USAC Certification, p. 6.

¹³ Id at p. 3.

¹⁴ Id.

¹⁵ ORDER APPROVING DESIGNATION, Docket No. 06-8, p. 3.

¹⁶ Pulse Petition for Annual USAC Certification, Id. at p. 4.

¹⁷ Id.; see also Exhibit B.

(d) Notification of inability to provide service -

Pulse Mobile certified that it “has been able to fulfill services to all requesting customers in accordance with FCC requirements.”¹⁸

(e) Filing of detailed build-out plan-

Pulse Mobile filed its detailed five year build-out plan, under confidentiality, as an attachment to its Petition.¹⁹ The projects described in the plan support the provision of the core services for which service was intended.

(f) Filing of annual certification under Section 54.314(b)-

Pulse has certified that all Federal High-Cost support provided to it will be used only for the provision, maintenance and upgrading of facilities and services for which support is intended. Pulse Mobile made appropriate certifications by letter dated September 11, 2012.²⁰

(g) Filing Documentation-

(i) Pulse’s progress toward meeting its build-out plans – Pulse’s five year plan indicates that it has made substantial improvements to its GSM wireless network and plans to continue to make such improvements over the next five years.²¹

(ii) Information on any outages – Pulse did not have any voice outages during calendar year 2011 that lasted 30 minutes.²²

(iii) Unfulfilled requests for service – Pulse indicates that, to date, it has been able to fulfill services to all requesting customers in accordance with FCC Requirements.²³

(iv) Complaints per 1,000 handsets – During calendar year 2011 Pulse is not aware of any complaints filed with any regulatory body.²⁴

¹⁸ Id at p. 5.

¹⁹ Id. at p. 4; Exhibit A to Pulse Petition, Pulse Mobile Five Year Build-Out Plan.

²⁰ Certification filed by Eric N. Votaw, Vice President – Regulatory, GTA Docket 12-08, on September 11, 2012.

²¹ Exhibit A to Pulse Petition, Pulse Mobile Five Year Build-Out Plan.

²² Pulse Petition for Annual USAC Certification, at p. 4.

²³ Id. at p. 5.

²⁴ Id.

(v) Compliance with CTIA Consumer Code – Pulse certifies that it is in compliance with the CTIA Consumer Code within the reporting period.²⁵

(vi) Ability to function in emergency situations – Pulse has certified that it has the ability to remain functional in emergency situations. Through the use of its backup electricity generators and backup battery power at its mobile switching offices and towers, Pulse has the necessary infrastructure and equipment to remain functional in situations that include fires, earthquakes or typhoons.²⁶

(vii) Certification of local usage plan – Pulse offers a comparable local usage plan to that of the incumbent LEC that offers 3,000 minutes per month for local calling.²⁷

(viii) Equal access certification – Pulse acknowledges that it currently is not required to offer equal access to long distance carriers but acknowledges that it may be required to do so in the event that no other ETC is providing equal access in service area.²⁸

(h) Prompt submission of information or reports-

Pulse must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time. Pulse has been responsive in providing any additional information requested by Legal Counsel, and provided additional information on September 14. Legal Counsel has not become aware of any contrary evidence which would contradict the above certifications by Pulse.

RECOMMENDATION

Pulse indicates that, for calendar year 2011, it received \$2,755,498 in USF.²⁹ To date through August 2012, it has received \$1,116,883.00.³⁰ It is Legal Counsel's belief that Pulse has satisfied all of the criteria set forth in the Pulse ETC Designation Order and

²⁵ Id.

²⁶ Id.

²⁷ Id. at p. 6.

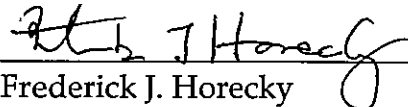
²⁸ Id.

²⁹ Id.

³⁰ Id.; see also Email from Eric Votaw, Vice President-Regulatory, to Frederick J. Horecky, PUC Counsel, GTA Docket 12-08, dated September 14, 2012.

the FCC's requirements. Pulse Mobile's Five Year Plan has demonstrated a commitment to further build-out and upgrade its wireless local networks. It has satisfied the requirements of the Order Approving Designation. Therefore, Counsel recommends to the Commission that it certify to the FCC that Pulse Mobile has used universal service funds for the purpose intended.

Dated this 20th day of September, 2012.



Frederick J. Horecky
PUC Legal Counsel

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN RE:) GTA Docket 12-09
)
JOINT APPLICATION OF TELEGUAM)
HOLDINGS, LLC AND GTA TELECOM,) ORDER
LLC TO ASSIGN AND TRANSFER GTA)
TELECOM'S INTERCONNECTION)
AGREEMENT WITH PTI PACIFICA, INC.)
TO TELEGUAM HOLDINGS.)

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Joint Application of Teleguam Holdings, LLC ["Teleguam"] and GTA Telecom, LLC ["Telecom"] to assign and transfer GTA Telecom's Interconnection Agreement with PTI Pacifica, Inc. d/b/a IT&E ["IT&E"] to Teleguam Holdings.¹

BACKGROUND

2. PUC Counsel filed his report herein on September 18, 2012. The Commission adopts the statement of background for this matter as set forth therein.²
3. On December 19, 2011, the PUC approved the Interconnection Agreement between GTA Telecom, LLC and PTI Pacifica Inc. d/b/a IT&E.³
4. In GTA Docket 11-14, the PUC authorized the assignment and transfer of GTA Telecom's Certificate of Authority and Eligible Telecommunications Carrier Certificate to Teleguam Holdings, LLC.⁴
5. The PUC recognized that the purpose of the transfer of the COA and ETC Certificate from Telecom to Teleguam was to consolidate GTA into one corporate entity, withdraw the foreign registrations in Guam to all of Teleguam's wholly owned subsidiaries, and to establish Teleguam as the sole entity providing telecommunications services in Guam as GTA.⁵

¹ Joint Application of Teleguam Holdings, LLC and GTA Telecom, LLC, GTA Docket 12-09, filed September 14, 2012.

² PUC Counsel Report, GTA Docket 12-09, dated September 18, 2012.

³ PUC Order, GTA Docket 11-13, dated December 19, 2011.

⁴ PUC Order, GTA Docket 11-14, filed March 26, 2012, at p. 10.

⁵ Id. at p. 1.

6. In GTA Docket 11-14, the Order required Teleguam to pay all costs and expenses related to any necessary amendments of the interconnection agreements presently in effect between Telecom and other carriers.⁶
7. Furthermore, the ICA between GTA Telecom and IT&E allows either party to assign or transfer the Agreement, and all rights and obligations thereunder, upon compliance with certain procedures.⁷
8. Teleguam Holdings, LLC and GTA Telecom, LLC followed the proper procedure under Section 5.1.2 of the ICA in notifying IT&E of their intent to transfer and assign the Interconnection Agreement to Teleguam Holdings, LLC.⁸
9. PTI Pacifica, Inc., d/b/a IT&E, has agreed and concurred with the Joint Application of Teleguam and Telecom to assign and transfer the Interconnection Agreement between IT&E and GTA Telecom, LLC to Teleguam Holdings, LLC⁹, assuming that all terms and conditions of the Stipulation between the parties are complied with.

DETERMINATIONS

10. Interconnection Agreements between an incumbent local exchange carrier [Teleguam] and a competitive local exchange carrier [IT&E] are subject to the approval of the Guam Public Utilities Commission.¹⁰
11. Teleguam Holdings, LLC is now the duly authorized corporate entity to provide telecommunications services pursuant to its Certificate of Authority; Telecom no longer possesses a Certificate of Authority to provide such services. As GTA Telecom no longer has a COA, all Interconnection Agreements involving GTA should be in the name of Teleguam Holdings and not GTA Telecom.

⁶ Id. at p. 11.

⁷ Section 5.1.2 of the ICA between GTA Telecom and IT&E, approved by the PUC on December 19, 2011.

⁸ Joint Application of Teleguam Holdings LLC and GTA Telecom LLC to Assign and Transfer GTA Telecom's Interconnection Agreement with PTI Pacifica, Inc. to Teleguam Holdings, LLC, GTA Docket 12-09, filed September 14, 2012, p. 2.

⁹ STIPULATION TO ASSIGN AND TRANSFER INTERCONNECTION AGREEMENT BETWEEN PTI PACIFICA INC. AND GTA TELECOM, LLC TO TELEGUAM HOLDINGS, LLC, ATTACHMENT B to Joint Application of Teleguam Holdings, LLC and GTA Telecom, LLC, GTA Docket 12-09, filed September 14, 2012.

¹⁰ 47 U.S.C. §252(e)(1) [Section 252(e) of the Telecommunications Act of 1996].

12. The transfer of the Interconnection Agreement is consistent with the prior orders of the PUC and clarifies that the proper party to such Interconnection Agreement is Teleguam Holdings, LLC and not GTA Telecom.
13. The other party to the Interconnection Agreement, PTI Pacifica, Inc. d/b/a IT&E, concurs with the transfer and assignment of the ICA from GTA Telecom to Teleguam Holdings, LLC.
14. However, in accordance with the Stipulation of the Parties herein, the transfer and assignment of the ICA, and all rights and obligations of Telecom, to Teleguam, must be in accordance with each of the seven conditions referred to in the Stipulation made Attachment B to the Joint Application and incorporated herein by reference.¹¹

ORDERING PROVISIONS

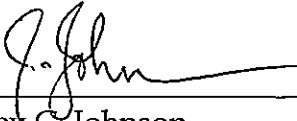
After review of the Joint Application and the PUC Counsel Report, for good cause shown, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The Joint Application of GTA Telecom and Teleguam Holdings, LLC to Assign and Transfer the Interconnection Agreement with PTI Pacifica, Inc. to Teleguam, is approved.
2. Said Transfer and Assignment of the Interconnection Agreement to Teleguam shall be in strict accordance with each of the seven conditions referred to in the Stipulation made Attachment B to the Joint Application.
3. GTA is ordered to pay for the PUC's regulatory fees and expenses incurred in this Docket, including, without limitations, consulting and counsel fees and expenses. Assessments of the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), 12104, 12103, the Rules Governing Regulatory fees for

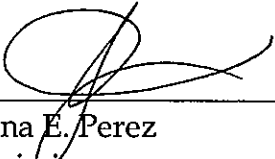
¹¹ IT&E and Teleguam have agreed to seven conditions for transfer and assignment of the ICA to Teleguam: (1) all rights and obligations of Telecom in the ICA will be assigned to Teleguam; (2) Teleguam's obligation to obtain and maintain proper Commission certification and approvals will continue; (3) Telecom will remain responsible for continuing compliance with all provisions of the ICA by itself and Teleguam; (4) Telecom shall not be relieved of any liability incurred pursuant to this ICA prior to the assignment; (5) all rights and obligations of Telecom under the ICA will be binding upon Teleguam; (6) all terms and conditions of the ICA remain unchanged and will continue in full force and effect; and (7) any costs associated with the assignment and transfer of the ICA to Teleguam will be paid by Teleguam. See Attachment B to the Joint Application

Telecommunications Companies, and Rule 40 of the Rules of Practice and
Procedure before the PUC.

Dated this 25th day of September, 2012.

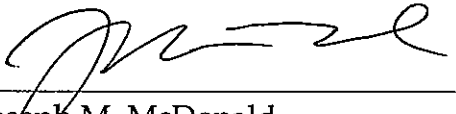


Jeffrey C. Johnson
Chairman




Rowena E. Perez
Commissioner

Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner

Filomena M. Cantoria
Commissioner



Peter Montinola
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



APPLICATION OF THE
GUAM POWER AUTHORITY
TO ISSUE BONDS

) GPA Docket 12-03
)
)
)

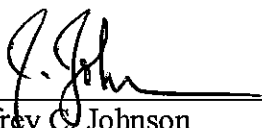
ORDER

On June 14, 2012, Guam Power Authority ("GPA") petitioned the Guam Public Utilities Commission ("Commission") for authority to issue additional senior bonds for the purpose of restructuring and refunding certain outstanding senior bonds, and up to \$20 million in subordinate bonds for the purpose of financing termination payments, if any, in connection with GPA's Forward Delivery Agreements with Lehman Brothers Special Financing Inc. and Bank of America (the "Forward Delivery Agreements").

The Commission has examined the petition and the findings and recommendations of its regulatory consultants. After discussion at a duly convened Commission meeting on September 25, 2012, and upon specific finding that the GPA petition is in the best interests of GPA's ratepayers, the Commission, [by unanimous vote of five Commissioners], hereby **ORDERS THAT:**

1. GPA has withdrawn its request to issue Subordinate Bonds; there is no need for the PUC to further address such request.
2. The Order Approving Long-Term Debt, in form attached ("Debt Order"), shall be and is hereby adopted by the Commission.
3. A portion of the proceeds of the long-term debt authorized by the Debt Order is authorized to be used to restructure and/or refund 1993 Bonds and 1999 Bonds (as defined in the Debt Order) and to make a deposit to the senior Bond Reserve Fund in an amount determined in part by the amount used in connection with the termination of the Lehman Brothers Forward Delivery Agreement, providing that the restructuring, refunding, and deposit to the senior Bond Reserve Fund satisfy the conditions set forth in the Order Approving Long Term Debt.

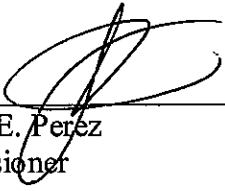
Dated this 25th day of September, 2012.



Jeffrey C. Johnson
Chairman



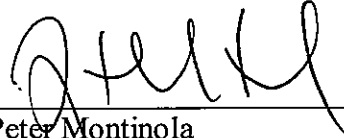
Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner

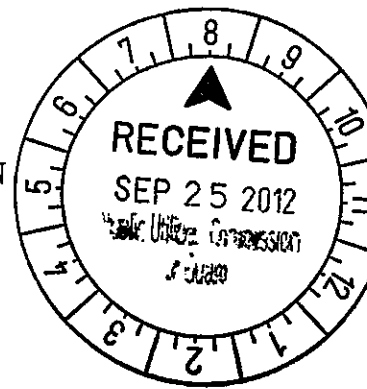
Michael A. Pangelinan
Commissioner

Filomena M. Cantoria
Commissioner



Peter Montinola
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



APPLICATION OF THE
GUAM POWER AUTHORITY
TO ISSUE BONDS

) GPA Docket 12-03
)
)
)

ORDER APPROVING LONG-TERM DEBT

On September 28, 1992, this Commission adopted an Order approving certain aspects of the proposal of Guam Power Authority ("GPA") to issue and sell long-term debt in the form of revenue bonds ("Senior Bonds") pursuant to Chapter 8 of Title 12 of the Guam Code Annotated (Sections 8101 et seq.) (the "Act") for the purposes of financing certain additions and improvements to the electric power system of GPA and, as part of such financing program, refunding certain of GPA's then outstanding bonds and other indebtedness. The proposed form of an indenture pursuant to which the Senior Bonds in one or more series were proposed to be issued (the "Indenture") was presented to the Commission at that time. In accordance with the Act, the covenants and agreements authorized by the Act and included in the Indenture were approved by said Order for inclusion in substantially such form in the Indenture executed by GPA; and certain modifications of such form were approved by Order of the Commission adopted on December 3, 1992. GPA executed and delivered the Indenture on January 5, 1993, and has issued five series of Senior Bonds, having the terms and issued for the purposes authorized and approved by Orders of the Commission heretofore adopted.

GPA has now applied to the Commission for approval of one or more additional series of Senior Bonds for the purposes of restructuring GPA's outstanding Revenue Bonds, 1993 Series A (the "1993 Bonds") and 1999 Series A (the "1999 Bonds") that mature in the years 2012 through 2018, refunding all or a portion of the balance of the 1993 Bonds and 1999 Bonds, and making a deposit in the Bond Reserve Fund established under the Indenture in an amount determined in part by the amount used to terminate GPA's Forward Delivery Agreement with Lehman Brothers Special Financing Inc. (the "Lehman Brothers Forward Delivery Agreement"), in each case subject to the terms and conditions approved in Public Law 31-233 (the "GPA 2012 Bonds Law"). The Senior Bonds proposed to be issued for purposes of the restructuring are herein called "Restructuring Bonds," the Senior Bonds proposed to be issued for purposes of the refunding of the balance of the 1993 Bonds and the 1999 Bonds are herein called "Refunding Bonds," and the Senior Bonds proposed to be issued for the purpose of replenishing the Bond Reserve Fund for amounts used to terminate the Forward Delivery Agreement with Lehman Brothers Special Financing Inc. are herein called the "FDA Bonds." Collectively, the Restructuring Bonds, Refunding Bonds and FDA Bonds are herein called the 2012 Senior Bonds.

The proposed form of supplemental indenture pursuant to which the 2012 Bonds are proposed to be issued has been presented to the Commission (together with certain financial and other relevant information) and is attached hereto, together with the Indenture, as Exhibit A (the "Supplemental Indenture").

The Commission having duly considered the application of GPA and the information presented on GPA's behalf and having determined that the issuance of 2012 Bonds for such purposes is just and reasonable, hereby **ORDERS THAT**:

1. The covenants and agreements authorized by Section 8210 of the Act and included in Exhibit A are hereby approved for inclusion in substantially such form in the Indenture, as supplemented and amended by the Supplemental Indenture executed by GPA; provided, however, that any material modification or amendment of the Supplemental Indenture shall be subject to the Commission's prior review and approval. GPA shall have the responsibility of bringing any such material modification or amendment to the Commission's attention.
2. The issuance and sale of Restructuring Bonds are hereby approved, subject to the Restructuring Bonds, the Refunding Bonds, and the FDA Bonds satisfying all terms and conditions set forth in paragraphs 3, 5 and 7 of this Order.
3. The issuance and sale of Restructuring and Refunding Bonds are hereby approved, provided that the present value of debt service on the aggregate of the Restructuring and Refunding Bonds is at least two percent less than the present value of debt service on the Senior Bonds restructured and refunded by the Restructuring and Refunding Bonds, using the aggregate yield on the Restructuring and Refunding Bonds as the discount rate, and subject to the other terms and conditions set forth below in paragraph 5 and 7 of this Order. In GPA Docket 10-01¹, the PUC authorized GPA to issue bonds to refund the 1993 or the 1999 Bonds provided that the refunding results in a net present value savings to GPA and its ratepayers of at least two percent (2%). The PUC Consultants in this proceeding recommend that the Commission retain the NPV threshold of 2.0%, and that this savings test should be applied to the entire issue. The NPV threshold of 2% shall be adopted for this proceeding and is hereby made applicable to the entire issue.
4. The issuance and sale of the FDA Bonds are hereby approved; provided that the amount paid to terminate the Lehman Brothers forward delivery agreement is no greater than \$4.5 Million as of the date of termination subject to the Restructuring Bonds, the Refunding Bonds, and the FDA Bonds satisfying all terms and conditions set forth in paragraphs 3, 5 and 7 of this Order.. Nothing herein shall authorize termination of the Bank of America Forward Delivery Agreement or the use of FDA Bonds for such purpose; any termination thereof shall be subject to PUC review and approval in accordance with the Contract Review Protocol.
5. The 2012 Senior Bonds shall be issued in an aggregate principal amount not to exceed the amount determined in accordance with Section 8229 of Title 12 of the Guam Code Annotated, plus any additional amount needed to provide for any reason a deposit to the

¹ Order, GPA Docket 10-01, Guam Power Authority's Request to Issue GPA Revenue Bonds and Subordinate Revenue Bond Financing, issued June 3rd, 2010.

debt service reserve in connection with the issuance of the 2012 Senior Bonds. The final maturity of the 2012 Senior Bonds shall not be later than the final maturity of the Guam Power Authority Revenue Bonds, 1999 Series A. The 2012 Senior Bonds may be issued in an aggregate principal amount necessary to provide for original issue discount (if any), a credit enhancement fee (if applicable), underwriters' discount, other costs of issuance and a deposit in the Bond Reserve Fund (if applicable). Original issue discount and credit enhancement each shall not be used unless it results in a lower yield on such Bonds, as evidenced by a certificate of GPA. Underwriters' discount (not including original issue discount) shall not exceed one and one-quarter percent (1.25%) of the original principal amount of such Bonds. Other costs of issuance (including, but not limited to, fees and disbursements of bond counsel, printing fees, rating agency fees, initial trustee's fees, escrow agent fees, verification agent fees, consulting engineer fees and the fee of the Guam Economic Development Authority, but not including the cost of credit enhancement, if any) shall not exceed two and one-quarter percent (2.25%) of the original principal amount of such Bonds.

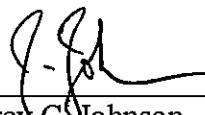
6. Pending the issuance of the FDA Bonds as provided in paragraph 4, GPA may terminate the Lehman Brothers Forward Delivery Agreement on or prior to September 30, 2012 in order to take advantage of the termination amount discount offered by Lehman Brothers. If FDA Bonds have not been issued by the date on which any termination amount is to be paid, GPA may pay such termination amount from the Working Capital Fund or with any moneys that are available for such purpose pursuant to the terms of the Indenture and the Subordinate Indenture. If and when FDA Bonds are issued, GPA shall reimburse the fund or account from which such payment is made.
7. Notwithstanding any of the foregoing provisions, approval is given to proceed with the restructuring/refunding subject to GPA's ability to satisfy the following additional conditions at the time of closing:

Combined Restructuring/Refunding/FDA Termination

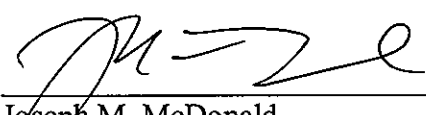
- a) In no event shall the All-in Total Interest Cost (TIC) exceed 4.95 percent; and
-

- b) GPA shall provide to the PUC for review actual figures for the cash flow and NPV savings based on interest rates at the time just prior to bond issuance.
8. Compliance with the terms and conditions of this Order shall be evidenced by a certificate of GPA delivered at the time of delivery of the any bonds issued pursuant to this Order. The Authority shall confirm to the Commission in writing, supported with appropriate work papers, that at the time of the sale the proposed restructuring, refunding, and deposit to the senior Bond Reserve Fund will result in the required net present value savings after inclusion of all appropriately allocated fees and expenses and meet the other conditions in this Order Approving Long Term Debt. GPA shall also certify that the Lehman FDA termination amount is no greater than \$4.5 Million Dollars.
9. Within thirty (30) days after the issuance of the bonds approved by this Order, GPA shall petition the PUC for a resetting of GPA's revenue requirement that takes into account the savings in debt service which results from the restructuring/refunding. With its Petition, GPA shall provide a summary of the debt service achieved and revised tariffs for review. The PUC will reduce GPA retail rates by the amount of reduction in debt service resulting from the bond transactions (i.e., somewhere on the order of \$9 million) so that the rate reduction can take effect on the first day of the month following PUC's approval of GPA's revised tariffs.
10. The Commission authorizes its Chairman to approve such changes with respect to the maximum principal amount of the bonds to be issued, the principal amount of the restructuring/refunding bonds, or other matters not inconsistent with the terms of this Order.

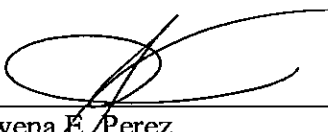
Dated this 25th day of September, 2012.



Jeffrey C. Johnson
Chairman



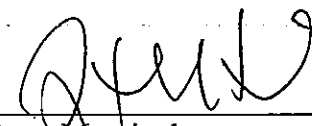
Joseph M. McDonald
Commissioner



Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner

EXHIBIT A
FORM OF SUPPLEMENTAL SENIOR INDENTURE

FY2013 PUC ADMINISTRATIVE BUDGET

[illegible]

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



COMMISSION ADMINISTRATIVE
DOCKET

ASSESSMENT ORDER

WHEREAS, the Commission's operational expenses can be divided into two categories and are budgeted and collected under the following protocols: i] general administrative expenses, which are budgeted each fiscal year by the Commission and divided and assessed among the regulated utilities; and ii] regulatory expenses, which are incurred pursuant to Commission resolution dated August 13, 2007. Regulatory expenses include professional and out-of-pocket expenses, which are billed to specific utilities under regulatory dockets assigned to them to cover the expense of handling specific regulatory proceedings related to them. This order addresses the Commission's FY2013 budget of administrative expenses.

WHEREAS, the administrative budget covers the Commission's administrative expenses, including staff, office facilities, Commissioner stipends and training, professional fees and other operational expenses;

WHEREAS, at a duly noticed and convened Commission meeting held on September 25, 2012, the Commission considered and adopted its FY2013 administrative budget in the amount of \$381,750.00;

WHEREAS, the Commissioners agreed that the amount of the administrative assessment for this fiscal year would be increased to provide for additional professional fees, commissioner stipends, and other increases in operational expenses;

WHEREAS, the utilities and telecommunication companies subject to Commission regulation include Guam Power Authority [GPA], Guam Waterworks Authority [GWA], TeleGuam Holdings LLC [GTA]/ Other Telecom Companies, Guam Solid Waste Authority [GSWA], and the Port Authority of Guam [PAG];

WHEREAS, after due consideration, the Commission has resolved that its' FY2013 administrative budget of \$381,750.00 should be allocated among the regulated utilities and telecommunication companies as follows:

GTA/Other Telecom Companies	\$76,350.00
GPA	\$76,350.00
GWA	\$76,350.00
PAG	\$76,350.00
GSWA	\$76,350.00
Total	\$381,750.00

NOW, THEREFORE, in consideration of the above recitals and under authority invested by 12 GCA Section 12024, the Commission hereby **ORDERS THAT**:

1. GPA, GWA, GTA/Other Telecom Companies, PAG and GSWA shall pay the assessments allocated to them, as stated above, to the Commission no later than October 31, 2012. The regulated utilities and telecom companies are reminded that these assessed revenues are necessary to enable the Commission to have the staff and office facilities to entertain their requests for regulatory services. It is therefore, essential that these assessments be paid in a timely manner.

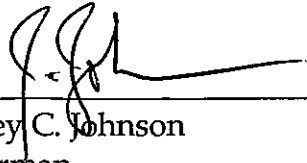
2. The assessments due for the telecom companies are apportioned¹ as follows:

GTA:	\$52,124.14;
Guam Telecom:	\$1,000.18;
PDS:	\$22,775.21;
PTI:	\$450.47;

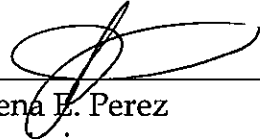
3. A copy of this assessment order shall be served on each regulated utility and Telecom Company.

Dated this 25th day of September, 2012.

¹ This allocation of Regulatory Fees for Telecommunications Companies has been determined in accordance with the methodology set forth in the Rules Governing Regulatory Fees for Telecommunications Companies, Docket 05-01, filed July 7, 2005. See par. 1bii and 2a thereof. The assessments for prior year FY2012, utilized by PUC in apportioning PUC's administrative expenses to the telecommunication companies for FY2013, are set forth in Attachment A attached hereto.

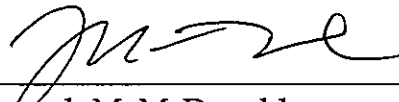


Jeffrey C. Johnson
Chairman



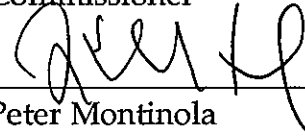
Rowena E. Perez
Commissioner

Michael A. Pangelinan
Commissioner



Joseph M. McDonald
Commissioner

Filomena M. Cantoria
Commissioner



Peter Montinola
Commissioner

FY2012 SERVICES RENDERED TELECOMMUNICATION MATTERS

[illegible]

**PUBLIC UTILITIES COMMISSION
OF GUAM**

Jeffrey C. Johnson

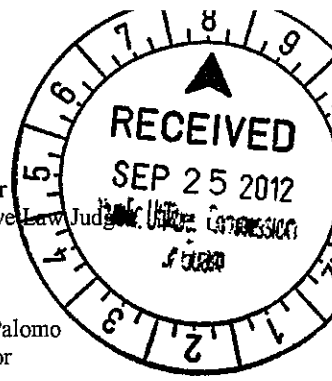
Suite 207, GCIC Building
Post Office Box 862
Hagatna, Guam 96932

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. 12-03

**RE: EXTENSION OF SERVICES AGREEMENT FOR PUC
ADMINISTRATOR FOR FY2013**

Whereas, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam;

Whereas, pursuant to 12 GCA §12002(a), the PUC has the authority to employ administrative staff personnel for the conduct of Commission business;

Whereas, on or about October 22, 2008, the PUC and Lourdes R. Palomo entered into an agreement whereby Palomo would serve as Administrator of the Commission for the period of one year;

Whereas, thereafter, the Guam Public Utilities Commission agreed to extend Ms. Palomo's Agreement as Administrator to the Commission for three additional one year periods.

Whereas, Ms. Palomo has now served as Administrator of the Commission under said Agreement for nearly four years;

Whereas, the Commission is satisfied with the services rendered by the Administrator;

Whereas, the PUC and the Administrator desires to extend its Agreement with Ms. Palomo for a fifth one year period;

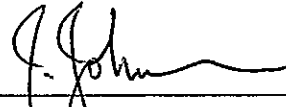
NOW THEREFORE, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

1. The Agreement between Lourdes R. Palomo and the Public Utilities Commission is hereby extended for a period of one year;

ATTACHMENT L

2. The salary of Ms. Palomo as Administrator, for the period of the one year extension of the Agreement, shall be Forty Two Thousand Dollars (\$42,000.00).
3. During the period of such one year extension, all other terms and conditions of said Agreement between the PUC and Ms. Palomo shall fully remain in effect and shall govern the respective relations of the parties.
3. The Chairman is authorized to sign all documents necessary to effectuate the above referenced agreement.

Dated: September 25, 2012



JEFFREY C. JOHNSON
PUBLIC UTILITIES COMMISSION
Chairman

Dated: September 25, 2012




JOSEPH M. MCDONALD
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

FILOMENA M. CANTORIA
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

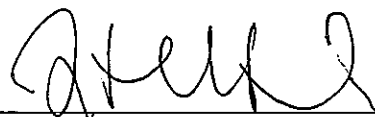


ROWENA E. PEREZ
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

MICHAEL A. PANGELINAN
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

A handwritten signature in black ink, appearing to read 'Peter Montinola', written over a horizontal line.

PETER MONTINOLA
PUBLIC UTILITIES COMMISSION
Commissioner

**PUBLIC UTILITIES COMMISSION
OF GUAM**

Jeffrey C. Johnson

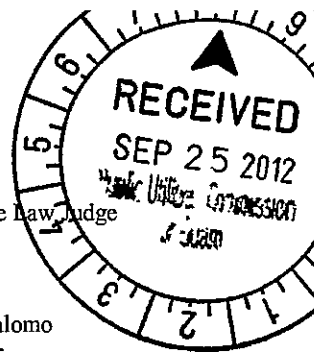
Suite 207, GCIC Building
Post Office Box 862
Hagatna, Guam 96932

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. 12-04

**RE: EXTENSION OF CONSULTANT AGREEMENTS FOR ATTORNEY,
ADMINISTRATIVE LAW JUDGE, AND CONSULTANT FOR FY2013**

Whereas, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam;

Whereas, pursuant to 12 GCA §12002(a), the PUC has the authority to retain consultants, an attorney, and an administrative law judge;

Whereas, on or about September 22, 2008, the PUC approved Professional Services Agreements for legal counsel with Frederick J. Horecky of the Law Offices of Horecky & Associates, for Administrative Law Judge with David A. Mair, Esq., of the law firm of Mair, Mair, Spade & Thompson, and for Consultant with Georgetown Consulting Group Inc.;

Whereas, each of the three above mentioned Professional Services Agreements provided for a maximum total term of five years, with four one year options to extend;

Whereas, in 2009, 2010, and 2011, the PUC exercised options to extend the Professional Service Agreements of Legal Counsel, the Administrative Law Judge and the Consultant for additional one year periods.

Whereas, Legal Counsel, the Administrative Law Judge, and the Consultant have now served the Commission for nearly four years pursuant to their respective Professional Services Agreements;

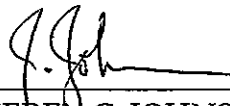
Whereas, the Commission is satisfied with the services rendered by Legal Counsel, Administrative Law Judge, and Consultant;

Whereas, the PUC hereby desires to exercise its second option to extend the Professional Service Agreements of Legal Counsel, the Administrative Law Judge and the Consultant for a one year period;

NOW THEREFORE, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

1. The Professional Services Agreement retaining Frederick J. Horecky of the Law Offices of Horecky & Associates as Legal Counsel for the PUC is hereby extended for a period of one year;
2. The Professional Services Agreement retaining David A. Mair, Esq., of the law firm of Mair, Mair, Spade & Thompson as the Administrative Law Judge for the PUC is hereby extended for a period of one year;
3. The Professional Services Agreement retaining Georgetown Consulting Group Inc. as Consultant for the PUC is hereby extended for a period of one year;
4. During the period of the one year extension, all terms and conditions of said Agreements between the PUC and the above referenced parties shall fully remain in effect and shall govern the respective relations of the parties.
5. The Chairman is authorized to sign all documents necessary to effectuate the above referenced professional services agreements.

Dated: September 25, 2012



JEFFREY C. JOHNSON
PUBLIC UTILITIES COMMISSION
Chairman

Dated: September 25, 2012

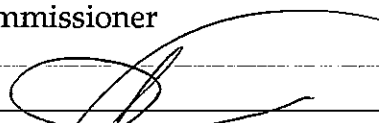


JOSEPH M. MCDONALD
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

FILOMENA M. CANTORIA
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012



ROWENA E. PEREZ
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

MICHAEL A. PANGELINAN
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012



PETER MONTINOLA
PUBLIC UTILITIES COMMISSION
Commissioner

**PUBLIC UTILITIES COMMISSION
OF GUAM**

Jeffrey C. Johnson

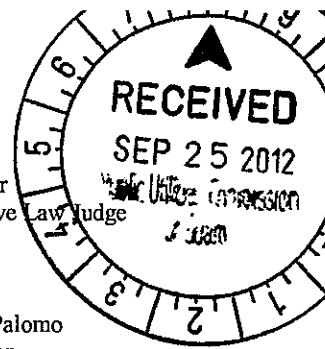
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Telephone: (671) 472-1907
Fax: (671) 472-1917
Email: info@guampuc.com

David A Mair
Administrative Law Judge

Lourdes R. Palomo
Administrator



RESOLUTION NO. 12-05

**RE: EXTENSION OF PROFESSIONAL SERVICES AGREEMENT FOR PORT
CONSULTANT FOR FY2013**

Whereas, the Guam Public Utilities Commission ("PUC") is an autonomous instrumentality within the Government of Guam;

Whereas, pursuant to 12 GCA §12002(a), the PUC has the authority to retain consultants;

Whereas, on or about November 13, 2009, the PUC approved a Professional Services Agreement with Slater, Nakamura & Co., LLC for the purpose of advising the PUC with regard to regulatory oversight supervision of the Port Authority of Guam; and

Whereas, the above-referenced Professional Services Agreement provided for a maximum total term of five years, with four one year options to extend;

Whereas, Slater, Nakamura & Co. has now provided consulting services to the PUC for nearly three years; and

Whereas, the Commission is satisfied with the services rendered by its Consultant on Port Authority matters; and

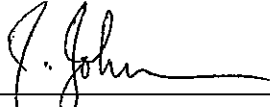
Whereas, the PUC hereby desires to exercise its option to extend the Professional Service Agreements of its Port Authority Consultant for an additional one year period;

NOW THEREFORE, in due consideration of the above recitals and for good cause shown, the PUC hereby resolves that:

1. The Professional Services Agreement retaining Slater and Nakamura Co., LLC., for the PUC is hereby extended for a period of one year;

3. During the period of the one year extension, all terms and conditions of said Agreements between the PUC and the above referenced Consultant shall fully remain in effect and shall govern the respective relations of the parties.
4. The Chairman is authorized to sign all documents necessary to effectuate the above referenced professional services agreement.

Dated: September 25, 2012



JEFFREY C. JOHNSON
PUBLIC UTILITIES COMMISSION
Chairman

Dated: September 25, 2012

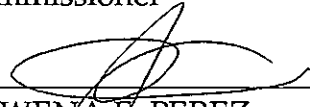


JOSEPH M. MCDONALD
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

FILOMENA M. CANTORIA
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

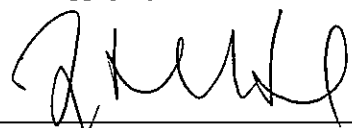


ROWENA E. PEREZ
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012

MICHAEL A. PANGELINAN
PUBLIC UTILITIES COMMISSION
Commissioner

Dated: September 25, 2012



PETER MONTINOLA
PUBLIC UTILITIES COMMISSION
Commissioner