

GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
May 26, 2016  
SUITE 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:38 p.m. on May 26, 2016, 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 April 28, 2016. Upon motion duly made, seconded and unanimously carried, the Commission approved the minutes subject to correction.

**2. Guam Power Authority**

The Chairman announced that the next item of business on the agenda was GPA Docket 16-08, GPA Petition for Approval to Continue with Conversion and Installation of Energy Efficient LED Street Lights, PUC Counsel Report, and Proposed Order. Counsel indicated that the streetlight program of GPA was begun in early 2015. GPA is attempting to replace its existing high pressure sodium streetlights with LED streetlights. LED streetlights are more energy efficient and take less energy to run. There are roughly 16,000 streetlights island wide. GPA has already replaced 4,800 high pressure sodium streetlights. The LED streetlights are provided by JMI Edison on a requirements indefinite quantity contract. The contract will expire September of this year.

There are still over 10,000 streetlights that need to be replaced. GPA has sufficient funds to continue replacing streetlights for the rest of this fiscal year. However, it wishes to ensure that it has a provider for the streetlights so that it continue to replace the 10,000 more lights that need to be replaced. This request is actually to authorize the procurement of 10,133 additional LED streetlights. The cost of the lights, including materials for installation, is \$2,792,037.00. GPA projects that it will save \$1M by installing the LED streetlights.

GPA will fund the cost of the streetlights out of the "general plant" funds. Every year GPA is granted a budget for "general plant", which ranges from \$5M to \$13M per year. GPA intends to pay the \$2.7M from the general plant budget. That is appropriate. Miscellaneous items are included in this budget. GPA has not generally spent all of the money that is approved in the CIP budget. Counsel recommends that the PUC approve



the proposed Order authorizing GPA to procure the LED streetlights and to expend up to \$2,792,037.00 from the FY2017 general plant budget for the LED streetlight conversion.

Commissioner Montinola asked whether, with the conversion to LED, if GPA had any plans to add additional streetlights. GPA General Manager John Benavente indicated that most of the streetlights, about 95%, were for the Government of Guam on main roads. The Government of Guam has about \$7M in the Abandoned Vehicle Fund which it uses for the streetlights to GPA. If GPA converts all of the streetlights, it can cut the energy consumption in half. The new streetlight rates on the LED streetlights would reduce the total cost. DPW will have capacity for at least another 25% of lights, so they can reduce their cost. Energy costs can be reduced and fuel costs saved.

Commissioner Cantoria asked whether this project would be done in house with adequate personnel, and within the proposed schedule. GM Benavente indicated this would be a priority. There are several groups in house, and GM Benavente will augment the staff with Cabras 3/4 personnel. The estimates are that GPA can install the lights for \$55.00 per light. There will be another \$2.00 for installation. This also lowers GPA's debt service.

The Chairman asked what the wattage of these lights was. GM Benavente said they were equivalent to 150. The 150XPS consumes about 180 watts. This light consumes one half of that, about 54. The illumination is the same.

The Chairman asked whether GPA considered using solar LED lights. GM Benavente indicated that could come down the road. Solar LED lighting would need battery storage. Upon motion duly made, seconded and unanimously carried, the Commissioners authorized GPA to continue with Conversion and Installation of Energy Efficient LED Streetlights in an amount up to \$2,792,037.00. The Commissioners adopted the Order made in *Attachment "B"* hereto.

### **3. Teleguam Holdings LLC**

The Chairman announced that the next item of business was GTA Docket 16-01, E-911 Fiscal Year Surcharge [Collection Agent Obligations], PUC Counsel Report, and Proposed Order. Counsel indicated that, in the last four years, Slater Nakamura has prepared a report which lists collections for the E-911 surcharge. The PUC is required to annually submit the report to the Governor, Speaker, and the Public Auditor. Slater has made certain recommendations on the obligations of the collection agents. In some instances the collection agents (for the telecom companies involved) have not carried out their statutory duties. Collection agents are responsible for timely reporting of collections that are filed quarterly and they are supposed to file the collection reports within 45 days of the end of each quarter. Some agents have not been timely in their reporting.



When the PUC does not receive timely collection reports from the agents, it is unable to file its annual report within two months after the end of the fiscal year. The PUC has often been 3 to 4 months late because it did not get all of the information on time. The proposed Order in this matter reminds collection agents to timely file the reports and also to remit the collections within 45 days after the last day of the month to the Department of Administration.

The collection agents are also required to obtain a receipt from the Department of Administration when payments are made. This receipt should also be provided to the PUC consultant Slater/Nakamura. In many cases collection agents have not been providing the receipts to Slater. Slater will also have more monitoring duties. If the collection agents do not comply, Slater can issue payment deficiency notices or otherwise instruct the collection agents to comply with their statutory duties.

The Proposed Order would remind collection agents to review their duties and responsibilities to make sure that they follow each of the requirements. These requirements are taken directly from PUC Orders that were already issued concerning E-911. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the required duties and responsibilities of the collection agents and ordered that the collection agents follow their duties and responsibilities as set forth in PUC Orders. The Commissioners adopted the Order made *Attachment "C"* hereto.

The Chairman announced that the next matter of business was GTA Docket 16-01, deletion of the cap of 25 account numbers per account for the E-911 Surcharge. Counsel indicated that previously, where a telecom company had more than 25 lines with a certain customer, the telecom company would only be billed for up to a maximum of 25 lines, or if it was a CMRS account, up to 25 accounts. Under that provision of law, many accounts were not being billed. In Public law 32-96, the Legislature decided to do away with the 25 line or account limitation so that all lines and accounts would be billed. This would bring more revenues into E-911.

Counsel examined prior PUC Orders which referenced the 25-line or 25-account limitation. The limitation was mentioned in prior PUC Orders dated October 5, 1999, and June 24, 2002. The Order Counsel proposes for PUC adoption would amend the two prior PUC Orders to delete the 25 access line or account number limitations. The PUC Orders would then be compliant with the law in accordance with consultant Slater's recommendation. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the amendments to prior PUC Orders deleting the 25-line and account limitation on imposition of E-911 surcharges. The Commissioners adopted the Order made *Attachment "D"* hereto.

The Chairman announced that the next item on the agenda was GTA Docket 16-01, E-911 Fiscal Year Surcharge [Uncollectable Surcharges and whether Collection Agent has a duty to pay or attempt Collection where Quarterly reports are not filed]. Counsel



indicated that, in this matter, consultant Slater was concerned that collection agents had never filed a report on uncollectable surcharges in the past four years. The statute refers to a reporting requirement where a customer refuses to pay the surcharge or the surcharge is not otherwise collected. However, it does not appear that collection agents have ever met these reporting requirements.

Consultant Slater suggested that if the collection agents aren't reporting perhaps they should be responsible for paying the uncollectable surcharges. However, the statute is clear. It provides that each of the CMRS providers collecting the surcharges will not be responsible for uncollectable surcharges and shall have no obligation to take any legal action to enforce collection of the surcharge. There is no basis for making collection agents responsible for uncollected surcharges.

However, the statute does further require that the LEC or the CMRS provider shall provide quarterly to the Commission "a list of names, addresses and telephone numbers of any and all subscribers who have identified to the LEC or CMRS provider their refusal to pay the 911 fee." The reporting requirement is still in effect. Counsel's Report found that collection agents are not responsible themselves for the uncollectable surcharges; however, the collection agents still have a duty to report the uncollectable surcharges. The Commission should order that the collection agents, while having no duty to pay the uncollectable surcharges, continue to have a duty to report the uncollectable surcharges under law. If collection agents fail to make the reports, the Commission could potentially fine them and take other action to enforce the reporting requirement.

Commissioner Montinola asked whether the E-911 charge was one dollar. Ms. Lucy Perez from GTA confirmed that was correct. Commissioner Montinola asked whether it was per-account charge. Again, Ms. Perez confirmed that was correct. It is per telephone number on the land line and on the wireless site, there is a dollar surcharge. Commissioner Montinola asked whether life lines were charged. Ms. Perez indicated that life lines are excluded. Commissioner Montinola asked whether there was an incentive for people just to say that they don't want to pay the surcharge. Ms. Perez agreed. In such case, Commissioner Montinola indicated that the surcharge would not have to be collected. Again, Ms. Perez concurred.

Commissioner Montinola wondered whether the purpose of the E-911 system was defeated if everyone could end up saying "I don't want to pay this anymore." Ms. Perez agreed. Commissioner Montinola asked whether there was a disincentive in the life line situation where they also don't have access to 911. Ms. Perez verified that under federal law, everyone, including life line must have access to E-911. Even where a cell phone is disconnected, the customer can still call 911. That is a FCC federal requirement. Commissioner Montinola asked why some individuals don't pay the surcharge. Ms. Perez indicated that individuals believe it's a double tax. But usually though, even when people do not want to pay it, they end up paying.



Counsel Horecky clarified that a positive development is that, for FY2015, there were no uncollectable surcharges. GTA Counsel Quenga also indicated that some large military and federal customers do not like to be forced by the Government of Guam to pay the surcharge. Commissioner Pangelinan asked what was accomplished by the proposed Order if agents were just informed that they have to report even if they don't have responsibility for collecting the uncollected surcharge. Counsel indicated that it was necessary to address the recommendation of Slater that collection agents should be responsible for the uncollected surcharges if they don't report. It is necessary to clarify there is no liability but to remind the agents of their duty to report.

Commissioner Pangelinan clarified that there is a finding that they are still not responsible even if they don't report. Counsel concurred. Commissioner Pangelinan wondered whether it was necessary to issue an Order. Counsel Horecky indicated that the Order is issued to address the Slater concern. Counsel wished to show that the Commission was responding to the requests and recommendations of consultant Slater. For next year, Counsel Horecky will clarify with Slater that it is not an auditor for the PUC, but its agent to report on E-911 findings. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the clarification that collection agents are not responsible for paying uncollected surcharges and adopted the Order made *Attachment "E"* hereto.

The Chairman announced that the next item of business was GTA Docket 16-01, Creation of a Docket to Establish E-911 Surcharge for VOIP. Counsel indicated that he had previously started to set up a docket on VOIP [voice over internet protocol] and advised collection agents that such a docket would be established, as required by Public Law 32-96. The E-911 surcharge, by this recent legislation, will also be charged against VOIP calls. Counsel believes the PUC must move ahead to deal with this issue.

The purpose of the Order is to authorize the implementation of a docket in which the E-911 surcharge on VOIP will be implemented, and to authorize the ALJ to conduct appropriate proceedings. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the creation of a docket conducted by the ALJ regarding the implementation of the E-911 surcharge on VOIP calls. The Commissioners adopted the Order made *Attachment "F"* hereto. The Chairman asked whether anyone in the audience had any comments on the collection agent duties or responsibilities. There was no response.

With regard to GTA Docket 15-06, GTA's Petition for Rehearing, the Chairman asked Counsel if he had anything to present on that docket this evening. Counsel indicated that the Rehearing had been conducted, and the parties have been asked to submit briefs. However Counsel indicated there were still matters to address and the matter would not be before the Commission until July.



#### 4. Administrative Matters

The Chairman asked Counsel if he had anything to state concerning GPA Docket 16-05, which involves GPA's Petition for Approval of the Navy Lease for the 45MW Solar PV Development. Counsel explained that GPA wishes to lease land from the Navy for the purposes of building 37MW of solar power facilities. The facilities will be a part of the GPA system, not just for the military. GPA is proposing that monthly payments for the power would be funded through LEAC. The issue before the Commission will be whether the cost of the solar energy generated on the navy facility should be funded through LEAC.

The reason GPA desires to assist Navy in the building of the plant is to maintain its 20% customer. An issue for the PUC could be whether GPA should undertake this project, or whether it could be done by a private contractor. Paying for the solar facilities through LEAC could add another \$500,000 to \$600,000 per month. If Navy actually constructed 160MW, the cost impact on LEAC would be great and very expensive. Commissioner Perez asked whether this was GPA's land or Navy land. Counsel responded that it was Navy land. GPA would be leasing the land from between \$1.5M up to \$3M for over 32 years.

Another question could be whether GPA should take on this task in light of the many issues currently facing at. The Chairman asked why Navy wants to work directly with GPA rather than simply running their own facilities. Counsel indicated that there were synergies between GPA and Navy that worked well together. GPA would attempt to ensure that Navy and Airforce have power during outages, for example from the Dededo CTs. In response to Commissioner Perez, Counsel indicated the Lease had not yet been signed. The number of sites was reduced from 8 to 5, and the megawatts reduced from 45 to 37. Counsel indicated that he was not ready to proceed with this matter for tonight, but just wish to present some background.

After discussion, the Commissioners confirmed that there would be no meeting in June. The next meeting would be on the last Thursday of July.

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

  
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Jeffrey C. Johnson  
Chairman



THE GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE., HAGATNA, GUAM  
6:30 p.m., May 26, 2016

Agenda

1. Approval of Minutes of April 28, 2016
2. Teleguam Holdings LLC
  - GTADocket 16-01, E-911 Fiscal Year Surcharge [Collection Agent Obligations], PUC Counsel Report, Proposed Order
  - GTA Docket 16-01, E-911 Fiscal Year Surcharge [Revision of PUC Orders: Deletion of Maximum/Cap of Twenty-Five (25) Account numbers per account bill for "911 Surcharge"], PUC Counsel Report, Proposed Order
  - GTADocket 16-01, E-911 Fiscal Year Surcharge [Uncollectible Surcharges, and whether Collection Agent has a Duty to pay or attempt Collection where Quarterly Reports are not Filed], PUC Counsel Report, Proposed Order
  - GTADocket 16-01, E-911 Fiscal Year Surcharge [Creation of Docket to Establish E911 Surcharge for Voice over Internet Protocol Calls], PUC Counsel Report, Proposed Order
  - GTADocket 15-06, GTA's Petition for Rehearing, ALJ Recommendation, Proposed Order on Rehearing
3. Guam Power Authority
  - GPADocket 16-05, GPA's Petition for Approval of the Navy Lease for 45 MW Solar PV Development, PUC Counsel Report, Proposed Order
  - GPADocket 16-08, GPA Petition for Approval to Continue with Conversion and Installation of Energy Efficient Light Emitting Diode (LED) Streetlights , PUC Counsel Report, Proposed Order
4. Administrative Matters
5. Other Business



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF: ) GPA Docket 16-08  
)  
The Petition of the Guam Power Authority)  
for Approval of Procurement to Continue ) **ORDER**  
with the Conversion and Installation of )  
Energy Efficient LED Streetlights )  
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**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Approval of Procurement to Continue with the Conversion and Installation of Energy Efficient LED Streetlights.<sup>1</sup>

**BACKGROUND**

2. In February 2015, the Guam Consolidated Commission on Utilities approved a program to replace high pressure sodium streetlights around the island with light emitting diode (LED) streetlights. The purpose of the conversion to LED lighting is to conserve energy and save on annual maintenance and fuel costs in an estimated amount of \$1M annually.<sup>2</sup>
3. At present GPA has an existing indefinite quantity contract with JMI Edison for the supply of 150W and 250W equivalent to LED luminaires, which contract will expire in September 2016.<sup>3</sup>
4. To date GPA has converted approximately 4,886 total HPS streetlights to LED.<sup>4</sup>
5. CCU authorized GPA to proceed with the LED Streetlight Replacement program and to procure LED luminaires for Fiscal Year 2016 at a cost not to exceed \$500,000.<sup>5</sup>

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<sup>1</sup> GPA Petition for Approval of Procurement to Continue with the Conversion and Installation of Energy Efficient LED Streetlights, GPA Docket 16-08, dated May 20, 2016.

<sup>2</sup> Guam Consolidated Commission on Utilities Resolution 2015-05, Relative to LED Lights, adopted February 24, 2015.

<sup>3</sup> Guam Consolidated Commission on Utilities Resolution No. 2016-21, Authorizing the Guam Power Authority (GPA) to Continue with the Conversion and Installation of Energy Efficient LED Streetlights, adopted April 26, 2016.

<sup>4</sup> Id. at p. 1.

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



6. In its current Petition, GPA seeks to procure additional LED lights. There are plans to convert the remaining 10,133 streetlights from HPS to LED. The projected cost for material and installation is \$2,792,037.71.<sup>6</sup>
7. The full implementation of the LED Streetlight Replacement program is estimated to reduce annual maintenance cost by approximately \$400,000.<sup>7</sup>
8. GPA also plans to install the LED lights through in-house labor. The installation cost per unit in-house is \$53.54, whereas the estimated contractor cost for installation per unit is \$200.<sup>8</sup>
9. GPA has installed, and maintains, a total of 16,862 streetlights, which provide illumination of the roadways, vehicles, and pedestrians at night and safeguard and facilitate vehicular and pedestrian traffic.<sup>9</sup>
10. GPA will replace the remaining approximately 10,130 HPS streetlights with LED streetlights for a total project cost of \$2,792,100, which is comprised of \$2,249,500 in materials cost and approximately \$542,500 in GPA in-house labor and equipment costs.<sup>10</sup>
11. The Remaining Conversion Costs are set forth in Exhibit "A", attached hereto.<sup>11</sup>

### **DETERMINATIONS**

12. GPA intends to fund the remainder of the LED Streetlight Replacement Program in the General Plant CIP Budget.<sup>12</sup>
13. GPA plans to budget the total project cost of \$2,792,037.71 in its FY2017 General Plant Budget.<sup>13</sup>

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<sup>6</sup> GPA Issues for Decision on Resolution No. 2016-31, for GPA Work Session, May 19, 2016.

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> Guam Consolidated Commission on Utilities, Resolution No. 2016-31, Authorizing the Guam Power Authority [GPA] to Continue and Complete the Conversion and Installation of Energy Efficient LED Streetlights, adopted May 24, 2016.

<sup>10</sup> Id. at p. 2.

<sup>11</sup> GPA Issues for Decision, for GPA Work Session, dated May 19, 2016.

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

<sup>13</sup> Id.

14. GPA's Cost-Benefit Analysis, attached hereto as Exhibit "B", indicates that the program will pay for itself in 5.07 years.<sup>14</sup>
15. GPA can permissibly include the LED Streetlight Conversion Project costs in its FY2017 Capital Improvement Project Cap under "General Plant".<sup>15</sup>
16. The procurement of streetlights for the continued implementation of the LED Streetlight Replacement Program will reduce costs and improve operations and maintenance.
17. The LED streetlights generally have a longer useful life than the HPS streetlights; the LED streetlight implementation will reduce both fuel and maintenance costs.

#### **ORDERING PROVISIONS**

After review of the record herein, including GPA's Petition for Approval of Procurement to Continue with the Conversion and Installation of Energy Efficient LED Streetlights and the PUC Counsel Report, for good cause shown, on Motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission HEREBY ORDERS that:

1. GPA's procurement of LED Streetlights for the continued conversion and installation of energy efficient LED streetlights is approved.
2. GPA is authorized to expend up to the sum of \$2,792,037.71 in its FY2017 General Plant Budget for the LED Streetlight Conversion Project.
3. 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 §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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<sup>14</sup> LED Streetlight Replacement Program, Benefit Cost Analysis starting October 1, 2016.

<sup>15</sup> GPA Counsel Graham Botha indicated in a conversion with PUC Counsel Horecky on May 20, 2016, that GPA intends to place these project costs on General Plant in the CIP Project Cap so that the costs can be amortized and depreciated as a Capital Improvement Project. The LED streetlights will be booked as a long term capital asset.





Dated this 26th day of May, 2016.

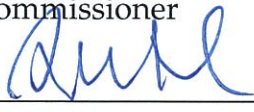
  
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Jeffrey C. Johnson  
Chairman

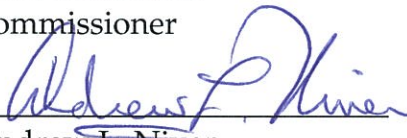
  
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Rowena E. Perez  
Commissioner

  
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Michael A. Pangelinan  
Commissioner

  
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Filomena M. Cantoria  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Peter Montinola  
Commissioner

  
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Andrew L. Niven  
Commissioner

**REMAINING CONVERSION**

**Total Streetlight Count Less ARRA Installations and T&D Installations**

GPA In-House							
Item	Description	Qty	Material Unit	Material Cost	Installation Unit	Installation Cost	Cost
1	150HPS Equivalent	9,121	\$220.00	\$2,006,620.00	\$53.54	\$488,353.54	\$2,494,973.54
2	250HPS Equivalent	1,012	\$240.00	\$242,880.00	\$53.54	\$54,184.17	\$297,064.17
	Total:	10,133		\$2,249,500.00		\$542,537.71	<b>\$2,792,037.71</b>
Contractor Cost (labor/equipment)							
Item	Description	Qty	Material Unit	Material Cost	Installation Unit	Installation Cost	Cost
1	150HPS Equivalent	9,121	\$220.00	\$2,006,620.00	\$200	\$1,824,200.00	\$3,830,820.00
2	250HPS Equivalent	1,012	\$240.00	\$242,880.00	\$200	\$202,400.00	\$445,280.00
	Total:	10,133		\$2,249,500.00		\$2,026,600.00	<b>\$4,276,100.00</b>



# LED Streetlight Replacement Program Benefit Cost Analysis Starting October 1, 2016

## Assumptions

Average Run Time Per Day(Hours)	12
Interest Rate	7.00%
Cost Per kWh (Dollars) LEAC Rate as of 5/10/2016	\$ 0.0966
Useful Life (years)	12
HPS Street Light Failure Rate	27%
150W HPS kWh/Year (180W X 12hrs X 365) / 1000	7,190,996
250W HPS kWh/Year (250W X 12hrs X 365) / 1000	1,285,442
HPS kWh usage per Year	8,476,439

## LED Total Cost and kW Load

Description	# of Units	Wattage	Installation Cost	Unit Cost	Total Cost	Total kW
150W HPS Replacement LED	9121	80	\$ 53.54	\$ 220.00	\$ 2,494,973.54	729.88
250W HPS Replacement LED	1012	119	\$ 53.54	\$ 240.00	\$ 297,064.17	120.43
	10133			TOTAL Project cost	\$ 2,792,037.71	850.11
				LED kWh Usage per Year		3,723,473
				kWh Savings Per Year		4,752,966

YEAR	ENERGY SAVINGS (@ \$0.0966/kWh)	MAINTENANCE SAVINGS	Total annual benefits	Annual Benefit Flow	Cumulative Benefit Flow	Payback in Years
0	\$ -	\$ -	\$ -	\$ (2,792,037.71)	\$ (2,792,037.71)	-
1	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ (2,105,796.39)	5.07
2	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ (1,419,555.08)	5.07
3	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ (733,313.77)	5.07
4	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ (47,072.46)	5.07
5	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 639,169.86	5.07
6	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 1,325,410.17	5.07
7	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 2,011,651.49	5.07
8	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 2,697,892.80	5.07
9	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 3,384,134.11	5.07
10	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 4,070,375.43	5.07
11	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 4,756,616.74	5.07
12	\$ 411,688.62	\$ 274,572.69	\$ 686,241.31	\$ 686,241.31	\$ 5,442,858.05	5.07

Benefit Cost Ratio (Net Present Value of  
Cumulative Annual Benefits / Initial Cost )

1.95



**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF:**

GTA Docket 16-01

## E-911 FISCAL 2015 SURCHARGE

## ORDER

## INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the E-911 Fiscal 2015 Surcharge Summary prepared by PUC Consultant Slater, Nakamura & Co., LLC ["Slater"], filed on or about March 14, 2016.<sup>1</sup>

## BACKGROUND

2. In its E-911 Fiscal 2015 Surcharge Summary, Slater indicated that some Collection Agents are not properly carrying out their statutory and rule-created duties and responsibilities at present.<sup>2</sup>
3. The areas which require improvement in reporting by Collection Agents include timely submission of quarterly reports, submission of required information concerning uncollectable surcharges, timely payment of surcharge receipts to the Department of Administration, and provision by Collection Agents to PUC of copies of DOA payment receipts for all E-911 payments.<sup>3</sup>

## DETERMINATIONS

4. There is a need for the Public Utilities Commission to remind the Collection Agents of their duties and responsibilities under the law and the prior Orders of the Commission.
5. While some Collection Agents are following proper accounting and administrative procedures, others are not.

<sup>1</sup> Slater, Nakamura & Co., LLC, GTA Docket 16-01, E-911 Fiscal 2015 Surcharge Summary, filed on March 14, 2016.

<sup>2</sup> Id. at pgs. 5-8.

<sup>3</sup> Id. at pgs. 5-7.



6. The PUC adopts the statements of Slater in the E-911 Fiscal 2015 Surcharge Summary and in the PUC Counsel Report concerning the deficiencies of some Collection Agents in carrying out their reporting duties. It is necessary for the PUC to issue an Order reminding Collections Agents of their duties and clarifying the reporting obligations of Collection Agents
7. The PUC also will set forth new monitoring actions that Slater should undertake.

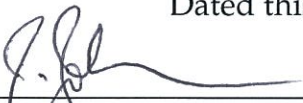
### ORDERING PROVISIONS


After review of the record herein, including the Slater, Nakamura FY 2015 E-911 Surcharge Summary and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:


1. Each Collection Agent must review applicable legal requirements and procedures to assure that all reporting requirements are being met.
2. Quarterly reports, which indicate the number of lines and accounts serviced, E-911 revenues, collections, remittances, and administrative expenses, are not being filed with PUC in a timely manner. Each Collection Agent is required to file quarterly reports for his/her provider no later than forty-five (45) days after the end of each quarter of the fiscal year.
3. The failure of Collection Agents to timely file their quarterly reports has previously rendered it impossible for the PUC to file its annual E-911 Fiscal Surcharge Summary within 60 days of the Government of Guam fiscal year end.
4. Collection Agents must file all quarterly reports within forty-five (45) days after the end of each quarter of the fiscal year.
5. Collection Agents are required to remit the net collected E-911 Surcharges no later than forty-five (45) days following the last the day of the month in which the Surcharges were collected.
6. There had been numerous instances where remittances were paid later than the due date, and times when payments were skipped and then paid in lump sums for more than one month. Collection Agents must pay all remittances to the Department of Administration in a timely manner, in accordance with the time requirements of statute and PUC Orders.

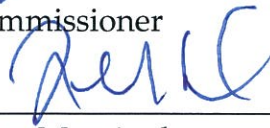
7. Collection Agents are required to provide the PUC and Slater, Nakamura with a copy of the monthly DOA remittance receipts for the E-911 payments, together with their quarterly reports, when filed with the PUC.
8. All Collection Agents are required to make the monthly payments of collected E-911 Surcharges within the required 45-day period following the end of each month in which the surcharges were actually collected from customers.
9. Slater, Nakamura shall monitor such payments by the Collection Agents and send a notice of payment deficiency to any Collection Agent who fails to submit such payment documentation with a copy to the PUC.
10. Slater, Nakamura shall also monitor the filing of quarterly reports by Collection Agents and issue a notice of reporting deficiency to any Collection Agent who does not submit the required quarterly report with all supporting documentation within 45-days after the end of each quarter of the fiscal year as required by PUC Orders.
11. Should Collection Agents fail to comply with their mandated duties, the PUC may bring order to show cause proceedings. If appropriate, the PUC may impose penalties for willful violations of statute or rule in an amount not to exceed \$1,000.00.
12. GTA 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, from the Enhanced 911 Emergency Reporting System Fund. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 26th day of May, 2016.

  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Peter Montinola  
Commissioner

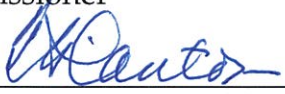


Order  
Collection Agent Obligations  
GTA Docket 16-01  
May 26, 2016



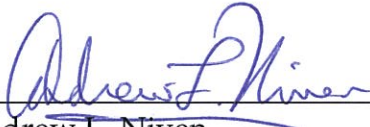
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Michael A. Pangelinan  
Commissioner



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Filomena M. Cantoria  
Commissioner



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Andrew L. Niven  
Commissioner





twenty-five (25) account numbers for commercial mobile radio service per account bill were deleted.<sup>5</sup>

6. On May 18, 2016, PUC Counsel filed his Report herein.<sup>6</sup> The PUC adopts his recommendation, and that of Slater, that prior Orders of the PUC, relative to the collection of surcharges up to a maximum/cap of twenty-five lines or account numbers on single bill accounts, be amended to eliminate such cap/maximum.

### **DETERMINATIONS**

7. In accordance with Public Law No. 32-096, the PUC should delete the references in Paragraph 1.d. of the PUC Order dated October 5, 1999 in Docket 99-10 relative to a maximum of 25 access lines or account numbers per account bill rendered.
8. PUC should also delete references in Section 1-Introduction, and Section 2 of the PUC Order dated June 24, 2002 in Docket 99-10 relative to a maximum of 25 access lines or account numbers per account bill rendered.<sup>7</sup>

### **ORDERING PROVISIONS**

After review of the record herein, including the Slater, Nakamura FY 2015 E-911 Surcharge Summary and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The PUC Counsel Report dated May 18, 2016, is adopted and approved.
2. Paragraph 1.d. of the PUC Order dated October 5, 1999, in Docket 99-10, is amended as follows:

“The surcharge shall apply equally to each eligible local exchange line [business or commercial] and to each active CMRS account number.”
3. Section 1-Introduction, of the PUC Order dated June 24, 2002, in Docket 99-10, is amended as follows:

“By Order dated October 5, 1999, the Commission established a one-dollar per month surcharge, which Collections Agents are responsible to

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<sup>5</sup> Public Law No. 32-096, enacted on November 27, 2013, Section 1[which amends Section 2(c) of Public Law 25-55].

<sup>6</sup> PUC Counsel Report, GTA Docket 16-01, dated May 18, 2016.

<sup>7</sup> PUC Order, Docket 99-10, dated June 24, 2002.


bill to each non-exempt subscriber access line. Collection Agents must remit their surcharge collections to DOA within 45 days after the end of the month in which they are collected."


4. Section 2b. of the PUC Order dated June 24, 2002, in Docket 99-10, is amended as follows:

"Collection Agents shall charge a monthly 911 Surcharge ["Surcharge"] of one dollar per subscribed access line for each calendar month or portion thereof that an access line is subscribed. The Surcharge shall be billed as a separate line item on customer bills."

5. GTA 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, from the Enhanced 911 Emergency Reporting System Fund. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


Dated this 26th day of May, 2016.

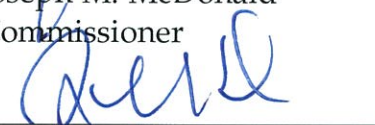
  
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Jeffrey C. Johnson  
Chairman

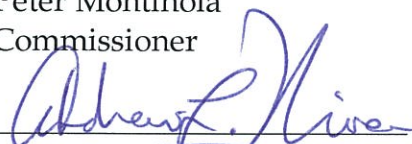
  
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Rowena E. Perez  
Commissioner

  
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Michael A. Pangelinan  
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Filomena M. Cantoria  
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Joseph M. McDonald  
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Peter Montinola  
Commissioner

  
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Andrew L. Niven  
Commissioner





BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: )  
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 )  
E-911 FISCAL 2015 SURCHARGE )  
[Uncollectible Surcharges, and )  
whether Collection Agents have a duty to )  
pay such Surcharges] )  
\_\_\_\_\_ )  
 )

GTA Docket 16-01

ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the E-911 Fiscal 2015 Surcharge Summary prepared by PUC Consultant Slater, Nakamura & Co., LLC ["Slater"], filed on or about March 14, 2016.<sup>1</sup>

BACKGROUND

2. In its E-911 Fiscal 2015 Surcharge Summary, Slater recommended that the PUC review its procedures relative to "uncollected E-911 Surcharges."  
"Uncollected" surcharges involve those customers who have refused to pay or which Collection Agents were otherwise unable to collect.<sup>2</sup>

3. Section 6 of Public Law No. 25-55, enacted June 30, 1999, provides in part as follows:

"Uncollectible Surcharges. Each LEC or CMRS provider collecting the surcharges shall not be responsible for uncollectible surcharges, and shall have no obligation to take any legal action to enforce collection of the surcharge. The LEC or CMRS provider shall provide quarterly to the Commission a list of the names, addresses and telephone numbers of any and all subscribers who have identified to the LEC or CMRS provider their refusal to pay the "911" fee." (emphasis added).

4. Slater states that "We found no instance during the 2011, 2012, 2013, 2014 or 2015 Fiscal Years where the required reports were filed with the PUC. Despite the failure to file required reports, some Collection Agents withheld uncollected E-911 Surcharges from their remittances to the Department of Administration... as of

<sup>1</sup> Slater, Nakamura & Co., LLC, GTA Docket 16-01, E-911 Fiscal 2015 Surcharge Summary, filed on March 14, 2016.

<sup>2</sup> Id. at pgs. 7-8.

September 30, 2015 the total accumulated uncollected surcharges for all Collection Agents amounted to \$86,244, the same balance as of the end of FY2014.”<sup>3</sup>

5. Slater recommends that “the PUC review its previous orders relative to the reporting of uncollected E-911 Surcharges and make a determination as to whether or not the failure of a Collection Agent to file the required reports relieves the Collection Agent of all responsibility for payment thereof. If the PUC determines that this requirement is not necessary, we recommend that the Commission issue a new order that relieves the Collection Agents of this reporting and collection requirement and the circumstances under which such relief can be claimed.”<sup>4</sup>

### DETERMINATIONS

6. Public Law No. 25-55 is clear that the Local Exchange Carrier or CMRS provider is not responsible under any circumstances for uncollectable surcharges: “Each LEC or CMRS provider collecting the surcharges shall not be responsible for uncollectable surcharges, and shall have no obligation to take any legal action to enforce collection of the surcharge.” (emphasis added).<sup>5</sup>
7. However, Section 6 of Public Law No. 25-55 further provides:

“The LEC or CMRS provider shall provide quarterly to the Commission a list of the names, addresses and telephone numbers of any and all subscribers who have identified to the LEC or CMRS provider their refusal to pay the “911” fee.”
8. Section 6 unequivocally excuses Collection Agents from any responsibility for uncollectible surcharges or any obligation to collect such surcharges. There is no basis in the statute for requiring Collection Agents [or LECs or CMRS Providers] to pay for such surcharges, even if such LEC or CMRS failed to file quarterly reports.
9. Statutory interpretation looks first to the language of the statute. Aguon v. Gutierrez, 2002 Guam 14¶6; see also Pangelinan v. Gutierrez, 2000 Guam 11¶23, aff’d, 276 F.3d 539 (9<sup>th</sup> Cir. 2002) (citing Am. Tobacco Co. v. Patterson, 456 U.S. 63, 68 (1982)). The plain meaning prevails where there is no clearly stated legislature intent to the contrary. Sumitomo Constr., Co. v. Gov’t of Guam, 2001 Guam 23¶17 (citing Aaron v. SEC, 446 U.S. 680, 697 (1980)).

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<sup>3</sup> Id. at p. 6.

<sup>4</sup> Id. at p. 8.

<sup>5</sup> Public Law 25-55, Section 6, enacted June 30, 1999.



10. The plain meaning of the statute is that LECs or CMRS providers are not responsible for uncollectable surcharges. There is, further, nothing in the statute which suggests that a LEC or CMRS provider who fails to provide its quarterly reports to the PUC with the required information on those customers who have refused to pay the "911" fee is thereby rendered responsible for the uncollectable surcharges.
11. However, the statute clearly also requires the LEC or CMRS to provide, in its quarterly reports to the Commission, the names, addresses and telephone numbers of any and all subscribers who have refused to pay the "911" fee. The PUC does not have the authority to waive or ignore the statutory duty of such providers to file the required reports.
12. Henceforth, each Collection Agent will all be required to include in the provider's quarterly reports a list of the names, addresses and telephone numbers of any and all subscribers who have refused to pay the "911" fee.
13. LECs or CMRS providers who fail to include such information on subscribers who refuse to pay the "911" fees will be subject to penalties and/or fines from the PUC.

### ORDERING PROVISIONS

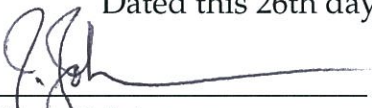
After review of the record herein, including the Slater, Nakamura FY 2015 E-911 Surcharge Summary and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. The PUC Counsel Report dated May 18, 2016, is adopted and approved.
2. Neither Collection Agents, LECs, or CMRS Providers are responsible for uncollectable surcharges, even though they may have failed to provide the required quarterly reports on any and all subscribers who refuse to pay the "911" fee.
3. Section 6 of Public Law No. 25-55 excuses Collection Agents, LECs or CMRS Providers from any responsibility for uncollectable surcharges.
4. However, Collection Agents still have the responsibility to provide quarterly reports to list the names, addresses and telephone numbers of any and all

subscribers who have identified to the LEC or CMRS Provider their refusal to pay the "911" fee.

5. GTA 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, from the Enhanced 911 Emergency Reporting System Fund. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.


Dated this 26th day of May, 2016.

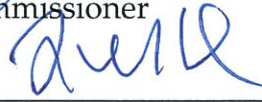
  
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Jeffrey C. Johnson  
Chairman

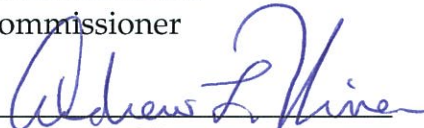
  
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Rowena E. Perez  
Commissioner

  
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Michael A. Pangelinan  
Commissioner

  
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Filomena M. Cantoria  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Peter Montinola  
Commissioner

  
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Andrew L. Niven  
Commissioner



**GTA Docket 16-01**

## ORDER

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the E-911 Fiscal 2015 Surcharge Summary prepared by PUC Consultant Slater, Nakamura & Co., LLC ["Slater"], filed on or about March 14, 2016.<sup>1</sup>

2. In its E-911 Fiscal 2015 Surcharge Summary, Slater recommended that the PUC establish procedures for assessing and collecting surcharges on VOIP telephone services.<sup>2</sup>
3. Public Law No. 32-096, enacted on November 27, 2013, amended the existing law regarding the Collection of the 911 Surcharge to include Voice Over Internet Protocol (VOIP) Providers.<sup>3</sup>
4. For purposes of Public Law No. 32-096, "VOIP Provider" is defined as "a provider of telephone service over the internet, and within the 671 area code."<sup>4</sup>
5. Thus, the PUC is required by Public Law No. 32-096 to establish procedures for assessing and collecting surcharges on VOIP telephone services.

6. Since the technology for VOIP calls is different from that for land line or CMRS calls, the PUC does need to establish a docket in order to properly implement surcharge procedures and protocols for VOIP calls.

<sup>4</sup> Id. at p. 3.

Order  
E911 Fiscal 2015 Surcharge  
Creation of Docket for VOIP Calls  
GTA Docket 16-01  
May 26, 2016

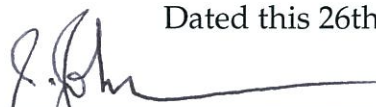
7. A new docket should be created so that the Administrative Law Judge can conduct appropriate proceedings wherein all VOIP service providers can provide input concerning the establishment of an E-911 Surcharge for VOIP telephone service.

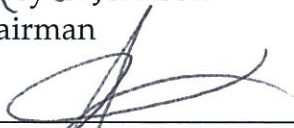
### **ORDERING PROVISIONS**


After review of the record herein, including the Slater, Nakamura FY 2015 E-911 Surcharge Summary and the PUC Counsel Report, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

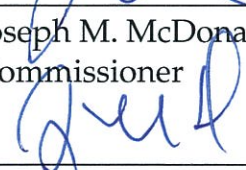
1. The creation of a new docket to address the implementation of the E-911 Surcharge on VOIP telephone services is hereby authorized.
2. The Administrative Law Judge is authorized to conduct appropriate proceedings in such docket, and to then recommend a procedure for implementation of the E-911 Surcharge on VOIP calls.
3. Final implementation of procedures for imposing the E-911 Surcharge on VOIP calls will be subject to the prior review and approval of the Commissioners.
4. GTA 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, from the Enhanced 911 Emergency Reporting System Fund. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 26th day of May, 2016.

  
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Jeffrey C. Johnson  
Chairman

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

  
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Joseph M. McDonald  
Commissioner

  
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Peter Montinola  
Commissioner



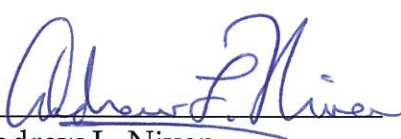
Order  
E911 Fiscal 2015 Surcharge  
Creation of Docket for VOIP Calls  
GTA Docket 16-01  
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Commissioner