

GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
NOVEMBER 26, 2013  
SUITE 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 7:00 p.m. on November 26, 2013, pursuant to due and lawful notice. Commissioners Johnson, Perez, McDonald, Pangelinan, Montinola, Cantoria, and Niven 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 item of business on the agenda was approval of the minutes of October 29, 2013. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the minutes subject to correction.

**2. Guam Telecom**

The Chairman announced that the next item on the agenda was GT Docket 14-01, Petition for USAC Certification, PUC Counsel Report, and USAC Certification. Commissioner Pangelinan announced that he would recuse himself from this matter as his firm represents GT. Such recusal was noted by the Chairman. Counsel indicated that the Universal Support Funds which the telecom companies receive are beneficial to Guam. Such funds help the companies to improve their communication systems in order to provide broader services to the people of Guam and bring durability and stability to their systems. These funds are in the interest of the territory.

For each such certification matter before the Commission, the company must certify that it meets two basic requirements: the first is that the company provides all of the nine services that federal funds are designated for, such as E-911, single-party service, multi-tone frequency, access to operators, toll imitations, etc. The company must certify that it provides each of the nine services. Second, there is a requirement for certification by the companies that all of the universal support funds from the FCC will be used by the company to support the required services. As a practical matter, the Commission must rely upon the certifications of the companies that they provide each of the nine services and that the funds are only used for services intended for universal support funds. The Commission ordinarily accepts these certifications as true, valid and accurate, unless there is evidence to the contrary.

In regard to Guam Telecom, Counsel believes that it has met all of the requirements for its USAC Certification. It has provided a five-year plan, a plan which shows that GT is hardening its fiber system, putting conduits underground, and continuing to make progress on improvement of its system. GT has certified that it meets all of the

requirements of the ETC Designation Order. Docomo now owns GT. Since GT remains as a separate company, the certification is in the name of GT. GT has certified that it offers all of the designated services. Counsel has reviewed the GT five-year plan and finds that it does meet the applicable requirements. Various improvements have been made, coverage expanded, and certification given that GT will only use the support funds for the designated purposes under federal law.

GT reports that it had no outages in the last year, and no unfulfilled requests for services. There were no complaints, and GT otherwise complies with the necessary requirements. Counsel concludes that GT has complied with the applicable requirements and recommends that the Commission approve the USAC Certification for Guam Telecom. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for GT. The Certification is made *Attachment "B"* hereto.

### **3. PTI Pacifica, Inc.**

The Chairman indicated that the next item of business for consideration was PTI Docket 14-01, Petition for USAC Certification, PUC Counsel Report, and USAC Certification. Counsel indicated that PTI acquired IT&E in 2008. PTI still operates under the trade name of IT&E. In this filing, PTI has included its five-year quality service improvement plan. It indicates, by wire-center, what particular improvements have been made. Various sites have been upgraded, improvements made to billing platforms, implementation of the full 3G microwave back haul network of cellular sites, and continued work on the 4G broadband wireless service. The plan demonstrates that PTI is using the USAC funds to make improvements to its system.

PTI has certified that it provides all nine of the services required. Furthermore, it certifies that all of the funds used from the universal support fund are used for the purpose of improving required services. PTI does participate in the E-911 program. It had no unfulfilled requests for voice-interconnected service over the past year. It had no complaints. It is able to operate an emergency system and fulfill the other requirements. PTI provides a breakdown by spreadsheet indicating the amount of funds it spends for each wire center. Generally, the spreadsheet shows that PTI spends more money in making the improvements than it receives from the USF funds. It has complied with all of the requirements; Counsel recommends that the Commission approve its Certification.

Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for PTI. The USAC Certification is made *Attachment "C"* hereto.

### **4. Teleguam Holdings, LLC.**

The Chairman announced that the next item on the agenda was GTA Docket 14-01, Petition of GTA for Annual USAC Certification, PUC Counsel Report, and USAC Certification. Counsel indicated that Teleguam Holdings actually files two requests for

USAC Certification, one for Teleguam Holdings itself under the provision of telephone service and telephone lines; and a separate USAC filing for Pulse Mobile [i.e. CMRS]. Pulse Mobile is not a separate company, as it used to be, but is now a division within GTA.

Counsel has found that Teleguam Holdings also has complied with all of the requirements for USAC Certification. It provides the nine services required by the FCC. It filed a five-year service quality improvement plan, and has undertaken substantial rehabilitation of its system. The latest optical equipment and fiber has been installed. There has been a deployment of field cabinets and upgrades of switching offices. Capacity for communications between Guam and the mainland has been improved. The five-year plan provides costs and cost projections for each year. It complies with the necessary requirements.

GTA did report two outages, both of which occurred in October of this year. They were relatively short term, one for two hours and the other for three hours. The only unfulfilled requests for service were potential new customers who did not wish to bear the cost of any service drops. Such customers decided not to proceed once price was given. There may be twenty such customers. However, it is not clear if the customer who does not pay for the required service drop is in reality a customer. The USAC requirement appears to apply if a customer who meets all the qualifications, including price, cannot be serviced by GTA. Under the criteria it does not appear that GTA has customers that it is not servicing.

GTA is not aware of any complaints to the PUC per thousand handsets. It is able to meet emergency situations and has a well-developed backup system including generators, copper and fiber plant, battery backup, etc. As the incumbent LEC, it certifies that it offers equal access to all subscribers. Teleguam's Petition indicates that it does offer all of the services required for support, and that it uses all of the support funds for the required services. Counsel concludes that the support received has been used as intended, that there is no evidence to the contrary. Counsel recommends that the Commission approve the USAC Certification for Teleguam Holdings.

Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for Teleguam Holdings. The USAC Certification is made *Attachment "D"* hereto.

Counsel indicated that there was another application by Teleguam Holdings for USAC Certification in GTA Docket 14-02, Application of Teleguam Holdings, f/k/a Pulse Mobile LLC, for USAC Certification, PUC Counsel Report, and USAC Certification. Counsel indicated that the USAC Certification used to be in the name of Pulse Mobile, as it was a separate company. But after the reorganization, now Pulse is a division within Teleguam Holdings. So, technically, the Certification is for Teleguam Holdings. Teleguam Holdings still does business under the name of Pulse Mobile.

Pulse Mobile has three separate wireless networks on Guam: GSM Network, 3G Network, and LTE [Long-Term Evolution Network]. A five-year plan includes a number of network enhancements and improvements to build out the wireless networks: increasing of high speed mobile data coverage and continuing conversion of core sites to UMTS. Pulse Mobile is continuing expansion of sites to all areas of Guam. Coverage maps indicate the expansion of service coverage to different areas of Guam. Percentages of coverage are increasing. Pulse indicates that it provides all of the nine core services that are eligible for USF. Pulse offers E-911 service to its customers. It certifies that all funds will be used for the core services. It has been able to fulfill all service requests by requesting customers.

Pulse reports the same two outages that were reported for Teleguam. During 2012 and to date in 2013, Pulse is not aware of any complaints filed with any regulatory body. Pulse complies with the requirements of the consumer code. Pulse has expanded the protection of consumer interests, including provision of contract terms to customers explaining terms to customers, confirming changes in services, and giving customers the right to terminate service within a certain time [among other rights]. Pulse does have the ability to function in emergency situations. Overall, Counsel finds that Pulse has complied with the requirements under the ETC Designation Order and the FCC requirements. He recommends that the Commission approve the USAC Certification for Pulse Mobile.

Upon motion duly made, seconded and unanimously carried, the Commissioners approved the USAC Certification for Pulse Mobile. The USAC Certification is made *Attachment "E"* hereto.

## **5. Guam Power Authority**

The Chairman announced that the next item of business was GPA Docket 14-01, Contract for Implementation of Customer Information System, Slater-Nakamura Report, and Proposed Order. Counsel indicated that there is a detailed report from Slater-Nakamura. This issue before the Commissioners is the GPA Customer Information System. There is a long history concerning the software utilized by GPA, the programs that GPA has used going back to the JD Edwards software in the 1990s. GPA is still using the Utiligy software; it has already purchased the new software, the Enterprise One software and the Customer Care Billing software. However, GPA went out to bid to find a contractor who could help it implement the new software. Four companies responded to the bid. Wi-Pro, a "diamond level provider for Oracle Corporation", was selected. Oracle produces the software that GPA will use.

GPA requests \$2.7M for services to be provided by Wi-Pro. Slater, Nakamura was asked to determine if this proposed cost is in line with what other utilities might pay for similar services. Slater, Nakamura finds that the costs are high. They compared the costs for GPA with other utilities. Slater, Nakamura concludes that doing business on Guam would make the installation of computer software more costly here. SN adds a 15% factor for doing business in Guam. In addition, SN believes that GPA's projected

costs may not have included all of the costs. System integrators for software sometimes only cover basic items but not everything. Slater, Nakamura found that GPA's proposal is within 30% of the two other highest proposals that it found in other jurisdictions.

Nonetheless, Slater, Nakamura does recommend approval of the CIS by the PUC, subject to certain conditions. It believes that there is a lot of risk in the software implementation. GPA may not be providing enough support for the implementation. There is nothing in the contract that requires Wi-Pro to assist GPA in post-implementation of the software. Slater has recommended various provisions. Currently GPA is requiring 5% retention from the contractor on contract payments. While Slater feels that retention of contract amounts is an effective tool to somewhat control the contractor, it recommends that the retention be increased up to 10%.

Slater also recommends that GPA consider funding post-deployment support for six months after the go-live. Finally, Slater wants GPA to develop a risk mitigation strategy. There are a number of factors [listed at p. 10 of the Slater Report] that GPA needs to consider. GPA has negotiated a fixed price. However, such price may mean that, on the downside, GPA won't be fully covered on the post-live implementation. Retention of an independent third party to serve as a "quality assurance" can be beneficial. GPA does retain the services of SAIC; hopefully SAIC will be helpful in reviewing the services of the contractor Wi-Pro. Slater suggests that there should be six months of services provided after the software implementation.

Furthermore, GPA must assign necessary personnel and resources to accomplish the implementation; otherwise it could run into problems. Based upon the Slater, Nakamura Report, Counsel has drafted a proposed Order. The Order points out that GPA does need to upgrade its software. The present software cannot adequately process bills in a timely manner. Furthermore, GPA has received audit report deficiencies for the last four years. It cannot do a proper audit trail for changes to the meter-reading database. Most importantly, the new software will benefit the operation of the Smart Grid Project, such as "e-Billing" for customers, and "e-Portal". Without these software upgrades, GPA could not take advantage of many of the benefits of the Smart Grid Project. It would not seem to make sense to have a billing in customer software system that's not up to the job of implementing the improvements of Smart Grid.

Thus, GPA has a good justification for hiring a contractor to implement its new software. It must be recognized that the price could go beyond \$2.7M. GPA does have a 20% margin under the Contract Review Protocol. The software should be implemented within 12 to 18 months. Counsel has drafted a "conditional" Order for the Commissioners' consideration. It requires certain actions by GPA within 30 days. GPA should change the level of retention from 5% to 10%. GPA should at least consider funding post-deployment support for the six months after go-live, and to develop a risk management strategy along the lines suggested by Slater, Nakamura. If GPA cannot accomplish any of these requests, it must report back to the Commission within 30 days to justify why any of the items cannot be accomplished. The Commission would find

that the new software system is necessary. The procurement was done in a proper manner.

A further issue is the source of funding for this project. In GPA Docket 10-01, the Commissioners had set aside a contingent fund with some excess bond funds related to the Cathay Bank Loan. \$3M was placed in a contingency reserve. The Commission provided that GPA could use these funds if GPA came back to the Commission and requested approval. In this case, GPA is requesting approval to use the \$3M for the computer software implementation. This is a judgment call, but Counsel believes it is appropriate. This software implementation could have broad benefits for customers, would improve the billing system, and would give customers a lot more information about their bills. The Commissioners should determine if this is an appropriate use for the funds.

The Order would approve the GPA Application, authorize GPA to enter into a contract with Wi-Pro up to the amount of \$2.710M, and conditionally approve the Order subject to compliance by GPA with the Slater, Nakamura conditions.

The Chairman asked GPA whether it could comply with the recommended conditions of the consultants. GPA's GM Joaquin Flores indicated that it would need to discuss this with Wi-Pro and GPA's third party consultant. GM Flores believes that the proposed retention of 10% would be appropriate. However, there is some push back from the contractor already. The Chairman asked whether the software would be available for GWA also. GM Flores indicates there are common services between GPA and GWA, but also some services that are truly separate and apart. He believes there is a separate request from GWA that is still pending. The Chairman asked whether this could also be used for Solid Waste. GM Flores indicated that the software could handle up to five commodities.

Counsel explained that originally he had hoped to include GWA within this review. However, after all the materials were reviewed, it appears that there is nothing in the record from GWA. Also, no funding source is identified. Therefore, the matter is not yet ripe for review until more information is obtained from GWA. The Chairman then asked Mr. Flores if software would be able to itemize net metering customers, and provide exactly how much energy a particular household is utilizing – i.e. savings on solar energy the customer is bringing in from GPA. GM Flores indicated that GPA could do that now, but it was a manual process. Audit trails are problematic; software programming needs to be upgraded very quickly. Prepaid functionalities are built into the new software.

Commissioner Niven asked a question about conditional ordering Paragraph 4. He asked Counsel whether it was the intent of such paragraph that, if GPA found that it was not feasible to comply with any of the Slater, Nakamura recommendations, that nevertheless the order and its content would be approved; or would the Commission need to come back and reconsider it? Counsel indicated that the intent was that the order would be approved but that the Commissioners could reconsider if they desired.

If GPA indicates that they could not comply with all of the conditions, the Commissioners could readdress the matter if they so choose. GPA may well come up with an explanation as to why it could not achieve one or another of the Slater recommendations. For example, 7% on the retention amount might be acceptable to the PUC Consultants. The purpose of the conditions was to give GPA a chance to go back and explain whether they could comply with the conditions. Commissioner Niven was concerned that if GPA gave good reasons, the process should not be held up for a couple of months while the PUC comes back, reconsiders, and votes again. Counsel confirmed that this is why the Order was worded in the manner that it was.

Commissioner Montinola asked GM Flores if the system was a part of the net metering, or whether it was part of the ability of residents to examine their activity on a daily basis. GM Flores indicated that the software does have a material effect in providing better functionality and better recording, better access for customer care to access their net metering or their billing history. GM Flores stated that the new software has better efficiency for processing of bills. The lengthy all night processing will be completely eliminated by this software. Commissioner Montinola asked whether GPA was testing the portal where customers could log in. GM Flores indicated that the portal was part of the MDMS application software that takes all of the data from the smart meters and prepares it for a billing software. The portal is now on the MDMS; however, CCMB can replace that portal altogether with much better features. By the end of November, customers should have instructions to log in and register. Customers should be able to monitor consumption.

Upon motion duly made, seconded and unanimously carried, the Commissioners approved the retention of Wi-Pro and the expenditure of up to \$2.710M for software implementation services. The Order adopted is made *Attachment "F"* hereto.

The Chairman announced that the next item on the Agenda was GPA Docket 13-02, CCU Resolution No. 2013-50, Approval of GPA's Execution Plan of the IRP [and LNG] Implementation Strategy for Continuation of Program Management Services [R. W. Armstrong]. The Chairman indicated that this was an Informational Filing. Counsel stated that this was placed in the Commissioners' packets so that they could commence review on the updates of the IRP program and also the requests for certain services from Armstrong. This matter need not be considered by the Commissioners this evening; Lummus has been engaged to review the IRP filing and then determine the next steps. For the Armstrong contract, this matter will be referred to PUC Consultants for review and hopefully addressed at the December meeting. An important issue is that GPA has proposed to place all of the proposed costs for the Armstrong contract for the next year, \$3.9M, into the LEAC to make it a pass-through to the customers. Counsel pointed out that if the Commissioners approved such passing through of costs in this case, it could set a precedent that all of the expenses required for implementing the IRP [i.e. \$750M] could be passed through the LEAC.

## **6. Guam Waterworks Authority**

The Chairman announced that the next item for consideration by the Commissioners was GWA Docket 14-02, Petition of GWA for Approval of Change Order regarding SCADA Master Plan, ALJ Report, and Proposed Order.

Counsel indicated that originally GWA had entered into a contract with TG Engineers to develop a supervisory control and data acquisition [SCADA] master plan. This plan is designed to gauge water loss. The original contract with TG Engineers on the development of the system was under \$1M. GWA did not initially seek approval from the Commission, which is understandable. It was below the contract review threshold. Later on, GWA learned that there were additional items that had to be added in the amount of \$115,533, which brings the total amount of the contract over the contract review threshold. GWA properly realized that it needed to come to the Commission for approval of this contract.

The proposed change order would increase the master meter count from 9 to 64. These meters are designed to determine the flow of water into the distribution system. This is a part of GWA's effort to identify leaks and to determine where water is going. These improvements will assist GWA in doing a better job. There is also an increase in pressure-regulating valves from 26 to 73. TG Engineers are going to all of the sites [i.e. 315 sites] to assist with implementation, putting the meters into place and doing the mapping and the site work necessary.

GPA communications routers will also be added to the sites, so that the system is compatible with the GPA system. Mr. Gilman, GWA Consultant, indicated that the number of routers are closer to 412. Counsel indicated that it appears appropriate that TG added these items into the change order. TG indicates that the US EPA is requiring GWA to do water audits on the water service to determine the water loss. This SCADA program will help GWA fully account for water consumption and meter the volume of water that goes into the distribution system. CCU approved this contract in a Resolution. The ALJ has also recommended that the PUC approve GWA's petition, finding that this will be a beneficial addition to the GWA system. The proposed Order would approve the Change Order between GWA and TG Engineers, and authorize GWA to proceed with executing the change order with respect to the SCADA project.

Upon motion duly made, seconded and unanimously carried, the Commissioners approved the contract and the proposed change order between GWA and TG Engineers. The Commissioners adopted the Order made *Attachment "G"* hereto.

## **7. Administrative Matters**

Commissioner Perez asked a question as to whether the PUC could continue to use Georgetown Consultants. Counsel indicated that the PUC could continue to use Georgetown on projects which they had already started and worked on. He did not believe that a new contract with GCG would be necessary.

The Chairman then indicated that a date needed to be set for the meeting in December. Counsel proposed Monday, December 30. The Commissioners concurred with that



date, and all agree that the meeting could be at 6:30pm. Counsel stated that this would be a special meeting.

As for the January meeting, the Commissioners agreed to meet on January 30, 2014, at 6:30pm.

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

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Jeffrey C. Johnson  
Chairman

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE. HAGATNA, GUAM  
7:00 p.m., November 26, 2013**

**Agenda**

- 1. Approval of Minutes of October 29, 2013**
- 2. Guam Power Authority**
  - GPA Docket 14-01, Contract for Implementation of Customer Information System (CIS), Slater Nakamura Report, Proposed Order
  - GPA Docket 13-02, Consolidated Commission on Utilities Resolution No. 2013-50, Approval of GPA's Execution Plan of the IRP [and LNG] Implementation Strategy and Continuation of Program Management Services [R.W. Armstrong], Informational Filing
- 3. Guam Waterworks Authority**
  - GWA Docket 14-02, Petition of Guam Waterworks Authority for Approval of Change Order Re: SCADA Master Plan, ALJ Report and Proposed Order
  - GWA Docket 14-03, Contract for Implementation of Customer Information System (CIS), Slater Nakamura Report, Proposed Order
- 4. Guam Telecom LLC**
  - GT Docket 14-01, Petition for Annual USAC Certification, PUC Counsel Report, and USAC Certification
- 5. PTI Pacifica Inc.**
  - PTI Docket 14-01, PTI Petition for Annual USAC Certification, PUC Counsel Report, and USAC Certification.
- 6. Teleguam Holdings LLC**
  - ~~GTA Docket 14-01, Petition of GTA for Annual USAC~~  
Certification, PUC Counsel Report, and USAC Certification
- 7. Administrative Matters**
- 8. Other Business**



### **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.<sup>6</sup>
  - (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.<sup>7</sup> Attached as Exhibit A to GT's Petition for Certification is the certification and declaration by James W. Hoffman II, the Chief Legal 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 §254(e) of the Communications Act. This certification is for study area 669005.<sup>8</sup>
  - (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.<sup>9</sup> 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;
    - (3) 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;

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<sup>6</sup> 47 C.F.R. Part 54, Universal Service.

<sup>7</sup> 47 C.F.R. §54.7.

<sup>8</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds, GT Docket 14-01, Exhibit A [Declaration of James W. Hoffman II].

<sup>9</sup> 47 C.F.R. §54.101(b).

(8) Access to directory assistance; and

(9) Toll limitation for qualifying low-income consumers.<sup>10</sup>

2. GT has certified that it complies with its ETC Designation Order Requirements as set forth in 47 C.F.R. §54.101(a).<sup>11</sup>

- (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).<sup>12</sup>
- (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.<sup>13</sup>
- (c) Certification of Service. GT has provided a certification that it offers all of the services designated by the FCC for support pursuant to §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.<sup>14</sup>
- (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."<sup>15</sup> GT certifies that, for the period of January 1, 2012 to December 31, 2012, it had no unfulfilled requests for voice service interconnected with the public phone network.<sup>16</sup>

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<sup>10</sup> Id.

<sup>11</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed October 15, 2013, at pgs. 2-4.

<sup>12</sup> Id. at p.2.

<sup>13</sup> Id.

<sup>14</sup> Id.

<sup>15</sup> 47 C.F.R. §54.209(a)(3).

<sup>16</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed October 15, 2013, at p. 2.

- (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.<sup>17</sup> 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 October 15, 2013.<sup>18</sup> The Plan provides description of the detailed improvements to its network structure which GT intends to make to its network over the next five years. It will 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.<sup>19</sup> 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.<sup>20</sup> It will continue to place its aerial network in underground conduits.<sup>21</sup> 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.<sup>22</sup> Its network expansion and plan to increase power back up capabilities will take up to five years for completion.<sup>23</sup> Improvements will continue to be made to Northern and Southern Villages of Guam.<sup>24</sup> GT plans to make various improvements to its wire centers.<sup>25</sup>
- (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 July 1 of each year, beginning in 2014 [subject to

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<sup>17</sup> 47 C.F.R. §54.202(a)(6)(ii).

<sup>18</sup> 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 October 15, 2013.

<sup>18</sup> 47 C.F.R. §54.202(a)(6)(ii).

<sup>19</sup> 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 14-01, filed October, 2013, at p. 4.

<sup>20</sup> Id. at p. 5

<sup>21</sup> Id.

<sup>22</sup> Id. at pgs. 5-10.

<sup>23</sup> Id. at p. 9.

<sup>24</sup> Id. at p. 10.

<sup>25</sup> Id.

any changes in applicable deadlines], an annual certification verifying that high cost support will only be used for those facilities and services for which the support is intended.<sup>26</sup>

(g) Required Documentation. In accordance with the FCC ETC Designation Order<sup>27</sup> and Order Approving ETC Designation for GT<sup>28</sup>, 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.

(1) Five Year Network Plan. As outlined above, GT has demonstrated substantial progress in meeting its 5-year network improvement plan.<sup>29</sup> 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 January 1, 2012, to December 31, 2012, GT did not have any voice outages from customers within GT's service area.<sup>30</sup>

(3) Unfulfilled Requests for Service. For the period of January 1, 2012 to December 31, 2012, GT did not have any unfulfilled requests for service from potential customers within GT's service area.<sup>31</sup>

(4) Complaints per 1,000 lines. For the period of January 1, 2012, to December 31, 2012, GT is not aware of any complaints filed with the PUC or any other regulatory body.<sup>32</sup>

(5) Service Quality Standards and Consumer Protection Rules. GT certifies that it is complying with applicable service quality standards and consumer protection rules.<sup>33</sup>

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<sup>26</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed October 15, 2013, at p. 3.

<sup>27</sup> *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).

<sup>28</sup> PUC Order Approving Designation, GT Docket 10-02, filed November 29, 2010.

<sup>29</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed October 15, 2013, at p. 3; see also Exhibit B.

<sup>30</sup> Id. at p. 3.

<sup>31</sup> GT Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), GT Docket 14-01, filed October 15, 2013, at p. 3

<sup>32</sup> Id. at p. 3.

- (6) Ability to Function in Emergency Situations. GT certifies that it is able to function in emergency situations.<sup>34</sup>
- (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 Teleguam.<sup>35</sup>
- (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.<sup>36</sup>

### RECOMMENDATION

GT indicates that, during the calendar year 2012, it received \$520,521.00 in USF. Based upon the Petition and supporting exhibits submitted by GT, it appears that the USF received in calendar year 2012 has been used as intended. 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 2014 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.

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<sup>33</sup> Id. at p. 4.

<sup>34</sup> Id.

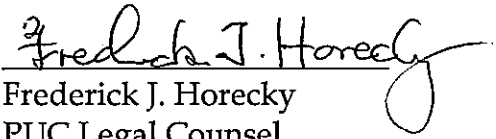
<sup>35</sup> Id.

<sup>36</sup> Id.



Therefore, Legal counsel recommends approval of GT's request for USAC certification.

Dated this 15<sup>th</sup> day of November, 2013.

  
\_\_\_\_\_  
Frederick J. Horecky  
PUC Legal Counsel

**Guam Public Utilities Commission**

**To: Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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**

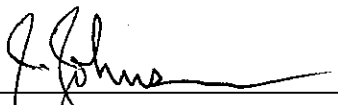
**RE: CC Docket 96-45/WC Docket No. 10-90 - Amended Annual State-  
Certification of Support for Eligible Telecommunications Carriers  
Pursuant to 47 C.F.R. §54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Guam Telecom , LLC, is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for Guam Telecom, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2012) and will be used in the coming calendar year (2014) 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 9th day of January, 2014.

  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman  
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



In the Matter of:

PTI PACIFICA INC.  
USAC CERTIFICATION

PTI Docket 14-01

PUC LEGAL COUNSEL REPORT

BACKGROUND

On October 15, 2013, PTI Pacifica Inc. ("PTI") petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that PTI will use federal universal service support funds for purposes in compliance with Section 254(e) of the Telecommunications Act.<sup>1</sup> The October 15 filing deadline was recently established in accordance with PUC and FCC Order.<sup>2</sup> PTI seeks a finding by the PUC that it will comply with §254(e), which states that universal service funds ("USF"), may be used only for the purposes designated in the Federal Act. On November 8, 2013, PTI filed supplemental information in support of its 2013 Annual ETC Compliance Filing.<sup>3</sup>

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

On January 7, 2008, the PUC granted PTI's Petition for Designation as an ETC throughout the Territory of Guam.<sup>4</sup> In accord with such Order, PTI's annual designation as an ETC is subject to its provision of annual certifications and data submissions to the PUC. PUC requires such information so that it can ensure that funds received by PTI will be expended in accordance with the requirements of the Telecommunications Act. Based upon the certifications and documentation provided by PTI in its 2013 Annual Compliance Filing, 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 PTI in calendar year 2012 will be used in accord with the purposes and requirements designated in the Federal Act. Counsel recommends

<sup>1</sup> PTI 2013 Annual Compliance Filing, PTI Docket 14-01, filed October 15, 2013.

<sup>2</sup> PUC General Order 13-03, issued August 27, 2013.

<sup>3</sup> Supplemental Filing by PTI in support of 2013 Annual ETC Compliance Filing, PTI Docket 14-01, filed November 8, 2013.

<sup>4</sup> PUC Order Approving Designation, Docket 08-05, issued January 7, 2008.

that PTI's request for USAC certification be GRANTED with respect to wireless services. A draft letter to the FCC is submitted herewith.

## RECENT DEVELOPMENTS IN PTI OPERATION

On May 2, 2008, PTI acquired the telecommunications assets of IT&E, a carrier that had been certified as an ETC by the FCC. This transaction included all of IT&E's wireless and wire line operations, including its CLEC operations. In addition, on May 28, 2009, the PUC issued an ORDER approving the assignment and transfer of the Certificate of Authority of IT&E to PTI.<sup>5</sup>

In 2009, PTI decided to retain its official corporate name but to use IT&E as a trade name on both Guam and in the CNMI so that subscribers on all four of the islands PTI serves realize they are being provided service by the same company.<sup>6</sup>

This is the fifth annual USAC filing by PTI. In 2009, 2010, 2011, and 2012, the PUC Chairman, on behalf of the PUC, issued USAC Certifications that PTI Pacifica Inc. would 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 §254(e) of the Communications Act.<sup>7</sup>

Along with its Filing, PTI is required to include a detailed build-out plan satisfying the FCC's requirements as part of its annual submission (Five Year Quality Service Improvement Plan). PTI has filed an updated build out plan, in satisfaction of the FCC requirements.<sup>8</sup> The plan provides site by site descriptions of the improvements that have been made and those planned in the next five years. In compliance with the requirements of 47 C.F.R. §54.209 (a) (1), PTI has has filed spreadsheets indicating detailed expenditures on a site by site basis by wire centers.<sup>9</sup> The spreadsheet indicates that PTI has invested funds in excess of payments received from the

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<sup>5</sup> PUC Order Approving Assignment and Transfer of IT&E Overseas Inc. Certificate of Authority to PTI Pacifica Inc., issued May 28, 2009.

<sup>6</sup> PTI 2011 Annual Compliance Filing, PTI Docket 11-01, Exhibit 3 [Five Year Service Quality Improvement Plan, Guam, August 2011], filed August 19, 2011.

<sup>7</sup> PUC "Use" Certification, CC Docket 96-45, dated September 15, 2009; PUC "Use" Certification, CC Docket 96-45, dated September 15, 2010; PUC "Use" Certification, CC Docket 96-45, dated September 19, 2011; PUC "Use" Certification, CC Docket 96-45, dated September 1, 2012.

<sup>8</sup> PTI 2013 Annual Compliance Filing, PTI Docket 14-01, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed October 15, 2013, at Pgs. 1-36; The Five Year Service Quality Improvement Plan is filed under a Claim of Confidentiality pursuant to the PUC Rules governing Telecommunications Companies.

<sup>9</sup> Id.

Universal Support Fund in improving the service quality of its network to provide the supported services in Guam.<sup>10</sup>

During the present reporting period, PTI made substantial improvements to existing sites. For 2013-2014, PTI plans to complete LTE installations at various sites, relocate sites, and to make various improvements to different sites.<sup>11</sup> During the present reporting period, PTI made improvements to its billing platforms.

### REQUIREMENTS

The PTI ETC Designation Order contains the following requirements:

- (a) PTI must comply with any local usage requirements prescribed by the FCC;
  - (b) PTI must comply with any FCC requirements concerning E911 services when implemented in the Territory of Guam;
  - (c) PTI must certify to the Commission that PTI (i) offers all of the services designated by the FCC for support pursuant to §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 related charges using media of general distribution;
  - (d) PTI 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) PTI must file a detailed build-out plan satisfying the FCC's requirements;
  - (f) PTI must file with the Commission by August 31 of each year, beginning 2008, an annual certification in substantially the form required by §314(b) and §54.314(c) of the FCC's rules to verify that PTI will use federal high-cost support only for those facilities and services for which the support is intended;
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- (g) PTI must annually submit to the Commission by August 31 of each year the following records and documentation [this year's deadline was extended to October 15 in accordance with FCC requirements]:

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<sup>10</sup> Id. at p. 1.

<sup>11</sup> Id. at pgs. 2, 5.

- (i) PTI'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 PTI's service area that were unfulfilled for the past year;
  - (iv) the number of complaints per 1,000 handsets;
  - (v) PTI's compliance with the CTIA Consumer Code;
  - (vi) PTI's certification that it is able to function in emergency situations;
  - (vii) PTI's certification that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier; and
  - (viii) PTI'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) PTI 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) *Local usage requirements-*

PTI certified that it does offer all of the core services identified for USF.<sup>12</sup>

- (b) *E911 service-*

In its application for ETC designation, PTI indicated that it would support 911 service and E911 once implemented by the Government of Guam. PTI continues to support 911 services. PTI continues to provide 911 services by forwarding such calls

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<sup>12</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, Exhibit 1 [Declaration of Steven Carrara, General Counsel].

to the applicable government agencies. If and when E911 is adopted in Guam, PTI will comply with such requirements.<sup>13</sup>

(c) *Certification of services-*

PTI has provided a certification that it offers all of the services designated by the FCC for support pursuant to §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale. It further certified that it advertises the availability of supported services in the media of general distribution.<sup>14</sup>

(d) *Notification of inability to provide service to a requesting customer-*

PTI reports that for the period of July 1, 2012, through June 30, 2013, it had no unfulfilled requests for voice service interconnected with the public telephone network.<sup>15</sup>

(e) *Filing of a detailed build-out plan satisfying the FCC's requirements -*

PTI has filed a detailed Five-year service quality improvement plan which appears to be in compliance with applicable requirements [see further discussion with regard to paragraph (g)(i) below].

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

PTI 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.<sup>16</sup>

(g) *Documentation-*

(i) PTI's progress towards meeting its build-out plans – PTI has made progress in 2012-2013 in implementing its full 3G microwave back haul network for its cellular sites; it has implemented new hops. It made substantial improvements to its LTE system in order to provide 4G broadband wireless service. It installed LTE RBS at numerous sites. It expanded GSM and LTE, and made upgrades to the IP backhaul

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<sup>13</sup> Certification Regarding 911 Services, Declaration of Steven Carrara, PTI Docket 14-01, filed November 14, 2013.

<sup>14</sup> Id.

<sup>15</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, at p. 3.

<sup>16</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, Exhibit 2 [Declaration of Steven Carrara, General Counsel].

network. It installed battery backups, new towers, and generators. For 2014, improvements are contemplated for existing LTE sites.<sup>17</sup> PTI has given a commitment to continue its efforts to upgrade the capabilities of its supported networks in the future. It continues to appear that PTI has demonstrated substantial progress in achieving the service improvements envisioned by the Federal USF programs.<sup>18</sup>

(ii) Information on any outages - PTI reported that it had no outages lasting at least 30 minutes and potentially affecting either at least 10 percent of the end users served or 911 facilities for the period of July 1, 2012, through June 31, 2013.<sup>19</sup>

(iii) Unfulfilled requests for service - PTI indicates that it had no unfulfilled requests for voice service interconnected with the public telephone network for the period of July 1, 2012, through June 31, 2013.<sup>20</sup>

(iv) Complaints per 1,000 handsets - PTI reports that for the period of July 1, 2012, through June 30, 2013, it did not receive any complaints per 1,000 handsets.<sup>21</sup>

(v) Compliance with the CTIA Consumer Code - PTI certifies that it is in compliance with the CTIA Consumer Code during the reporting period.<sup>22</sup>

(vi) Ability to function in emergency situations - PTI certified that it has the ability to remain functional in emergency situations. There is a reasonable amount of backup power to ensure functionality without an external power source. PTI indicated that it can reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations.<sup>23</sup>

(vii) Certification of local usage plan - PTI presently offers an unlimited usage local calling plan available to all customers. It currently offers various local usage plans that provide consumer value that are reasonably comparable to the plans offered by the ILEC, GTA Telecom. It is continuing to assess its rate plans in Guam, and will

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<sup>17</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN.

<sup>18</sup> Id.

<sup>19</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, filed November 8, 2013, at pgs. 2-3.

<sup>20</sup> Id. at p. 3.

<sup>21</sup> Id.

<sup>22</sup> Id.

<sup>23</sup> Id.



report to the Commission at least annually on its offerings, consistent with its ETC reporting requirement.<sup>24</sup>

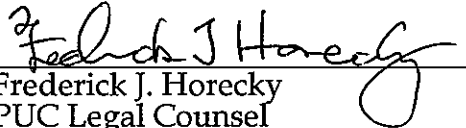
(viii) Equal access certification - PTI has certified that the PUC may require it to provide it equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.<sup>25</sup>

(h) *Prompt submission of information or reports-*

PTI must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time. PTI has been responsive in providing information requested by PUC Legal Counsel.

PTI indicates that, during the calendar year 2012 (as of 1/31/2013), it received \$2,719,618 in USF. It further states that these funds have all been used to improve the service quality of PTI's network in Guam.<sup>26</sup> Legal Counsel has not become aware of any contrary evidence which would contradict the above certifications by PTI. It is Legal Counsel's belief that PTI has satisfied all of the criteria set forth in the PTI ETC Designation Order and the FCC's requirements. PTI has already made major and substantial progress on its network and service improvement plans. There is no basis upon which it would be expected that future USF support will not be used for the purposes intended. Therefore, Legal Counsel recommends approval of PTI's request for USAC certification.

Dated this 15th day of November, 2013.

  
Frederick J. Horecky  
PUC Legal Counsel

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<sup>24</sup> Id. at pgs.3-5.

<sup>25</sup> Id. at p.5.

<sup>26</sup> PTI 2013 Annual ETC Compliance Filing, PTI Docket 14-01, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed October 15, 2013, at p. 1.

**Guam Public Utilities Commission**

**To: Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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/WC Docket No. 10-90 - Amended Annual State-  
Certification of Support for Eligible Telecommunications Carriers  
Pursuant to 47 C.F.R. §54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that PTI Pacifica Inc. is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for PTI Pacifica Inc. that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2012) and will be used in the coming calendar year (2014) 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 669004 for the Territory of Guam.

Dated this 9th day of January, 2014.

  
\_\_\_\_\_  
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 14-01

PUC LEGAL COUNSEL REPORT

**BACKGROUND**

On October 15, 2013, Teleguam Holdings LLC ["GTA"] filed its Federal Communications Commission ["FCC"] Form 481 with the Guam Public Utilities Commission ["PUC"].<sup>1</sup> This filing includes information relevant to GTA's annual universal support fund filing and requirements of the Universal Support Administration Company ["USAC"]. The October 15 filing deadline was recently established in accordance with PUC and FCC Order.

On November 19, 2013, Teleguam Holdings LLC ("GTA") filed supplemental information in support of its 2013 Annual USAC filing. It petitioned the 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.<sup>2</sup> 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 to the FCC and the Universal Service Administrative Company (USAC) that those funds will be used only for the purposes designated in the federal Act.<sup>3</sup> This year, in accordance with PUC and FCC Orders, PUC is required to make such certification by December 16, 2013. 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.<sup>4</sup> The Chief Operating Officer 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 support is

<sup>1</sup> GTA Filing of FCC Form 481 with the PUC, GTA Docket 14-01, filed October 15, 2013.

<sup>2</sup> GTA Petition for Annual USAC Certification, GTA Docket 14-01, filed November 19, 2013.

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

<sup>4</sup> GTA Petition, at p. 1.

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.<sup>5</sup>

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.<sup>6</sup> 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.<sup>7</sup>

### 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.<sup>8</sup> 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.<sup>9</sup>

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 undertaken a major fiber build deployment throughout Guam. This project is expected to be ongoing as more customers request to be wired with the latest optical equipment and fiber. There has been a deployment of field cabinets and upgrade of remote switching offices. It has rehabilitated plant distribution cables, pedestals, and

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<sup>5</sup> Id. at p. 2.

<sup>6</sup> *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").

<sup>7</sup> Id.

<sup>8</sup> GTA Petition, *supra*, at p. 2.

<sup>9</sup> Id.

connections. Capacity for communications between Guam and mainland USA has been increased with redundancy via Asia.<sup>10</sup> 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 had two outages that affected the landline and wireless service, both in October 2013. One affected a remote switching center and lasted two hours. The other resulted in the lockout of all trunks to the GTA PSTN and lasted approximately three and one-half hours.<sup>11</sup>
3. The number of requests for service from potential customers that were unfulfilled for the past year. Requests that GTA was unable to fulfill were due to the subscriber's inability to pay the required deposits for delivery of service or service drops for new subscribers.<sup>12</sup> GTA estimates that there were 20 such requests. Where a customer does not accept a price quotation for service, no order is entered into the system.<sup>13</sup>
4. The number of complaints per 1,000 handsets or lines. During calendar year 2012 and to date 2013, GTA was not aware of any complaints filed with the PUC or any other regulatory body.<sup>14</sup>
5. Certification that the ETC is complying with applicable service quality standards. GTA indicates that it adheres to all applicable PUC service quality standards.<sup>15</sup>
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.<sup>16</sup>

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<sup>10</sup> GTA Petition, Exhibit A [Five-Year Build Out Plan 2011-2014], at pgs. 1-3.

<sup>11</sup> GTA Petition, *supra*, at p. 3.

<sup>12</sup> *Id.*

<sup>13</sup> Second Email from Lucia Perez, Managing Director, Legal, Regulatory, Security & External Affairs [GTA], to Frederick J. Horecky, PUC Counsel, dated November 21, 2013.

<sup>14</sup> GTA Petition, *supra*, at p. 3.

<sup>15</sup> *Id.*

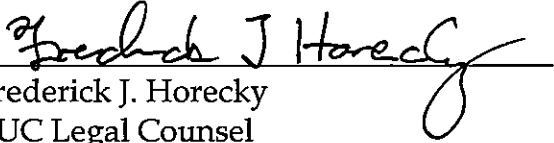
<sup>16</sup> *Id.* at p. 4.

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.<sup>17</sup>
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.<sup>18</sup>

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 2012, 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.<sup>19</sup>

GTA indicates that, for calendar year 2012, it received \$991,941.00 in USF.<sup>20</sup> To date through August 2013, it has received \$5,694.00.<sup>21</sup> GTA has also submitted audited financial data for 2012 as an attachment to its Petition to demonstrate that all funds are being used to support core services.<sup>22</sup> Based upon the Petition and supporting exhibits submitted by GTA, it appears that the USF received in calendar year 2012 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 Teleguam Holdings LLC "Use" certification is submitted herewith.

Dated this 21st day of November, 2013.

  
Frederick J. Horecky  
PUC Legal Counsel

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<sup>17</sup> Id.

<sup>18</sup> Id.

<sup>19</sup> Id at p. 4.

<sup>20</sup> Email from Lucia Perez, Managing Director, Legal, Regulatory, Security & External Affairs [GTA], to Frederick J. Horecky, PUC Counsel, dated November 21, 2013.

<sup>21</sup> Id.

<sup>22</sup> Petition, Id. at p. 4; see also Exhibit B [GTA Audited Financial Information].

**Guam Public Utilities Commission**

**To: Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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**

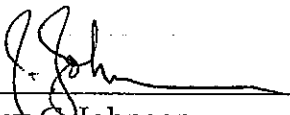
**RE: CC Docket 96-45/WC Docket No. 10-90 - Amended Annual State-  
Certification of Support for Eligible Telecommunications Carriers  
Pursuant to 47 C.F.R. §54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2012) and will be used in the coming calendar year (2014) 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 9th day of January, 2014.

  
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Jeffrey C. Johnson  
Chairman  
Guam Public Utilities Commission

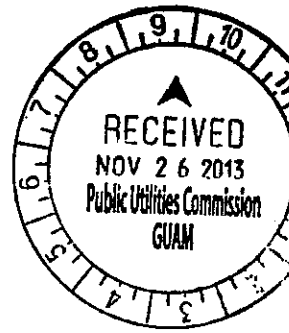
BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of

Teleguam Holdings, LLC f/k/a Pulse  
Mobile LLC, USAC CERTIFICATION

GTA Docket 14-02

PUC COUNSEL REPORT



BACKGROUND

On October 15, 2013, Teleguam Holdings LLC filed its Federal Communications Commission ["FCC"] Form 481 with the Guam Public Utilities Commission ["PUC"].<sup>1</sup> This filing includes information relevant to Teleguam's annual universal support fund filing and requirements of the Universal Support Administration Company ["USAC"]. The October 15 filing deadline was recently established in accordance with PUC and FCC Order.

On November 19, 2013, Teleguam Holdings LLC, f/k/a Pulse Mobile LLC, filed supplemental information in support of its 2013 Annual USAC filing. Pulse Mobile is now a division within Teleguam Holdings LLC.<sup>2</sup> Although Teleguam Holdings LLC is the technical holder of the ETC designation, it operates as a CMRS carrier under the name of Pulse Mobile. Thus, "Pulse Mobile", as used herein, will interchangeably refer to Teleguam Holdings.

Pulse Mobile has petitioned the PUC to issue a Certification that Pulse Mobile will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.<sup>3</sup> It 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 to the FCC and the Universal Service Administrative Company (USAC) that those universal service funds will be used only for the purposes designated in the Federal Act. This year, in accordance with PUC and FCC Orders, PUC is required to make such certification by December 16, 2013. Absent such a Certification by PUC, Teleguam Holdings LLC would be denied funds for each quarter of the year that certification is delayed.<sup>4</sup> Pulse receives monies from interstate universal service funds (USF) that are designated to support local services, build needed infrastructure and improve service quality

<sup>1</sup> GTA Filing of FCC Form 481 with the PUC, GTA Docket 14-01, filed October 15, 2013.

<sup>2</sup> Teleguam Holdings LLC ["Pulse Mobile"] Petition for Annual USAC Certification, GTA Docket 14-02, filed November 19, 2013.

<sup>3</sup> Id. at p. 1.

<sup>4</sup> Pulse Mobile Petition for Annual USAC Certification, Docket No. 12-08, filed September 12, 2012.



On February 1, 2007, the PUC granted Pulse Mobile LLC's Petition for designation as an ETC.<sup>5</sup> By virtue of PUC Order in GTA Docket 11-14 issued on May 25, 2012, Pulse Mobile's ETC Designation was transferred to Teleguam Holdings LLC.<sup>6</sup> ETCs are service providers eligible to receive federal support for local services from Universal Service Funds. In accordance with such Order, Teleguam Holdings LLC annual designation as an ETC, d/b/a Pulse Mobile, 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 2013 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.

## RECENT DEVELOPMENTS

In support of its certification, Pulse indicates that it currently provides three separate wireless networks on Guam, a GSM network, a 3G network, and an LTE Network. Pulse has committed to a Five Year Plan which will enhance its services and networks. Pulse's Five Year Plan indicates that it will continue to build out various aspects of its wireless network. Pulse intends to increase its high speed mobile data coverage. It is continuing conversion of core sites to UMTS. It will seek to expand coverage in rural and urban areas.<sup>7</sup> Pulse will continue to roll out and upgrade its 4G LTE network.<sup>8</sup>

Coverage maps are attached to its petition which indicate the reach of its three wireless networks throughout Guam. It has also provided a list indicating percentage of coverage for each village of Guam by its three networks.<sup>9</sup>

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<sup>5</sup> Application of Pulse Mobile, LLC for Designation as an Eligible Telecommunications Carrier (Order Approving Designation, Docket No. 06-8, issued February 1, 2007).

<sup>6</sup> PUC Order, GTA Docket 11-14, dated May 25, 2012.

<sup>7</sup> Exhibit A to Pulse's Petition, Pulse Mobile's Five Year Build-out Plan.

<sup>8</sup> Id.

<sup>9</sup> Exhibit A to Pulse's Petition, Pulse Mobile's Five Year Build-Out Plan Updated – November 2013 [Pulse Mobile Percentage of Guam Coverage by Village – Information provided as of November 18, 2013].

During 2013-14, Pulse intends to upgrade numerous cell site locations to 4G LTE. It will begin Wi-Fi data deployment and increase cellular backhaul capacity.<sup>10</sup>

## 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;
- (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 [for this year the certification deadline was changed to October 15, 2013];
- (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

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<sup>10</sup> Id.

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 Mobile's 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.<sup>11</sup> 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.<sup>12</sup>

#### (b) *E911 Service-*

Pulse indicates that it currently offers its customers access to operators throughout Guam to provide the requested services.<sup>13</sup> Pulse certifies that it continues to support 911 services and supports E911 services including providing the automatic numbering

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<sup>11</sup> 47 U.S.C. §214(e).

<sup>12</sup> Pulse Petition for Annual USAC Certification, p. 2-3.

<sup>13</sup> Id at p. 3.

information throughout the territory of Guam.<sup>14</sup> 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.<sup>15</sup>

*(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.<sup>16</sup> 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.<sup>17</sup>

*(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."<sup>18</sup>

*(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.<sup>19</sup> 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, through its Chief Operating Officer, 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.<sup>20</sup>

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<sup>14</sup> Id.

<sup>15</sup> ORDER APPROVING DESIGNATION, Docket No. 06-8, p. 3.

<sup>16</sup> Pulse Petition for Annual USAC Certification, Id. at pgs. 2- 4, 10.

<sup>17</sup> Id. at pgs. 10-11.

<sup>18</sup> Id at p. 5.

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

(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, 3G, and 4G LTE wireless networks and plans to continue to make such improvements over the next five years.<sup>21</sup>

(ii) Information on any outages – Pulse reports two outages that lasted more than thirty minutes in calendar year 2013; One involved a remote switching center and lasted approximately two hours; the other involved an outage which locked all trunks to the Pulse PSTN and lasted approximately three and one-half hours.<sup>22</sup>

(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.<sup>23</sup>

(iv) Complaints per 1,000 handsets – During calendar year 2012 and to date 2013 Pulse is not aware of any complaints filed with any regulatory body.<sup>24</sup>

(v) Compliance with CTIA Consumer Code – Pulse certifies that it is in compliance with the CTIA Consumer Code and all applicable service quality standards within the reporting period.<sup>25</sup> These include: disclosure of rates and terms of service to consumers; making maps available showing where service is generally available; providing contract terms to customers and confirming changes in services; allowing a trial period for new service; providing specific disclosures in advertising; separately identifying carrier charges from taxes on billing statements; providing customers the right to terminate service for changes in contract terms; providing ready access to customer service, promptly responding to consumer inquiries and complaints received from government agencies; abiding by policies for protection of customer privacy; and providing

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<sup>20</sup> Pulse Petition for Annual USAC Certification, Exhibit C [Certification of Chief Operating Officer Andrew M. Gayle, Jr., dated November 19, 2013].

<sup>21</sup> Exhibit A to Pulse Petition, Pulse Mobile Five Year Build-Out Plan.

<sup>22</sup> Pulse Petition for Annual USAC Certification, at pgs. 4-5.

<sup>23</sup> Id. at p. 5.

<sup>24</sup> Id.

<sup>25</sup> Id.

consumers with free notifications for voice, data and message usage and international roaming.<sup>26</sup>

(vi) Ability to function in emergency situations – Pulse has certified that it has the ability to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required. It can reroute traffic around damaged facilities.<sup>27</sup>

(vii) Certification of local usage plan – Pulse offers a comparable local usage plan that offers unlimited minutes for local calling.<sup>28</sup>

(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.<sup>29</sup>

*(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. 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 2012, it received \$1,774,848.00 in USF.<sup>30</sup> To date in 2013, it has received \$1,084,625.00.<sup>31</sup> It is Legal Counsel's belief that Pulse has satisfied all of the criteria set forth in the Pulse ETC Designation Order and 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

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<sup>26</sup> Id. at pgs. 5-9.

<sup>27</sup> Id. at pgs. 9-10.

<sup>28</sup> Id. at p. 10.

<sup>29</sup> Id.

<sup>30</sup> Email from Lucia Perez, Managing Director, Legal, Regulatory, Security & External Affairs [GTA], to Frederick J. Horecky, PUC Counsel, dated November 21, 2013.

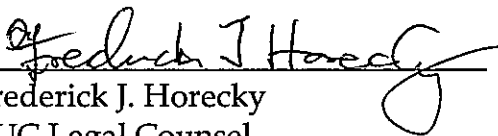
<sup>31</sup> Id.

Teleguam Holdings LLC  
(Pulse Mobile)  
USAC Certification  
GTA Docket 14-02  
PUC COUNSEL REPORT  
November 21, 2013

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the Commission that it certify to the FCC that Pulse Mobile has used universal service funds for the purpose intended.

Dated this 21st day of November, 2013.

  
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Frederick J. Horecky  
PUC Legal Counsel

**Guam Public Utilities Commission**

**To: Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> 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/WC Docket No. 10-90 - Amended Annual State-  
Certification of Support for Eligible Telecommunications Carriers  
Pursuant to 47 C.F.R. §54.314**

Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, is eligible to receive federal high-cost support for the program years cited.

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2012) and will be used in the coming calendar year (2014) 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 9th day of January, 2014.

  
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Jeffrey C. Johnson  
Chairman  
Guam Public Utilities Commission





BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: ) GPA Docket 14-01  
)  
The Application of Guam Power )  
Authority for Approval of ) **ORDER**  
Implementation of its Customer )  
Information System (CIS). )  
\_\_\_\_\_ )

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of Guam Power Authority ["GPA"] for contract review and approval of Implementation of its Customer Information System (CIS).<sup>1</sup>

BACKGROUND

2. GPA has cited a number of reasons to replace its current CIS: the inability of the present billing system to timely process bills; GPA Audit Report deficiencies for the last four years indicating the absence of an audit trail for changes to the meter reading database; inability of the CIS to take full advantage of the features of the Smart Grid Program; and the 12 year age of the current CIS software, which has outlived its ordinary lifespan.<sup>2</sup>
3. GPA previously purchased the Customer Care & Billing [CC&B] software and "Enterprise One." GPA then issued a Request for Proposals for implementation services for CC&B. GPA selected WiPro Technologies as the most responsive vendor out of four submissions. WiPro is a Diamond level partner of the Oracle Corporation.<sup>3</sup>
4. After substantial negotiation between GPA and WiPro, the parties have agreed to a total fixed price contract.<sup>4</sup>
5. The total contract price for which GPA seeks approval is \$2,710,000 for fixed price implementation services with the Oracle Customer Care & Billing Customer Information System Software.<sup>5</sup> GPA believes that the CC&B software will be fully

<sup>1</sup> GPA Letter Petition for Contract Review requesting Approval of Contract for Implementation of Customer Information System (CIS), GPA Docket 14-01, filed October 14, 2013.

<sup>2</sup> Id. at pgs. 1-2.

<sup>3</sup> Id. at pgs. 2-3.

<sup>4</sup> Id. at p. 5.

<sup>5</sup> Id. at p. 10.

implemented within 12-18 months of contract signing.<sup>6</sup> On October 8, 2013, the Guam Consolidated Commission on Utilities authorized GPA to enter into such fixed price contract.<sup>7</sup>

6. At the request of PUC Counsel, PUC Consultant Slater, Nakamura & Co. LLC submitted its Report on the review of Proposed Contract with WiPro Technologies.<sup>8</sup>
7. The Slater, Nakamura Report found that the cost for deployment seems higher than the cost for similar water and power agencies. In its opinion, GPA should develop a risk mitigation strategy before project commencement.<sup>9</sup>
8. Slater, Nakamura estimates that the total cost of implementation for both GPA and GWA for the CC&B software will be \$6.520M.<sup>10</sup> However, as no funding source for the GWA CC&B project has been identified, GWA will need to file a separate petition to address its software implementation costs.
9. Based upon its investigation, Slater, Nakamura recommends that the Commission approve the proposed contract, but subject to certain further conditions. It recommends as follows:
  - (1) GPA should consider changing the level of funds retention from 5% to 10%.
  - (2) GPA should consider funding post deployment support for six months after go-live.
  - (3) GPA should develop a risk mitigation strategy for each of the areas listed in Section 4 Table 6 of its Report (i.e., insufficient project staffing; no post deployment support from the systems integrator; use of an inexperienced Project Manager; need to perform report creation, interfaces and data conversion; and responsibility for hardware).<sup>11</sup>

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<sup>6</sup> Id. at p. 5.; Phone Conference between GPA Counsel and PUC Counsel on November 22, 2013 indicating that 12 month completion could be feasible].

<sup>7</sup> Guam Consolidated Commission on Utilities Resolution No. 2013-51, adopted October 8, 2013.

<sup>8</sup> Slater, Nakamura & Co. LLC, Report on the Review of the Proposed Contract with WiPro Technologies, GPA Docket 14-01, dated November 20, 2013.

<sup>9</sup> Id. at p. 1.

<sup>10</sup> Id. at p. 6.

<sup>11</sup> Id. at p. 14

### DETERMINATIONS

10. GPA has presented a compelling justification to implement its new CC&B software [CIS] with WiPro Technologies. Its current software is outdated, renders GPA subject to audit deficiencies, and does not enable GPA to take full advantage of the Smart Grid Project.
11. GPA has engaged in a reasoned negotiation process with WiPro for the implementation of its new customer care and billing software.
12. While the price may be somewhat high for the system, GPA has attempted to limit some of its risk with a fixed price contract. However, it is apparent that there is a high probability of cost overruns and other risks in the implementation process.
13. GPA should be required to implement the recommendations of Slater, Nakamura regarding retention of funds, post deployment support, and risk mitigation strategy.
14. Previously, with regard to the Cathay Bank Loan, PUC authorized GPA to drawdown \$3M in excess bond funds, subject to the prior approval of the Commission. A contingency reserve account was established.<sup>12</sup>
15. It is appropriate, in this Docket, to authorize GPA to drawdown the amount requested for implementation of the CC&B software from said contingency reserve account. Use of such funds will not result in any additional ratepayer impact.
16. This software implementation has potential customer benefits in the offering of the e-portal program and more customer access to energy data. The new software includes provision of e-bills to customers, ability to store net metering data, communications with customers via email alerts and SMS, and other benefits of the Smart Grid Project.<sup>13</sup>

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<sup>12</sup> PUC Order, GPA Docket 10-01 [GPA Request to Drawdown \$6M] issued August 30, 2010.

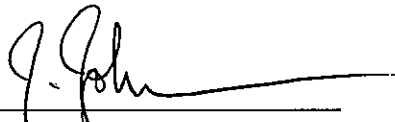
<sup>13</sup> GPA Letter Petition for Contract Review requesting Approval of Contract for Implementation of Customer Information System (CIS), GPA Docket 14-01, filed October 14, 2013, at p. 4.


### ORDERING PROVISIONS

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

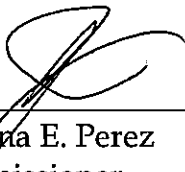
1. The PUC hereby grants approval of GPA's application to enter into a contract with WiPro Technologies in the amount of \$2,710,000 for fixed price implementation services for the Oracle Customer Care & Billing Customer Information System Software.
2. GPA is further authorized to utilize, for such purposes, the contingency reserve excess bond funds established by the PUC in GPA Docket 10-01.
3. However, such approval is subject to GPA's compliance with the three conditions suggested by Slater, Nakamura as set forth in paragraph 9 above.
4. Within 30 days of the issuance of this Order, GPA shall report to the PUC its compliance with said conditions or, if compliance with any such condition is not feasible, why such compliance is not feasible.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 26<sup>th</sup> day of November, 2013.

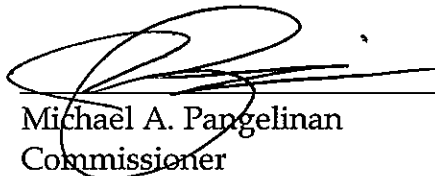
  
\_\_\_\_\_  
Jeffrey C. Johnson  
Chairman

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

Order  
GPA Implementation of  
Customer Information System  
GPA Docket 14-01  
November 26, 2013



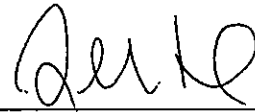
Rowena E. Perez  
Commissioner



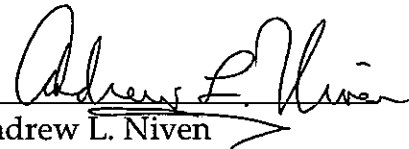
Michael A. Pangelinan  
Commissioner



Filomena M. Cantoria  
Commissioner



Peter Montinola  
Commissioner



Andrew L. Niven  
Commissioner



**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN RE: PETITION FOR APPROVAL )  
OF THE CHANGE ORDER FOR )  
GWA'S SCADA MASTER PLAN )  
ORDER

**INTRODUCTION**

This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the November 12, 2013 Petition for Approval of the Change Order for GWA's SCADA Master Plan, filed by the Guam Waterworks Authority ("GWA").

**DETERMINATIONS**

Pursuant to 12 G.C.A. §12004, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC's express approval. Additionally, pursuant to GWA's Contract Review Protocol issued in Administrative Docket 00-04, "[a]ll professional service procurements in excess of \$1,000,000" require "prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun . . . ." <sup>1</sup> GWA must also seek PUC approval for any uses of bond funds. <sup>2</sup>

On June 21, 2013, the Administrative Law Judge of the PUC (the "ALJ") filed an ALJ Report detailing his review of GWA's request for PUC approval of the Change Order with T.G. Engineers, P.C., related to the SCADA project. In the Report, the ALJ found that GWA provided adequate documentation to support the

<sup>1</sup> GWA's Contract Review Protocol ("GWA CRP"), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

<sup>2</sup> *Id.*

additional funding required under the SCADA Master Plan Change Order, which project is contained in GWA's Engineering CIP previously reviewed by the PUC. The ALJ found that such additional tasks appeared necessary for GWA to proceed with capturing a more comprehensive assessment of its water system; and that the additional projects, terms, and costs appeared reasonable. Based on the documentation provided, the ALJ therefore recommended that the PUC approve the Change Order.

The Commission hereby adopts the findings contained in the November 22, 2013 ALJ Report and, therefore, issues the following:

#### **ORDERING PROVISIONS**

Upon careful consideration of the record herein, the November 22, 2013 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. November 12, 2013 Petition for Approval of the Change Order for GWA's SCADA Master Plan is hereby approved. GWA is therefore authorized to proceed with executing the Change Order with T.G. Engineers, P.C. with respect to the SCADA project.

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

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regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§12002(b), 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

**SO ORDERED** this 26<sup>th</sup> day of November, 2013.



**JEFFREY C. JOHNSON**  
Chairman



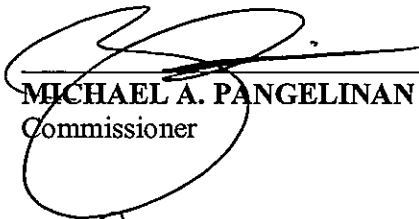
**JOSEPH M. MCDONALD**  
Commissioner



**ROWENA E. PEREZ**  
Commissioner



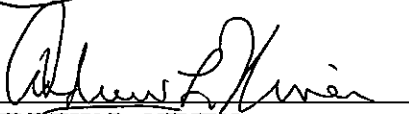
**FILOMENA CANTORIA**  
Commissioner



**MICHAEL A. PANGELINAN**  
Commissioner



**PETER MONTINOLA**  
Commissioner



**ANDREW L. NIVEN**  
Commissioner

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