GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
February 22, 2018
Suite 202, GCIC BUILDING, HAGATNA

MINUTES

The Guam Public Utilities Commission [PUC] conducted a special meeting commencing at 6:33 p.m. on February 22, 2018, pursuant to due and lawful notice. Commissioners Pangelinan, Niven, Cantoria, and McDonald were in attendance. The following matters were considered at the meeting under the agenda made *Attachment "A"* hereto.

1. Selection of Chairman

The Acting Chairman announced that the first item of business was to select an Acting Chairman, since Chairman Johnson and Vice Chairman Perez were both unavailable for the meeting this evening. Upon motion duly made, seconded, and unanimously carried, the Commissioners approved service by Commissioner Andrew Niven in the role of Acting Chairman for this meeting.

2. Approval of Minutes

The Acting Chairman announced that the first item of business on the agenda was approval of the minutes of January 30, 2018 and February 1, 2018. Upon motion duly made, seconded and unanimously carried, the Commission approved the minutes subject to correction.

3. TeleGuam Holdings LLC

The Acting Chairman announced that the next item of business on the agenda was GTA Docket 17-07, Petition for PUC to Reconsider Revised Rules on Regulatory fees for Telecom Companies, and Proposed Order. Commissioner Pangelinan indicated that there were two items this evening on which he would have to recuse himself: this Docket, GTA 17-07, and GPA Docket 18-06. This docket involves a client of his firm, Docomo. In GPA Docket 18-06, there is a potential conflict involving his firm.

The Acting Chairman asked Legal Counsel what the Commission's options were in this docket, as there was not a minimum quorum of four Commissioners to address the item. Counsel indicated that he prepared two Orders for the Chairman's signature, one would approve the new rules governing regulatory fees. A second would approve the apportionment of fees to the companies as was discussed in the last meeting. If signed by the Acting Chairman, these orders would be subject to ratification by the PUC at its next meeting. Counsel advised that the Acting Chairman ascertain whether there is any objection to the new amended rules or the proposed apportionment. Counsel was not aware of any objections. The Acting Chairman, upon asking whether there were any objections, did not receive a response. The Acting Chairman then indicated that he would proceed to sign the Orders as Acting Chairman, subject to ratification at the next meeting.

4. Guam Power Authority

The Acting Chairman indicated that the next item of business was GPA Docket 18-07, Petition to Approve Piti Substation GIS Maintenance Award to AYM International, PUC Counsel Report, and Proposed Order. Counsel indicated that GPA sought approval for its award of the 115 kv GIS maintenance project to AYM International Inc. This project involves the gas insulated switch gear at the Piti Substation, which was commissioned in 1999. The repair is overdue, and manufacturer's specifications provide a 12-year maintenance plan. The maintenance is long overdue.

This particular substation and the switch gear are critical to the power system because they connect the MEC plant units No. 8 & 9 to the power grid. On the first bid by GPA, there were no bidders. With the rebid in 2017, GPA only received one bid, AYM. The total bid amount is $2,507,300. GPA intends to pay this through the 2014 GPA revenue bonds.

Initially GPA only allocated $700,000 for this project. However, the cost of the project increased because additional work was needed: inspection, servicing, replacement of parts, maintenance, and gauge calibration. The project is expected to take 10 months for completion. This project was approved by the CCU in Resolution 2018-03, and the CCU approved the project in the amount of $2,507,300.

GPA also requests the permission of the PUC for reallocation of the 2014 revenue bonds in the amount of $1,937,300.00, which is the additional amount to the $700,000 originally approved. Counsel indicates that the maintenance is long overdue, and that the MEC No. 8 & 9 plants are critical for the GPA power system. The work must be done.

Although the project is now more expensive, GPA did determine that the one bidder was qualified for the work. Counsel recommends that the PUC approve GPA's request to award the Piti Substation GIS Maintenance Project to AYM International. GPA's request to reallocate the 2014 revenue bonds in the amount of $1,937,300 should also be approved, authorizing a total expenditure of $2,507,300. The proposed Order would incorporate these recommendations.

GPA Counsel Botha, indicates that this substation is one of a kind – the only people with expertise to work on and fix it are from off island. The parts are now more expensive because routine maintenance was not done early on. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the award of the 115kv GIS maintenance project to AYM International Inc., and authorized an expenditure up to the total bid amount of $2,507,300. PUC authorized GPA go reallocate funds from the 2014 revenue bonds in the amount of $1,937,300, and adopted the Order made *Attachment "B"* hereto.

The Acting Chairman announced that the next item of business on the agenda was GPA Docket 18-06, Petition to Approve Phase II Renewable Award to KEPCO-LG CNS Consortium, PUC Counsel Report, and Proposed Order. He indicated that there was a lack of quorum on this issue and requested advise from PUC Legal Counsel. Counsel indicated that there was the option of the Chairman issuing an order acting on behalf of the Commission to approve it. The Chairman's order approving the 60-MW solar projects with KEPCO would be subject to approval and ratification by the Commission at its next meeting.

In his Report, Counsel recommended approval. The Chairman may wish to consider approval as GPA was anxious at the last meeting to proceed with this project because of the anticipated savings. GPA GM Benavente specifically requested that the matter be addressed as soon as possible. GPA Legal Counsel Botha indicated that KEPCO is anxious to get approval so that it can proceed with and finalize its financing. The Acting Chairman asked GPA Counsel if the Acting Chairman signed the order for now, subject to ratification by the PUC, whether that would be sufficient PUC approval. GPA Counsel indicated that it would be sufficient for KEPCO to move forward.

Commissioner McDonald asked whether KEPCO would still comply with the start date of April 2020. GPA Counsel indicated that KEPCO would try to comply—KEPCO has secured conditional approval to use the property and has lined up a clearing permit. This approach would allow KEPCO to get things started and to try to complete construction by April 2020. If KEPCO did not begin soon, they will be confronted with the rainy season. There is also the issue of potential tariffs on the solar panels.

Acting Chairman Niven had some additional questions, but indicated that they were secondary. He will proceed with signing the Order prepared by Counsel subject to ratification by the Commission when it is in session with a quorum on the matter. GPA GM Benavente appreciated this first step to brining 120MW at an average of 8.25 to 8.50 per kWh, below the LEAC cost.

4. Guam Waterworks Authority

The Acting Chairman announced that the next item on the agenda was GWA Docket 18-04, Petition to Approve Change Order to Upgrade and Merge Customer Care and Billing with GPA, PUC Counsel Report, and Proposed Order. Counsel indicated that the customer care and billing software systems which GPA and GWA implemented have a history; these matters were before the Commission a number of times between 2013 and 2015. Both utilities indicated that there had been a serious need to upgrade and update their billing platforms. GPA needed the new upgraded system to implement smart grid. GWA, on the other hand had not had such a software system, but an old "legacy" system that went back to the early 1990's.

At that time the Commission approved the upgrading of the software system and, over the next 3-year period, increased the amount of funds that could be spent on the project. The initial amount was $2.7M, but it was not sufficient.

This particular petition is brought by GWA asking for an increase in the amount of both its and GPA's customer care and billing software price under their existing maintenance contract. A contractor named Prithibi is now responsible for implementation and maintenance of the software; originally the system was put in place by Wipro Technologies. Wipro has completed its work. Neither utility was completely satisfied with the software, so they retained this new group to "iron out" the problems involved. GWA requests that its authorization for expenditure of funds to Prithibi be increased from $551,853 up to $1,391,853, and that GPA's funds be increased from $552,853 up to $1,312,852.

Prithibi will provide continuing and ongoing support for the operation of the CC&B system through June 2018. Prithibi will incorporate the separate databases of GPA and GWA into one database. It will also install an upgraded version of the software, the 2.6 version of the oracle program. A report submitted with this Petition indicated that there have been many problems; probably more with GWA in implementation than with GPA. There are issues with the billings being produced, providing proper information in the bills, and a "gap analysis" which indicated numerous implementation problems.

Counsel estimates that the total overall cost of the CC&B system is estimated to approach $8M, including the present request. Consultant Slater Nakamura originally estimated that this project would cost over $6M, when GPA requested $2.7M initially. Slater was prescient in its opinion at the time. These types of software programs generally end up costing much more money than is originally contemplated.

Counsel does believe that the two main purposes for which GWA and GPA seek to use Prithibi are valid. Integrating the systems together should be a desirable goal. Counsel recommends that the spending increases by GWA and GPA be approved. Each would be authorized to increase its expenditures up to over $1.3M. They would be required to provide a report within 30 days of the Order indicating the total amount that has been spent to date on this project.

GPA Legal Counsel Botha indicated that the prior databases used by GWA and GPA in the 1980s and 90s had been corrupted over the years. Then utilities have had to pay license fees for the Oracle program CC&B. The second major fee was for Wipro which came in to convert the old databases and to manage the entire system. That was a successful undertaking. Wipro ran two databases parallel before the switch over to the new software.

Wipro is one of the the most consultants for this work but expensive. Prithibi has been hired to assist GWA and GPA in managing and cleaning up the database. It will assist the utilities in moving to the new version 2.6. When Wipro first installed the software, neither GPA nor GWA had enough employees that were trained and able to run the program properly. Prithibi will now try to convert into one database, which would allow the utilities to issue combined billings. If the databases are combined, GPA and GWA will only have to pay one license fee, rather than two – there will be savings. Hopefully there will not need to be significant new funds for implementation and moving forward in the future. More should be able to be done by GPA and GWA employees.

GPA CFO John Kim indicated that another advantage would be one service center for GWA and GPA. Customer service can then entertain both utilities. Their operation will be streamlined. From this project there should be savings, close to $800,000.00 per year. Commissioner Cantoria asked why the PUC would give GPA an increased expenditure level when GPA did not ask for it. Counsel Botha indicated that GPA didn't come to the PUC because it had not reached the million and a half threshold. On the hand, GWA came to the PUC because it had exceeded its threshold of one million dollars for this project. Also, the costs are basically split 50/50 between GPA and GWA. This is a combined procurement.

Commissioner Cantoria asked whether only the increase of GWA should be approved. PUC Counsel indicated the problem was that GWA and GPA could not do the increases unless the funds requested by each were authorized. The funds are needed to incorporate the systems of both GPA and GWA. Commissioner Cantoria remarked that GPA could also apply for that too. PUC Counsel pointed out that GPA was technically not required to come to the PUC under the contract review protocol because it had not exceeded its threshold of $1.5M. They would not need approval. However, Counsel felt that, since the petition included both increases and the need for them, it was more appropriate to have PUC review and approve everything.

The Acting Chairman asked what had been done with prior orders involving Wipro and CC&B. Counsel indicated that they had been handled differently. The initial Order was for GPA, then there was a supplemental Order for GWA. Some cost petitions included both utilities whereas others were for one or the other. It has been recognized that GPA is basically the administering utility for this contract. GPA Counsel Botha indicated that both GPA and GWA had to account for their expenditures, and there were separate Purchase Orders for both entities.

GWA officials would request a PUC Order authorizing GWA to exceed the $1M. However, GPA has not reached that level on the Prithibi contract. Commissioner Cantoria asked whether, when the amount was exceeded above GPA's limit, that an increase would also again be requested for GWA. GPA Counsel indicated that there would probably have to be such increase. If there were a large increase, GPA would then have to come in and petition on behalf of GWA as well.

Commissioner Cantoria felt that if there were a common project of the two utilities, that they should both come together before the PUC for such a single project. There is a legality issue. If GPA did not request an increase, why should the PUC give it? However, Counsel Botha indicated that GPA did request the increase through the petition of GWA. GWA was acting as co-counsel for GPA, just as GPA has done for Waterworks in the past. PUC Counsel pointed out that the CCU did issue separate resolutions for both GPA and GWA.

Commissioner Cantoria requested that, in the future, GPA and GWA jointly come before the PUC. GPA Counsel concurred. Commissioner Pangelinan pointed out that GPA technically did not need authorization. PUC Counsel felt that it was important for the PUC to be aware of the totals expended by both GPA and GWA, and Commissioner Pangelinan concurred. Commissioner Pangelinan prefers that all the expenditures be spelled out so that they are clear. He indicated that the requested expenditure appeared to be more than twice the amount that GWA and GPA had originally anticipated. He wondered whether that was because the CC&B was harder to implement than originally anticipated.

GPA CFO Kim indicated that it was because the contract and project were implemented in phases. Technical support was needed and particularly in phase two because the Oracle database is COBOL, and they are moving to JAVA. The software of the database is not supported anymore, so the utilities need to move out of it to an updated version. That is the cost of the upgrade. There is no option, the utilities must upgrade. Commissioner Pangelinan asked whether these developments were not anticipated originally. CFO Kim indicated that they were. The software was live in March of 2015, but the version expired last year and have stopped support.

Commissioner Pangelinan again asked why GPA didn't know that it would cost so much. CFO Kim indicated that originally GPA did not get a quotation for upgrade. It was attempting to find a vendor to give support. But it took quite a long time to go through the bid process and acquire information. GPA Counsel Botha indicated that the cost was more for support of the GPA and GWA IT personnel. This additional work was not known originally at the time of the first contract. Mr. Botha indicated that the utilities would provide the total program cost, as requested by PUC Counsel. Commissioner Pangelinan asked what was the required funding source for the contract. CFO Kim indicated that the amount was part of the CAP-X requirement. The money is already allotted for.

The IT Manager of GWA, Manny Apuron, indicated that the scope of this project is over a million dollars, just to do the upgrades. The costs are shared between GPA and GWA. Both GPA and GWA IT offices are supporting each other on this project. This is a major upgrade to a fully based JAVA system. These are major upgrades required for a one-year project. The cost is heavy on manpower and resources. GM Miguel Bordallo indicated that this was a major undertaking for GWA, and it expects efficiencies with the upgrade and merger with GPA. The CCU is pushing GWA to move forward on this, and the management of both utilities are very supportive. Upon motion duly made, seconded and unanimously carried, the Commissioners approved the expenditure increases requested by GWA and GPA for the CC&B, and adopted the Order made *Attachment "C"* hereto.

5. Administrative Matters

PUC Counsel indicated that the FY2017 Annual Report was being provided to the Commissioners for information. The PUC is required by statute to submit this annual report every year, with copies to the Governor and the Speaker of the Legislature. The Report provides a summary of the dockets addressed by the Commission in the last year, and rate increases which have been granted. Attachment A is a description of the matters addressed and handled by the PUC over the year. This Report also assists the Commission Staff in preparing its own Citizen Centric Report. In preparing and filing the report, the PUC has complied with 12 GCA §12104.

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

for

Andrew L. Niven
Acting Chairman

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SUITE 202, GCIC BUILDING
414 W. SOLEDAD AVE., HAGATNA, GUAM
6:30 p.m., February 22, 2018

Agenda

1. Approval of Minutes of January 30, 2018, and February 1, 2018

2. TeleGuam Holdings LLC
   - GTA Docket 17-07, Amended PUC Rules on Regulatory Fees for Telecom Companies, Proposed Order

3. Guam Power Authority
   - GPA Docket 18-07, Petition to Approve Piti Substation GIS Maintenance Award to AYM International, PUC Counsel Report, and Proposed Order
   - GPA Docket 18-06, Petition to Approve Phase II Renewable Award to KEPCO-LG CNS Consortium, PUC Counsel Report, and Proposed Order

4. Guam Waterworks Authority
   - GWA Docket 18-04, Petition to Approve Change Order to Upgrade & Merge Customer Care and Billing with GPA, PUC Counsel Report, and Proposed Order

5. Administrative Matters
   - FY2017 Annual Report

6. Other Business

ATTACHMENT A

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Public Utilities Commission
GUAM

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:	)	GPA Docket 18-07
	)	
The Application of the Guam Power for Approving the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc.	)	ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the Guam Power Authority's ["GPA"] Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc.[1]

BACKGROUND

2. The Piti Substation 115 kV Gas Insulated Switchgear (GIS) was commissioned in 1999.[2]

3. The project's objective is to perform an overdue detailed 12-year maintenance and inspection for the Piti 115 KV Gas Insulated Switchgear. The maintenance work is necessary for compliance with the Manufacturer's recommendations.[3]

4. The Piti 115 kV GIS is a critical substation interconnecting the MEC Plant Units No. 8 & 9 to the power grid.[4]

5. When GPA first bid this project out, there were no bidders. Upon rebid in 2017, AYM International Inc. was determined to be a technically qualified and responsive bidder. Its total bid is the amount of $2,507,300.[5]

6. GPA intends to fund the Project Award through the 2014 GPA Revenue Bonds. Initially $700,000 was allocated for this project from the 2014 GPA Revenue Bonds. GPA has reallocated bond funds to fund the total project cost of $2,507,300.[6]

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[1] GPA Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc., GPA Docket 18-07, filed January 24, 2018.

[2] Guam Consolidated Commission on Utilities Resolution No. 2018-03, Authorizing the Guam Power Authority to Petition PUC for Approval of Piti Substation 115 KV GIS Maintenance Project and to Contract Required Services, adopted January 23, 2018, at p. 1.

[3] CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03.

[4] Id.

[5] CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03.

ATTACHMENT B

7. The project is expected to take 10 months for completion of the work subsequent to bidder's receipt of the Purchase Order.[7]

8. In Resolution No. 2018-03, the Guam Consolidated Commission on Utilities approved GPA's request to award the Piti Substation 115 KV GIS Maintenance Project to AYM International, Inc. in the total amount of $2,507,300.[8]

9. GPA requests that PUC also authorize the reallocation of 2014 revenue bonds in the amount of $1,937,300 for the additional required items for the project.

DETERMINATIONS

10. It is evident that this project is necessary, as the connection between GIS Piti 115 KV Substation with MEC No. 8 & 9 units to the grid is critical to operation of the power grid.

11. The 12-year maintenance work for the GIS is already overdue and should not be delayed further. It is necessary for compliance with the manufacturer's recommendations.

12. The GIS maintenance project contract award to AYM International Inc. is necessary to ensure the continued operation of the Piti 115 KV Substation, and is reasonable, prudent and necessary.

ORDERING PROVISIONS

Upon consideration of the record herein, the Petition of GPA for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc, the PUC Legal Counsel Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:

[6] GPA Petition for Approval of the Piti Substation 115 KV GIS Maintenance Project Award to AYM International, Inc., GPA Docket 18-07, filed January 24, 2018, at p. 1.
[7] CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03, at p. 2.
[8] CCU Board Packet, Regular Meeting January 23, 2018, Issues for Decision on Resolution No. 2018-03, at p. 1.

1. GPA's request to award the Piti Substation 115 KV GIS Maintenance Project to AYM International Inc. is approved.

2. GPA's request to reallocate 2014 GPA Revenue Bonds in the amount of $1,937,300 is also approved.

3. The total authorized expenditure for this project is $2,507,300.

4. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 22nd day of February, 2018.

Jeffrey C. Johnson
Chairman

Rowena E. Perez
Commissioner

Joseph M. McDonald
Commissioner

Michael A. Pangelinan
Commissioner

Filomena M. Cantoria
Commissioner

Andrew L. Niven
Commissioner

Peter Montinola
Commissioner

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Public Utilities Commission
GUAM

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	GWA Docket 18-04
The Application of the Guam Waterworks Authority To Increase Spending Under An Existing Contract Pursuant To The Contract Review Protocol.)	ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the Petition of the Guam Waterworks Authority ["GWA"] to approve GWA's request to increase spending under an existing agreement with Prithibi, LLC.[1]

2. Prithibi will seek to upgrade the existing GWA Customer Care and Billing (CC&B) platform and assist in the merger of that platform with the current CC&B used by GPA.[2]

3. The Petition seeks to increase the amount of expenditures that GWA is authorized to expend under its contract with Prithibi from the initial contract amount of $552,853 to $1,312,853 for GPA, and $551,853 to $1,391,853 for GWA.[3]

BACKGROUND

4. Since 2013, both GPA and GWA have undertaken extensive efforts to upgrade their Customer Care and Billing systems. They entered into a contract with Wipro Technologies to implement the Oracle Customer Care & Billing Customer Information System Software.

5. GPA needed such an upgrade to take advantage of its Smart Grid Program.[4] GWA needed system upgrade to replace its ageing Customer Information System.[5]

[1] GWA Petition to Approve a Change Order to Upgrade and Merge Customer Care and Billing with Guam Power Authority, GWA Docket 18-04, filed January 12, 2018, AT P. 1..
[2] Id.
[3] Guam Consolidated Commission on Utilities GPA Resolution No. 2017-45 and GWA Resolution No. 08-FY2018, Relative to Authorizing the Approval for the Upgrade and Combined Database of Guam Power Authority and Guam Waterworks Authority Customer Care and Billing (CC&B) System, adopted November 22, 2017.
[4] PUC Counsel Report, GPA Docket 14-01, dated September 15, 2015, at p. 2.
[5] PUC Supplemental Order, GPA Docket 14-01, dated December 30, 2013, at p. 2.

ATTACHMENT C

6. Implementation of the CC&B took a substantially longer period of time then GPA & GWA anticipated, and at a considerably greater cost.

7. The CC&B system matters came before the PUC on at least five occasions between November 2013 and September 2015. Most of these proceedings involved applications by GPA and GWA to increase spending for the CC&B and to extend the services of Wipro for additional periods of time and for post implementation follow up and services.

8. In its last Order on the matter on September 24, 2015, the PUC increased GPA's authorization on CC&B expenditures up to the amount of $3,878,414.30 for the Wipro Contract; GWA was authorized to expend up to $1,470,747.23.[6]

9. It now appears that, after implementation of CC&B, and the substantial extension of the services of Wipro, GPA and GWA have hired Prithibi LLC to provide Training, GAP analysis, and review an ongoing support for the operation of CC&B and extended off-site support of the system through June 2018.[7]

10. In the present request, GWA seeks to increase funding for GPA under the Prithibi contract by the amount of $760,000 and for $840,000 for the GWA share. The total contract expenditure for Prithibi LLC will then be roughly $1.7M.[8]

11. The two primary issues that Prithibi will address concern the integration of the two separate GPA and GWA databases presently utilized into one CC&B database for both utilities. In addition, Prithibi will implement an upgraded version of the CC&B, the improved CC&B 2.6 version.

12. The upgrade of this version will extend vendor support and delay any further need for upgrade for a minimum of three years. Continued training and support will be provided by Prithibi.[9]

13. In its Resolution, the Guam Consolidated Commission on Utilities authorized the General Manager of GWA to petition the PUC for review and approval of the

[6] PUC Order, GPA Docket 14-01, dated September 24, 2015.
[7] GWA Petition to Approve a Change Order to Upgrade and Merge Customer Care and Billing with Guam Power Authority, GWA Docket 18-04, filed January 12, 2018, at p. 1.
[8] Guam Consolidated Commission on Utilities GPA Resolution No. 2017-45 and GWA Resolution No. 08-FY2018, approved November 22, 2017, at p. 2.
[9] GWA Petition to Approve a Change Order to Upgrade and Merge Customer Care and Billing with Guam Power Authority, GWA Docket 18-04, filed January 12, 2018, at p. 2.

additional expenditures to address the professional services for the CC&B upgrade and database merge.[10]

DETERMINATIONS

14. The Prithibi "GAP Analysis" indicates that both GPA and GWA have had considerable problems and issues in implementing the CC&B system.[11]

15. The CC&B is not correctly configured for GWA at present.[12] GWA feels that the absence of proper configuration is losing revenues for it.[13]

16. The GWA team does not believe that it has received adequate support for the CC&B implementation, and that it could have been more integrated in the CC&B implementation process.[14]

17. There are concerns about the costs that have been incurred in the CC&B implementation process. While exact figures as to the total amounts expended by GPA and GWA for CC&B Implementation are not yet available, it appears that the total amount expended, if these additional amounts are approved, will approach $8M.

18. Consultant Slater Nakamura's original assessment that implementation of CC&B would exceed $6M, rather than the initial $2.7M that GPA requested, appears to be accurate.

19. However, notwithstanding the costs incurred and problems associated with implementation of CC&B, the changes requested by GWA appear to be reasonable and should at least help in improving the implementation process.

20. GWA has experienced difficulties by virtue of the fact that separate databases are used for both utilities. There should be further efficiencies if one CC&B database is utilized for both utilities.

[10] Id.
[11] Id. at p. 24.
[12] Id. at p. 4.
[13] Id. at pgs. 4-6.
[14] Id. at p. 8.

21. In addition, the proposed software upgrade to the billing 2.6 version appears to bring additional training benefits to GWA and GPA and will forestall the need for further upgrades for at least three years.

22. In light of the difficulties that have occurred with implementation, and the cost overruns, these proposed changes should help to ameliorate the situation.

ORDERING PROVISIONS

Upon consideration of the record herein, the Petition of GWA To Increase Spending Under An Existing Contract, the PUC Legal Counsel Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby **ORDERS** that:

1. GWA's request to increase spending under its existing agreement with Prithibi is approved. The requested increases for both GWA and GPA are approved.

2. GWA and GPA are authorized to upgrade the existing Customer Care and Billing (CC&B) platform, and to merge that platform with the current CC&B used by GPA.

3. GWA is authorized to increase its authorized expenditure from $551,853 to $1,391,853.

4. GPA is authorized to increase its authorized expenditure from $552,853 to $1,312,853.

5. Within 30 days of the date of this Order, GPA shall provide a Report to the PUC indicating total expenditures and all expenditures made for the new CC&B system from its inception, including both the Wipro and Prithibi Contracts. The purpose for each expenditure shall be indicated

6. 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.

Dated this 22nd day of February, 2018.

Jeffrey C. Johnson Chairman	Rowena E. Perez Commissioner
Joseph M. McDonald Commissioner	Michael A. Pangelinan Commissioner
Filomena M. Cantoria Commissioner	Andrew L. Niven Commissioner
Peter Montinola Commissioner	

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

In the Matter of:	GTA Docket 17-07
Petition of TeleGuam Holdings LLC requesting Reconsideration of the PUC Rules Governing Regulatory Fees for Telecommunications Companies.	**ORDER APPROVING AMENDED RULES GOVERNING TELECOMMUNICATIONS COMPANIES**

Guam Telecommunications Act of 2004	Docket 05-01
	RULES GOVERNING REGULATORY FEES FOR TELECOMMUNICATIONS COMPANIES

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"], through its Acting Chairman, Andrew L. Niven, pursuant to the Commission's Order dated January 30, 2018, regarding the Rules Governing Regulatory Fees for Telecommunications Companies.[1]

BACKGROUND

2. In its January 30, 2018, Order, the PUC ordered that the Administrative Law Judge revise the PUC Rules governing Regulatory Fees for Telecommunications Companies, Docket 05-01, to incorporate new Administrative Fee provisions in accordance with Stipulation of the Parties in this proceeding.

3. The ALJ was further instructed to update and revise said rules, and to add certain amendments that have previously been made to the Rules.

4. Attached hereto as Exhibit "A" are the "AMENDED RULES GOVERNING TELECOMMUNICATIONS COMPANIES."[2]

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[1] PUC Order, GTA Docket 17-07, dated January 30, 2018.
[2] Exhibit "A" hereto.

5. In accordance with the Order of the PUC, the ALJ has submitted the proposed Rules for approval by the PUC.

DETERMINATIONS

6. The Commission, through its Acting Chairman, having reviewed the proposed Amended rules governing telecommunications companies, have determined that said Rules fairly incorporate the stipulation of the Parties in this proceeding to establish a Baseline Assessment for such companies, and to otherwise revise these rules in a manner consistent with prior determinations in this proceeding.

7. The amendments and revisions made by the ALJ to said Rules are appropriate and in accordance with law, and should be approved.

8. The AMENDED RULES GOVERNING TELECOMMUNICATIONS COMPANIES should be adopted by the PUC.

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105(b), the Commission, through its Acting Chairman, upon consideration of the record herein, and AMENDED RULES GOVERNING TELECOMMUNICATIONS COMPANIES, and for good cause shown, hereby **ORDERS** that:

1. The AMENDED RULES GOVERNING TELECOMMUNICATIONS COMPANIES are hereby adopted and approved.

2. The Rules shall be effective, *nunc pro tunc*, to February 1, 2018.

3. The PUC retains jurisdiction to further revise and amend the rules if changes to the assessment methodology are required.

4. This Order is subject to ratification by the PUC at its next meeting.

Dated this 22nd day of February, 2018.

Andrew L. Niven
Acting Chairman

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

GUAM TELECOMMUNICATIONS
ACT OF 2004 DOCKET 05-01

AMENDED RULES GOVERNING REGULATORY FEES FOR TELECOMMUNICATIONS COMPANIES

1. General Provisions.

a. The Guam Public Utilities Commission *("PUC")* is authorized under 12 GCA 12204(c)(7) to adopt reasonable rules to apportion its reasonable operating expenses among telecommunications companies, as that term is defined in 12 GCA 12201(h), including, without limitation companies providing commercial mobile service *["carriers"],* for the regulation of such companies and for the administration of the Guam Telecommunications Act of 2004.

b. PUC has three kinds of expenses, which shall be recovered under these rules:

   i. Prior to the commencement of each fiscal year,[1] PUC establishes an annual budget to cover its administrative expenses, which has averaged in the range of $490,000. It has been PUC's practice to allocate one-fifth of these expenses among the five regulated utilities: Guam Power Authority, Guam Waterworks Authority, GTA/ Other Telecom Companies, Port Authority of Guam, and Guam Solid Waste Authority. The one-fifth assessment charged to GTA and the Other Telecom Companies shall now be borne by the carriers and shall be allocated, commencing FY18, in the manner described in section 2[a] below.

   ii. From time to time, PUC will undertake regulatory activities, which in its judgment, are of material interest to some or all of the carriers, such as the crafting of the rules authorized by 12 GCA 12204. Regulatory expenses[2] in these proceedings will be allocated among the carriers in the manner described in section 2.

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

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

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

2. Allocation of Administrative and Regulatory Expenses.

a. The one fifth share of PUC's annual administrative expenses *("annual expenses"]*, which will be assessed on carriers pursuant to section 1 [b][i] above, shall be the responsibility of TeleGuam Holdings LLC, or its successor, as the dominant carrier; provided, however, that they shall be shared with all other carriers, which were assessed during the preceding fiscal year under sections 1 [b][ii] or [iii].

b. Each fiscal year there shall be a "baseline assessment" against the carriers for the PUC annual administrative expenses. The total baseline assessment shall be $45,000.00 per fiscal year. The baseline assessment shall be apportioned among the carriers as follows:

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

c. For each fiscal year, should there be PUC administrative expenses in excess of the amount of the baseline assessment, the remaining balance of such administrative expenses will be apportioned among the Telecom carriers based upon that carrier's percentage of the total regulatory fees assessed against all carriers for the prior fiscal year.

d. The total assessments on all carriers for regulatory fees during the preceding year under section 1 shall be determined and a percentage shall be calculated of each carrier's regulatory assessments to the total regulatory assessments. A carrier shall be assessed for a portion of the PUC annual administrative expenses in excess of the baseline assessment, which shall be determined by multiplying the above percentage by the annual expenses.[3]

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

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

3. Billing and Collection.

a. The annual administrative assessments, which are described in section 1(b) (i), shall be invoiced on or about October first of each year. The regulatory fees and expenses, which are described in section 1(b) (iii) shall be assessed and invoiced on a monthly basis. PUC invoices shall be due and paid within 30 days of the date the invoice is sent to the carriers.

b. Any PUC invoice not paid within 30 days of the date the invoice is sent shall subject a carrier to the penalties authorized in 12 GCA 12208. In a section 12208 enforcement hearing, a carrier may contest the reasonableness of an invoice. PUC's administrative law judge is authorized, with carrier's consent, to mediate any such dispute in advance of a hearing.

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

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:	)	GPA Docket 18-06
	)	
The Application of the Guam Power for Approval of Phase II Renewable Acquisition.	)	ORDER

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC], through its Acting Chairman Andrew L. Niven, upon the Petition of the Guam Power Authority ["GPA"] for Approval of the Phase II Renewable Acquisition Award to KEPCO-LG CNS Consortium.[1]

2. GPA proposes to enter into a contract with Korean Electric Power Company ["KEPCO"]- LG CNS for the construction of two 30MW solar PV projects in Sasajyan, Mangilao. Under the contract, GPA will purchase roughly 150,000 MWH Net Annual Generation at a price of $85.50 per MWH.[2]

BACKGROUND

3. On June 26, 2014, the PUC authorized GPA to solicit competitive bids for up to 40MW of renewable energy in its Phase II Renewable Acquisition.[3]

4. In May 2016, GPA announced its Multi-Step Bid GPA-070-16 for 60MW of Renewable Energy Capacity with Energy Storage System for ramp control.[4]

5. GPA obtained price bids in January 2017 and determined that it wished to award renewable energy resource contracts up to 120MW. GPA felt that the increase in

[1] GPA Petition for Approval of the Phase II Renewable Acquisition Award to KEPCO-LG CNS Consortium, GPA Docket 18-06, filed January 24, 2018, at p. 1.
[2] Guam Consolidated Commission on Utilities, Resolution No. 2018-01, Resolution Relative to Approval of the Phase II Renewable Energy Acquisition Award to KEPCO-LG CNS Mangilao Solar, LLC., for 60MW of Renewable Energy Capacity, adopted January 23, 2018, at Exhibit A.
[3] PUC Order, Procurement of Phase II Renewable Acquisition, GPA Docket 14-11, dated June 26, 2014, at p. 3.
[4] GPA Petition for Approval of the Phase II Renewable Acquisition Award to KEPCO-LG CNS Consortium, GPA Docket 18-06, filed January 24, 2018, at p. 1.

Megawatt power for award was justified because of the favorable price of solar power in comparison to fuel oil generated power under LEAC.[5]

6. Two bidders, KEPCO-LG CNS and Hanwa were selected to provide two plants each, or 60 MW, totaling 120MW of solar PV capacity.[6]

7. Based upon prices which range from roughly $65 to $85 per MWH of generation, GPA has determined that it is advisable to procure 120MW of renewable solar PV energy. Each contract will have a 25-year term with an annual escalator of 1% on renewable energy price

8. GPA intends to pay for the energy produced by the KEPCO 60MW plant through the Levelized Energy Adjustment Clause, which means that the cost of solar power purchased by GPA under the contract will be included in the fuel cost used to determine the customer LEAC rates.

9. The contract will require the installation of 32MW/32MWH ESS for Ramp Rate Control. Under the proposed Interconnection Agreement, KEPCO will be required to install various transmission lines and relays at substations.

10. On January 23, 2018, the CCU approved the award of two 30MW proposals, totaling 60MW for Phase II Renewable Acquisition projects, to KEPCO-LG CNS and authorized GPA to seek contract review approval for the projects with the PUC.[7]

11. PUC Counsel filed his Report herein on February 19, 2018, which Report is adopted by the PUC.

DETERMINATIONS

12. GPA has considerably increased the amount of renewable energy resources that it now intends to include within the island wide power system. The driver for such

[5] PUC Counsel indicates that he had discussions with GPA Counsel Graham Botha and Assistant GM John Cruz in January or February of 2017 concerning the interest of GPA in procuring 120 MW of additional solar power in Phase II of the Renewables Program.
[6] GPA Petition for Approval of the Phase II Renewable Acquisition Award to KEPCO-LG CNS Consortium, GPA Docket 18-06, filed January 24, 2018, at p. 1.
[7] Guam Consolidated Commission on Utilities, Resolution No. 2018-01, Resolution Relative to Approval of the Phase II Renewable Energy Acquisition Award to KEPCO-LG CNS Mangilao Solar, LLC., for 60MW of Renewable Energy Capacity, adopted January 23, 2018, at p. 1.

increase appears to be the lower price for renewable energy as compared with traditional fossil fuel energy.

13. Renewable energy is "an effective hedge against rising fuel oil prices." As the Commission has witnessed in recent LEAC proceedings, fuel prices have been increasing.

14. The KEPCO-LG CNS proposals should provide substantial savings to GPA over the term of the contracts based on current and projected LEAC rates.[8]

15. Public Law 29-62 set certain "Renewable Portfolio Standards", which required GPA to establish portfolio goals, *inter alia*, of twenty-five percent (25%) of its net electricity sales by December 31, 2035.[9]

16. With its proposed 120MW of solar energy, it appears that GPA will greatly exceed the legislative renewable portfolio standards. It is anticipated that, by 2020, 26% of GPA's sales will be through renewable energy production.[10]

17. Furthermore, the energy prices under the renewable energy contracts are fixed with escalations of no more than the 1% annually.[11]

18. The PUC will continue to review the policy of including the cost of renewable energy produced by the KEPCO and other solar plants as a LEAC cost. Inclusion of these costs in the LEAC does increase the amount of the LEAC factor which ratepayers must bear.

19. GPA must continue to justify amount of generation capacity which it has procured. With over 200MW of solar energy proposed, new generation of 180MW, and 400MW of existing fossil fuel energy resources, there is an issue of whether there is an excess of needed power production resources.

20. GPA will need to justify the total mix of energy resources that it is proposing, and that it is not procuring more generation capacity than necessary.

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[8] Id.at Exhibit D.
[9] Public Law 29-62 enacted March 25, 2008, Section 2 (12 GCA §8311).
[10] Guam Consolidated Commission on Utilities, Resolution No. 2018-01, Resolution Relative to Approval of the Phase II Renewable Energy Acquisition Award to KEPCO-LG CNS Mangilao Solar, LLC., for 60MW of Renewable Energy Capacity, adopted January 23, 2018, at Exhibit D.
[11] Id. at p. 2.

21. With regard to the proposed contract with KEPCO, there are new provisions which require energy storage and ramp control. It is desirable that GPA will require KEPCO to provide energy storage facilities enabling the shifting of solar energy to peak hour use.

22. In general, the proposed contract is based upon earlier renewable energy contracts and provides numerous provisions that protect GPA and its ratepayer interests in the event of contractor default. The provisions appear to be standard and commercially reasonable.

ORDERING PROVISIONS

Pursuant to 12 GCA Sec. 12105 (b), the Commission, through its Acting Chairman, upon consideration of the record herein, the Petition of GPA, the PUC Legal Counsel Report, and for good cause shown, hereby **ORDERS** that:

1. The Petition of the Guam Power Authority ["GPA"] for Award of the Phase II Renewable Acquisition Contract for two 30MW plants to KEPCO-LG CNS Consortium is approved.

2. GPA shall file a copy of the final executed contract with the PUC.

3. This Order is subject to ratification by the PUC at its next meeting.

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.

Dated this 22nd day of February, 2018.

Andrew L. Niven
Acting Chairman

COPY

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OF GUAM

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Public Utilities Commission
GUAM

February 20, 2018

VIA HAND DELIVERY

The Honorable Governor Eddie Baza Calvo
Governor of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam

The Honorable Benjamin J.F. Cruz
Speaker, 34th Guam Legislature
155 Hesler Street
Hagatna, Guam 96910

Speaker Benjamin J.F. Cruz
FEB 2 0 2018
Time: 402 [ ] AM [ ] PM File No.
Received By

Re: Guam Public Utilities Commission FY2017 Annual Report

Dear Governor Calvo and Speaker Cruz:

In accordance with the mandate of 12 GCA § 12104, the Guam Public Utilities Commission respectfully submits its Annual Report for Fiscal Year 2017.

During the past fiscal year, the Guam Public Utilities Commission ["GPUC"] has been able to address a substantial workload with existing resources. The Commission has continued its efforts to rely upon local consultants and to reduce its reliance on off-island consultants. The PUC has been successful in reducing costs of operation.

However, the workload of the GPUC is growing. When the federal receivership ends, GPUC will assume full regulatory responsibility for the Guam Solid Waste Authority ["GSWA"] and rate setting authority.

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There have been continuing pressures upon rates, and the PUC has recently been obligated to raise rates for a number of the utilities. Rising fuel prices necessitated increases in the LEAC factor. For a period of one year, GPA and PUC attempted to minimize such increases by only providing for a 50% recovery of fuel costs. However, LEAC increases were necessary to ensure that the under recovery by GPA of its fuel costs did not become excessive. As of January 2018, the under recovery stood at $18M.

On the positive side, despite its plans to build a new 180 MW plant through an independent power producer, GPA has stated on the record that it will not raise base rates through 2021.

In 2017, rates for the Guam Waterworks Authority were raised by 4%. GWA issued bonds in 2010, 2016, and will again issue bonds this year. Sufficient rates are required to fund debt service and to fund the massive water and waste water projects required by the Federal Stipulated Order.

GPUC also approved a five-year rate plan for the Port Authority of Guam, which included 7% rate increases last year and commencing on January 1 of this year. Such increases were necessary to fund the repair and rehabilitation of the Port facilities, which have not been substantially improved since the 1970s. The anticipated PAG bond issuance will impose debt service payment requirements.

These rate increases clearly impact ratepayers. Since recent rate increases have been implemented by the GPUC for the utilities, it is hoped that the GPUC can avoid additional increases in the near future. If further increases are necessary, the GPUC will consider, as it always does, the potential impact of such increases upon the ratepayers and will attempt to mitigate that impact.

GPUC has no specific legislation to recommend at the present time.

The GPUC looks forward to working with the Executive and Legislative Branches of our Government in enacting legislation that will improve the operations of the utilities. If you have any questions concerning the operations of the Guam Public Utilities Commission, please let us know.

Respectfully submitted,

Andrew L. Niven
Acting Chairman

Enclosure: Attachment A

Attachment A
Significant Regulatory Action – FY2017

Guam Power Authority

Date	*Docket*	*Action*
10/27/16	GPA 16-01	GPA petitioned the PUC to establish a tariff on LED Street Lighting. In the PUC FY13 Rate Decision, PUC ordered GPA to submit a tariff for LED street lighting. Public Hearings were held in three villages concerning the proposed tariffs. GPA proposed a $26.15 fixture charge for an LED 250 lamp, and a $19.10 fixture charge for an LED 150 lamp. The PUC found that approval of the LED tariff would allow GPA to meet its operating expenses with regard to its LED replacement program, and would result in a savings for customers who currently pay the rates for the High Pressure Sodium Street lights (HPS). The PUC approved the rates proposed by GPA and Schedules F and Schedule H to the Tariff.
10/27/16	GPA 15-05	GPA sought approval from the PUC to procure up to 180MW of dual fired Combined Cycle Generation Plant. GPA submitted that new generation was necessary because of the explosion and fire which occurred at the Cabras 3 &4 power plants. The explosion resulted in the loss of 78MW of baseload capacity. After extensive review of the GPA proposal by PUC consultants and the Administrative Law Judge, the PUC found that GPA had justified the need to procure new generation capacity. Based upon the loss of the Cabras 3 & 4 plants, and the fact that the Cabras 1 & 2 plants were reaching the end of their useful life (projected to be within five years), it was evident that GPA needed to replace baseload generation. Given the increased need for baseload capacity, GPA had offered sufficient justification to procure the new generation combined cycle plant of up to 180MW. GPA was also authorized to procure an engineering, procurement, and construction contractor for its new combined cycle plant. The PUC found that GPA's procurement for the new generation would cause a rate impact upon the ratepayers. GPA indicated that the cost for the new

		plant, estimated to be roughly $424M, would be paid for by the Independent Power Producer partner. However, GPA would have costs of approximately $100M relating to new resource land, and Interconnection and Fuel Piping Costs. GPA anticipated that it would pay such costs from settlement proceeds from the Cabras 3 & 4 explosion, as well as potentially through revenue bonds. On the record, GPA promised to minimize any rate impact and believed that no rate increase would be needed through 2021. The PUC decided, however, to impose certain requirements upon GPA's procurement for the combined cycle plant. Before the procurement was issued, it would have to be first reviewed and approved by the PUC. GPA's plan for 180MW would be based upon the Independent Power Producer (IPP) Model as a Build-Operate-Transfer (BOT). GPA's plans for bond refinancing, restructuring or financing/leasing for the IPP were disapproved.
10/27/16	GPA 17-01	GPA & GWA both requested that the PUC approve the Supervisory Control and Data Acquisition System ["SCADA"] Contract with Benson Guam Enterprises Inc. This system would be designed to assist each utility in managing its operations. The SCADA system would provide remote telemetry and control to the substations and GPA plants, and to the GWA facilities. It would automate data acquisition and provide various system control functions. The PUC determined that a new SCADA system was necessary to replace GPA's present 10 year old system; GWA had not previously had a SCADA System. GPA and GWA were authorized to enter into the SCADA System Contract with Benson Guam Enterprises, Inc., at a cost of $1,951,474.00.
10/27/16	GPA 17-02	GPA petitioned the PUC for approval of the contract with TEMES Inc., for the Cabras 1 Overhaul. The scheduled overhaul was for a period of July 15, 2017 through September 3, 2017. Its purpose was to restore the reliability and availability of plant equipment, plant efficiency, and to support the economic dispatching of the generation system. Items included for overhaul were the main steam turbine generator, archway tubes, burner front system flame detectors, and air preheaters. The PUC determined that the repairs were cost effective in a cost-benefit Analysis. The overhaul was necessary

		to minimize boiler tube leaks and the derating of the unit in the near future. The PUC approved the Cabras 1 overhaul and approved funding in the amount of $5,490,000.00.
10/27/16	GPA 17-03	GPA requested approval for the Overhaul of the Diesel Peaking Units, with a total capacity of 45.8MW [installed in 1993]. The major overhauls were needed to ensure unit availability and to restore design efficiency. The PUC authorized GPA to expend up to the amount of $7.8M over a 3-year period using revenue funds for the Diesel Peaking Unit repairs. The PUC found that these units were particularly needed over the next few years in the island wide power system because GPA currently faces a generation capacity shortage.
10/27/16	GPA 17-04	GPA requested that the PUC approve the procurement of a Performance Management Contract for the Management, Operation and Maintenance of the GPA Fuel Farm Bulk Storage Facility. GPA sought to issue a procurement because the present PMC contract for the GPA Fuel Farm Bulk Storage Facility was terminating on May 31, 2017. The PMC is responsible for the operation of the Storage Facility, and the transfer of fuel oil products to GPA owned and contracted facilities and locations. The PUC found that the proposed contract was adequate to require proper performance by the contractor. The procurement of the Fuel Farm PMC would contribute to the efficient operation of the Cabras power plants. GPA was authorized to procure a PMC for the Management, Operation and Maintenance of the GPA Fuel Farm Bulk Storage Facility; however, since the cost for such a PMC was presently unknown, GPA was required to seek PUC approval of its final PMC contract.
10/27/16	GPA 17-05	GPA sought to procure environmental engineering and technical services to assist it with engineering planning, environmental engineering, feasibility studies, and design and construction management services. The base contract period would be five (5) years, with an option to extend for an additional five (5) years. The selected contractor would also undertake such matters such as power plant life extension studies, examination of the Fuel Bulk Storage Facility, preparation of design specifications, engineering work and construction/project management of the power plants,

		and other power plant control system work. The PUC found that it was reasonable, prudent and necessary for GPA to issue a procurement for the engineering and technical services indicated in this scope of work, but without the EPCM services for the new combined cycle plants. Such services should be handled in separate contract and through separate funding. PUC approved the procurement of environmental engineering & technical services in a contract amount not to exceed $1.5M for the five-year base period of the contract, to be funded through revenue funds.
10/27/16	GPA 17-06	The PUC approved GPA's request for a GPA-Navy Renewables Integration System Study. The 25 Solar PV facility in Dededo has already been incorporated into the GPA system. The system had also been impacted by the addition to the grid of 11MW from the net metering program. GPA and Navy had also successfully negotiated a lease of approximately 164 acres of Navy land for GPA development of approximately 45MW solar photovoltaic installations. The purposes of the study were to analyze potential solutions to mitigate the effects of the intermittent generation to the transmission and distribution systems caused by solar power, and to reliably integrate these renewable resources into the transmission, distribution, and generation systems. The PUC found that the study was necessary to determine how renewable energy could be better integrated into the IWPS. The PUC approved the expenditure of $895,377 from the 2014 Bond Funds for the study.
10/27/16	GPA 17-07	GPA requested that the PUC approve its Property Insurance Policy Renewal. It sought to renew its property insurance contract with AM Insurance for a two (2) year renewal period. The GPA Chief Financial Officer was able to negotiate a reduction in the annual premium for the two (2) year period from $6.662M to $6.450M. The PUC determined that there was a need for the policy renewal, as the present policy was set to expire on November 1, 2016. GPA's Bond Indenture Agreement requires that GPA secure and maintain property insurance on all facilities. For the foregoing reasons, PUC approved the renewal of the Property Insurance contract for a two (2) year period and authorized GPA to expend up to the amount of $6.450M

		as the annual policy premium.
11/28/16	GPA 17-08	GPA sought PUC review and approval of the forty (40) megawatt (MW) Temporary Power Plant Lease Contract Extension with Aggreko International Projects Ltd. The extension for the Aggreko 40MS power plant lease contract of four years would include an option to purchase the units, to enable GPA to have sufficient reliable reserves until the commissioning of the combined cycle base load generation units. The four year contract extension for Aggreko would cost $45,767,808.00. The PUC found that GPA needed the Aggreko plant to add to its reliable reserves because of its baseload loss. GPA indicated that the contract extension will result in savings, based on what it would have spent on operating and maintaining Cabras 3 & 4. The PUC concluded that the additional 4-year term, with option to purchase the Aggreko units was reasonable. GPA was authorized to use $3M from the Cabras 3 & 4 insurance cash advance to fund the emissions compliance mobilization for the Aggreko plant, and for an amount not to exceed $49.732M.
11/28/16	GPA 17-09	GPA petitioned the PUC to approve additional expenditures for the Dededo Combustion Turbine Return to Service Project. GPA requested authorization from the PUC to use $2.607M in additional CIP revenue funds for FY2017 to return the Dededo CT units to service. The PUC determined that the Dededo CT plant rehabilitation was a worthwhile and necessary project to provide additional generation capacity for the island wide power system. The Dededo CTs provided dedicated support to Andersen Air Force Base Substation and improved system reliability and extension of life of the combustion turbines. These additional funds were needed for the repair and rehabilitation of the Dededo CTs. The PUC authorized expenditures for the Dededo CT Return to Service Project in an additional amount from the FY2017 CIP Revenue Funds of $2.607M.
11/28/16	GPA 17-12	The PUC approved the Cabras 3 & 4 Plant and Engineering Cleaning. As a result of the Cabras explosion, GPA was notified by its Insurers to proceed with preservation efforts for the Cabras 3 & 4 plants. The Cabras 3 & 4 suffered extensive smoke and soot

		contamination from the fire after the Cabras explosion. The Insurers indicated that they would be responsible for the Cabras 3 & 4 Plant and Engine Cleaning in the amount of $4,840,538.00. This payment will not impact the ratepayers. The PUC determined that GPA does have a duty to mitigate losses to the equipment and plant damaged by the explosion. It was therefore authorized to proceed with the plant and Engine cleaning with its PMC, KEWP. The PUC found that the proposed contract with Belfor USA, procured by KEWP, was responsible, prudent and necessary.
11/28/16	GPA 17-13	GPA requested that PUC approve the removal of the Cabras 4 Engine and Equipment. This action was necessary as the Insurers had requested that this work be done for further examination of the extent of loss and for the preservation of the engine. The PMC Korea East West had procured a contractor to undertake this work: Royce Power Engineering Ltd. The PUC authorized the Cabras 4 Engine and Equipment removal to allow GPA to perform further analysis on the engine foundation, and because it was required by the Insurers for the insurance claim. The PUC authorized expenditures for engine and equipment removal up to $5,996,435; however, this amount must be paid by the Insurers and not GPA.
12/29/16	GPA 17-16	GPA requested that PUC grant a 3-month extension of the Performance Management Contract between GPA and KEWP for the management, operation and maintenance of the Cabras No. 3 & 4 Power Plants. A number of short term extensions had previously been granted to KEWP. Since August 31, 2015, the Cabras No. 3 & 4 Units had not been operational or available for dispatch. It was questionable whether said units could be restored at all. GPA contended that it was critical to continue the services of KEWP to provide expertise and support in engineering assessment, technical services, and program management. Although the PUC felt that the cost of the proposed services by KEWP as PMC was too high, it approved a 2-month extension of the KWEP PMC Contract. GPA was authorized to expend a total amount of no more than $100,000 per month for the 2-month extension, including both fixed management fees and preservation management services. Within 45 days

		of the date of the Order, GPA was required to provide a plan to the PUC indicating the total cost and duration of the PMC with KEWP.
1/26/17	GPA 17-17	GPA requested that the PUC increase the Levelized Energy Adjustment Clause Factor ["LEAC"] from \$0.086613/kWh to \$0.101372/kWh effective for meters read on or after February 1, 2017. The basis for the request was the "continuing increase in worldwide fuel prices." GPA indicated that, to recover the full amount of the "under-recovery" of about \$17.7M, the LEAC factor would actually need to be increased to \$0.116136/kWh for the period of February 1, 2017 to July 31, 2017. However, GPA, to lessen the large impact of a LEAC increase upon ratepayers, decided to only seek one-half of the recovery during the upcoming LEAC period. GPA also agreed to reduce the impact of the LEAC increase by applying \$4.6M from the Cabras No. 3 & 4 explosion insurance proceeds to offset the fuel under-recovery. In accordance with the updated fuel prices for January 5-11, 2017, the PUC held that, for the customer utilizing an average of 1,000 kilowatt hours per month, the factor would be adjusted to \$0.105051. This change represented a 10.2% increase in the total bill for the average residential customer.
2/23/17	GPA 15-16	GPA requested that the PUC approve the Award of the Energy Storage Contract to LG CNS. The Energy Storage System is funded by the 2014 Bonds in the amount of \$35M. Under the proposal, two energy storage facilities will be built: a 24MW ESS at the GPA Agana Substation and a 16MW ESS at the Talofofo Substation. The purpose of these energy storage systems is to manage the frequency spikes in the power system and to prevent under-frequency outages. The ESS systems will maintain the rated power output for 15 minutes. The selected company, LG CNS, has previously acted as a contractor for the construction and implementation of such projects. It will also manage the GPA facilities for a 25 year period. The PUC found that the proposed Contract with LG CNS should adequately protect GPA's interest. It approved the Award of the Energy Storage Contract to LG CNS, as well as the terms of the proposed contract.
2/23/17	GPA 17-16	In accordance with prior PUC Orders, GPA filed its

		KEWP Extension Plan for management and operation of the Cabras No. 3 & 4 Power Plants. GPA now requested that PUC approve a 12 month contract extension with KEWP. The projected cost of the 12 month extension was $1,026,727.32. Of that cost, $726,727.32 was for the Fixed Management Fees and $300,000.00 for preservation Management Services (reimbursable). The PUC found that GPA had addressed some of its concerns in its plan. The contract can be terminated upon 30 days' notice. The PUC determined that GPA had presented a reasonable justification for retaining the services of KEWP. KEWP was assisting in the evaluation of the extent of damages to Cabras No. 3 & 4 caused by the explosion. KEWP was also expediting the procurement of goods and services needed to facilitate plant preservation. The PUC approved GPA's request for a 12-month contract extension of the PMC with KEWP; the total Fixed Management Fee for the 12-month contract was not to exceed $726,727.32; the total amount for the 12-month period that GPA was authorized to expend for Preservation Management was $300,000.00, and not to exceed $25,000 per month. The total cost for the 12-month extension could not exceed $1,026,727.32.
2/23/17	GPA 17-18	GPA requested that PUC approve its procurement for Supply of Diesel Fuel Oil No. 2 for its baseload and peaking units. The peaking units include the Fast Track Diesel Plants and Combustion Turbine Plants. The PUC determined that diesel fuel is needed so that GPA can assure a stable and uninterrupted supply of electricity to meet the island wide utility power demand. GPA will seek to procure between 20,060,000 and 28,100,000 gallons of diesel fuel oil per year. The PUC found that the proposed contract was adequate to protect the interest of GPA and its ratepayers, and authorized GPA to proceed with the procurement for supply of Diesel Fuel. Once the final contract for supply of diesel fuel was negotiated, GPA was required to submit such contract to the PUC for final review and approval.
4/27/17	GPA 15-05	In its Supplemental Order, the PUC sought to clarify two aspects of its prior order of October 27, 2016, which authorized GPA to issue a procurement for New Generation Combined Cycle Units. PUC Counsel

		learned that GPA had indicated to potential bidders, with regard to the new generation, that only combined cycle unit generation maybe considered in the procurement due to the wording of the prior PUC Order. Potential bidders had also been advised by GPA that it may not consider any proposal involving Liquified Natural Gas (LNG) because of the prior PUC Order. The PUC ordered that, notwithstanding any language in the prior PUC Order dated October 27, 2016, GPA shall consider technologies other than combined cycle units in the procurement for new generation which it subsequently intends to issue. In accordance with a market approach, bidders should be able to offer technology solutions other than combined cycle units, which may include LNG, LPG, or other possible solutions which meet the necessary criteria. Notwithstanding language in the prior Order, GPA shall entertain and consider LNG proposals that can provide efficient, reliable and least cost baseload capacity. The October 27, 2016 Order was amended to include the foregoing provisions.
5/25/17	GPA 13-14	GPA filed a Proposal requesting an Expanded Demand Side Management Program. This program originated in 2013 at the request of the PUC for the setup of a program which would encourage energy-efficient equipment to conserve energy and lead to a lesser need for additional generation. Four DSM projects were initially implemented, including air-conditioning, central and split-unit, and washer/dryer. After discussions between GPA and PUC Counsel , the following new DSM programs were agreed upon: energy audits, commercial air-conditioning/high efficiency packaged roof top units (20-ton assumed, 15 SEER or better); commercial building energy management systems including electromechanical devices that control heating, ventilation, lighting systems, fire alarms, security and maintenance functions, etc.; solar thermal assisted air-conditioning with collectors; residential air-conditioning with variable refrigeration flow and commercial variable refrigerant flow (VRF); commercial lighting, including T5 LED lamps and T8 lamps; outdoor floodlights and parking lot lights were also included; low-flow shower

		heads; rebates for energy star electric water heaters and tankless water heaters; a pilot project for a hundred customers with solar energy storage systems; rebates for smart inverter systems and upgrades. Specific customer rebates for each project were established. The PUC approved the additional DSM initiatives proposed, determining that they should foster energy conservation and hopefully reduce long term need for additional generation capacity. The PUC approved the ten additional DSM program initiatives. GPA and the ALJ were instructed to continue to discuss proposals for the long term funding of DSM programs and to develop a plan for such funding.
7/27/17	GPA 17-19	GPA petitioned the PUC to increase the Levelized Energy Adjustment Clause factor from $0.1050151 per kWh to $0.117755 per kWh for meters read on or after August 1, 2017. The reason for the requested increase was that oil prices were continuing to rise, in the general range of $50 to $55 per barrel. However, GPA indicated that it was only seeking 50% of the under recovery for this period as full recovery would cost over 13 cents per kWh to recover $15.65M. After fuel prices were updated, and upon further discussions with PUC Counsel, GPA agreed to set the LEAC factor at $0.117718 per kWh. In its Order, the PUC approved increasing the LEAC factor to $0.117718, effective August 1, 2017, for the average ratepayer utilizing 1,000 kWh per month. This change represented a 6.3% increase in the total bill for a residential customer utilizing an average of 1,000 kilowatt hours per month (an increase of $12.67 per month).
7/27/17	GPA 17-05	GPA requested PUC approval for award of a contract for Environmental and Technical Services to Leidos Engineering LLC. After GPA issued its procurement, Leidos was determined to be the most qualified proponent out of seven bidders. PUC found that there was a need for Leidos to assist GPA in certain tasks concerning the transfer of ownership of the IPP-owned units to GPA. However, the PUC ordered that funding for the award under this 5-year contract would remain at a not to exceed level of $1.5M (through 2021), unless GPA petitioned PUC for increases in the contract amount and such increases were approved. GPA was

		furthered ordered to provide a report to PUC indicating the projects which it expected Leidos to provide under the contract and to explain its plan to transition the Piti #8 & #9 to ULSD. However, PUC did not approve a proposed task for Leidos to examine a Waste to Energy plant, as it may not be lawful under applicable Guam statutes. GPA was required to further justify such proposal.
8/31/17	GPA 17-04	GPA petitioned PUC for review and approval of the Performance Management Contract (PMC) for the Management, Operation and Maintenance of the GPA Fuel Farm Bulk Storage Facility. The current PMC was expiring, and GPA had determined that IP&E Guam LLC was the lowest, most responsive and responsible bidder. The contract was for a two year base period, and the total cost was $1,644,300.00 for mandatory services. The PUC determined that the proposed Contract for the PMC was adequate to require proper performance by the contractor, and that a PMC for the Fuel Farm was responsible, prudent and necessary. Award of the PMC to IP&E Guam LLC was approved, along with an authorization to expend up to $1,644,300.00 for the two-year base period of the PMC.
9/28/17	GPA 17-22	GPA requested that the PUC approve its FY2018 GPA Capital Improvement Project Ceiling Cap. Pursuant to the GPA Contract Review Protocol, GPA is required to request annual approval of its CIP Ceiling Cap. GPA requested approval of the FY2018 CIP Cap in the amount of $20,959,813, which consisted of General Plant ($16,780,813) and Engineering for, ($4,179,000). PUC determined that the requested cap CIP included some large "plant" items, such as Energy Storage Phase I payment, EPCM procurement, IPP Assessment, purchase of Digger/Tree Trimming Equipment, and Major Overhauls of the 8 caterpillar units. The PUC determined that, given the inclusion of Engineering Projects in the FY2018 CIP Budget, the proposed budget was not out of line or inconsistent with the Cap in prior years. GPA was required to seek approval under the Contract Review Protocol for the procurement of any items included within the CIP cap which exceeded the $1.5M threshold. The CIP Ceiling Cap was approved in the amount requested, and GPA was required to file a

		complete reconciliation of its FY2017 expenditures on or before December 15, 2017.
9/28/17	GPA 17-21	This matter came before the PUC on GPA's Petition for approval of the Phase III Renewable Acquisition Procurement. The PUC had authorized GPA to enter into a lease agreement with the United States Navy for 164 acres of federal land. The purpose of the Lease was to enable GPA to undertake a 37 MW Solar PV development on five Navy parcels of land. GPA now sought approval to procure up to 40MW of renewable energy "with energy storage requirements for the primary purpose of shifting solar PV energy." GPA planned to procure developers who would construct solar PV plants on each of the five projected sites. GPA would function as the Engineering, Procurement and Construction ["EPC"] Partner for Navy on these projects. It would solicit bids from firms and be responsible for issuance of the procurement to provide solar PV facilities at each of the leasehold sites. PUC determined that GPA's participation in the 37MW Navy renewables project was advantageous to Guam and in the best interest of the ratepayers. If GPA did not undertake these projects, it could lose revenues from Navy. This 37MW Phase III Renewable Project with the Navy has long been a part of GPA's plan to incorporate 120MW of renewables into the IWPS. GPA's procurement of the Phase III Renewable Acquisition was approved.
9/28/17	GPA 17-18	GPA petitioned PUC for approval of GPA's Procurement for Supply of Diesel Fuel Oil. Its current contract was expiring on December 31, 2017. Diesel Fuel Oil No. 2 was used at various GPA Baseload, Diesel Fast Track, and Combustion Turbine Plants. GPA sought to alter its prior bid and re-solicit for diesel fuel. PUC found that GPA had demonstrated a need to revise and reissue its IFB for the supply of Diesel Fuel Oil No. 2 for the Baseload and Peaking Units. GPA's consumption of diesel fuel had greatly increased by 380% (as a result of the Cabras No. 3 & 4 explosion in August 2015. GPA estimated that its annual diesel fuel oil requirements were increasing. PUC determined that it was necessary for GPA to reissue its diesel fuel bid in order to secure a sufficient supply of such fuel. The

		PUC approved GPA's request to re-solicit bids for the procurement of supply of Diesel Fuel for its Baseload, Fast-Track, and Combustion Turbine Plants.
09/28/17	GPA 17-23	PUC reviewed GPA's petition for approval of the Contract with Tristar Terminals Guam Inc. for the lease of an additional 196,000-barrel capacity Storage Tank for diesel fuel. As indicated in GPA Docket 17-18, GPA was required to secure additional quantities of Diesel Fuel Oil No. 2 as a result of the Cabras No. 3 & 4 explosion. It needed additional diesel fuel oil up to a capacity of 1M gallons per year. GPA's current suppliers could not obtain sufficient diesel tank storage to support GPA's increased diesel consumption. The cost of an additional 196,000-barrel capacity storage tank would be approximately $1,176,000 annually. PUC determined that GPA's current ULSD supply or storage capacity was insufficient to meet GPA's supply volume requirements. While noting that the need for this storage capacity again indicated the unfortunate impacts on ratepayers resulting from the Cabras No. 3 & 4 explosion, there was no option but for GPA to expend nearly $1.2M annually to provide sufficient fuel storage tank capacity. GPA did anticipate that the need for this additional storage would only extend up to five years, the time period until new generation was available. The PUC authorized GPA to enter into a lease with Tristar for tank storage capacity of 196,000 bbls., at a cost not to exceed $1,176,000 annually. The term of the lease did not exceed five years total, including extension.
09/28/17	GPA 17-20	GPA requested approval from the PUC for Issuance of Bonds to Refinance a Portion of the Outstanding 2010 Series A Revenue Bonds. GPA sought to refinance roughly $96M out of a $150M 2010 Bond Issuance. However, the PUC determined that approval of the bond refunding by PUC would be illegal, as neither the Legislature, nor the Governor or GEDA, had approved the refunding. GPA admitted that there was no legislation authorizing GPA to issue its proposed Bond Refunding. Without the prior approval by the Governor and the Legislature, it would be illegal under various statutes for PUC to approve the refunding. Approval by the Legislature and GEDA were conditions precedent. Throughout its history, PUC had never approved bond

		issuance or refunding without prior legislation authoring the action and approval of the Governor/GEDA. PUC had no statutory or implied authority to approve a bond refunding without prior approval by the Legislature and Governor. Furthermore, even were it not contrary to law for the PUC to approve the refunding, GPA admitted that PUC may, within its discretion, deny the refunding pending legislative authorization. Based upon the foregoing, the PUC declined to consider GPA's proposed refunding any further at present. Such consideration would be premature, unless and until there was legislation authorizing the refunding and approval by both the Governor and GEDA.

Guam Waterworks Authority

Date	*Docket*	*Action*
11/28/16	GWA 17-01	GWA petitioned PUC for approval of the GWA Insurance Bid and Authorization to issue Policy. GWA indicated that it is required to maintain insurance on its system that a reasonable prudent operator of a similar system would maintain. GWA will have its risk management consultant assisting it in preparing the IFB for insurance. The IFB will be similar to the prior procurement issued in 2012, but would reflect updated policy requirements, additional assets and revised values. The PUC approved GWA's petition for commercial property insurance.
01/26/17	GWA 17-02	PUC reviewed GWA's request for approval for the remaining half of a $4,059,877 increase in the Program Management Office ("PMO") contract with Brown & Caldwell, Amendment No. 6, filed by GWA on January 5, 2017. GWA indicated that it needed significant assistance from Brown & Caldwell relative to compliance with the November 2011 Court Order, for GWA's 5-year rate plan, SRF project management, and project management services for the Umatac-Merizo WWTP Upgrade, and water well production /management. Previously the PUC, on September 29, 2016, had approved one half of the amount requested by GWA, or $2,029,938.50. The PUC indicated the remaining one-half would be considered upon GWA's submission of a transition plan addressing its current

and future efforts to reduce reliance on PMO services. GWA filed its PMO Transition Plan on December 29, 2016. GWA indicated that it needs the PMO services because of its lack of qualified personnel and key operational and technical positions. There are still 16 outstanding court ordered projects which require PMO assistance. GWA represented to the PUC that it had improved and streamlined its operations, and that the PMO contract will expire in 2019. Based on the submission of the Transition Plan, the ALJ recommended that the PUC approve GWA's request for the remaining funding of its contract with Brown & Caldwell, not to exceed $2,029,938.50. This funding was necessary and critical in order for GWA to meet the deadlines imposed by the federal Stipulated Order, as well as to improve GWA's water and wastewater systems. The PUC adopted the recommendation of the ALJ and approved an $2,029,938.50 increase in GWA's PMO contract with Brown & Caldwell. GWA was further required to provide PUC with a report outlining the PMO's training program and schedule plan for the duration of the contract, by March 1, 2017.

2/23/17	GWA 17-04	GWA petitioned PUC for approval to reprogram projects funded by GWA's 2010, 2013 and 2016 Bond proceeds. GWA sought approval to reallocate $29.6M in bond funds to advance the timing of certain capital improvement projects. GWA submitted that these projects were required under the Amended Stipulated Order issued by the District Court of Guam. The two projects for which GWA intended to execute contracts were for the Baza Gardens Wastewater Conveyance and Pump Phase III project by April, 2017, and the Umatac/Merizo Waterwater Treatment Plant Improvements Design Build project by June, 2017. The Baza Gardens WWTP project was required to be substantially completed by April 30, 2018; funding was required to be in place and available for the Umatac/Merizo WWTP project. The Baza Gardens Sewage treatment Plant required an additional $15.8M for completion. Although $8M had already been budged for the Umatac-Merizo STP Replacement project, an additional $12.8M was needed (or a total of $20.8M for the entire project). An additional $1M was

		needed to acquire a property adjacent to the existing Northern District Wastewater Treatment Plant for Secondary Treatment Upgrades. A total amount of $1.56M was needed to acquire an additional 17 acres of property. The reallocation of bond funds was found to be reasonable and necessary given GWA's need to comply with its obligations under the federal Amended Stipulated Order. The PUC approved GWA's request for reallocation of $29.6M of 2010, 2013, and 2016 bond funds to advance the timing of certain capital improvement projects. GWA was required to submit to the PUC a report detailing updates on its Capital Improvement Projects funded by bond proceeds.
4/27/17	GWA 17-05	GWA petitioned PUC to approve its proposed contract for property insurance with AM Insurance. Pursuant to PUC Order, GWA had issued an IFB for property insurance, general liability insurance, directors and officer's liability insurance, automobile insurance, crime insurance, and cyber insurance. AM Insurance was the only bidder, and GWA determined that its bid was responsive, responsible, and acceptable. The contract is for a 5 year term, with a total cost of coverage being $4,528,804.00. As the PUC previously determined, GWA's Bond Indenture requires that GWA maintain insurance on its system. The availability of property insurance will also potentially benefit ratepayers with regard to the protection of system assets. The PUC approved GWA's contract with AM Insurance for a term of 5 years, and for a total cost of $4,528,804.00.
7/27/17	GWA 17-07	GWA petitioned PUC to approve a Contract of Performance for Phase II of the Land Registration Survey Project. Originally there were over 200 pieces of real property conveyed by the Government of Guam to GWA. The Grant Deeds provided that, if survey maps were not completed, the properties would revert back to the Government of Guam. In March 2017, GWA issued an RFP for qualified land surveyors to complete the land surveys and maps for Phase II. Out of four proposals, the firm of Duenas, Camacho & Associates Inc. was selected as the top offeror. The negotiated contract relates to services for field survey work on ninety-three (93) properties. The total cost of the contract is $1,153,523.54, which includes a ten percent

		(10%) contingency. GWA submitted that the surveys were required to be done, because if the lots were not surveyed and registered, they would revert back to the Government of Guam. Under the contract, the work would primarily consist of (1) survey and mapping; (2) preparing a Broker's Price Opinion (BPO); and (3) the registration of the properties at Land Management. The firm DCA would also conduct a field survey to establish the property boundaries required to meet GWA's real property needs and would submit completed boundary survey maps to the Department of Land Management for review and approval. The PUC ratified the underlying procurement and approved the contract between GWA and DCA for land survey services at a cost of $1,048,657.77. This amount would be subject to the twenty percent (20%) contingency pursuant to Section 9 of GWA's Contract Review Protocol.
7/27/17	GWA 17-08	GWA applied to PUC for approval of an award for Indefinite Quantity Contract for Submersible Pumps and motors to JMI-Edison. GWA had issued an IFB for the purchase of submersible pumps and motors for GWA's drinking wells. JMI-Edison's bid was selected for a three year contract with two yearlong options to renew. With an earlier IFB in January, 2015, GWA had issued an award to JMI-Edison and entered into a indefinite quantity contract with JMI-Edison. GWA seeks PUC approval of its 2015 contract with JMI-Edison, but will require additional pumps and motors at a cost of $226,854.15, for a total cost of $963,018.62. JMI procures "Grundfos" pumps and "Franklin Electric" motors. GWA believes that these products result in improved service and operational efficiency. Savings of time and money result for the agency. The PUC, based on the ALJ recommendation, ratified the underlying procurement in 2015 and approved the contract between GWA and JMI-Edison for the purchase of submersible pumps and motors, at an estimated cost of $1,300,282.92 (this includes GWA's estimated additional $337,264.30 for the remainder of 2017). For any purchase of additional pumps and motors in 2018, GWA shall be required to return to the PUC with a listing of such additional purchases for 2018. At that time PUC will review the need for such purchases and funding.

7/27/17	GWA 17-09	GWA filed an Amended Petition with the PUC for authority to award a two year Contract Extension for Liquid Chlorine to Marianas Gas Corporation dba Island Equipment Company. GWA seeks to extend the life of its contract with Marianas Gas Corporation for two additional years. GWA also petitioned the PUC for ratification of purchases made under its existing contract with Island Equipment, including approval of $2,460,984 in purchases made under the existing contract. With regard to the 2-year extension of the contract, GWA estimated that it would purchase an additional $1.8M in chlorine purchases. The present contract was set to expire on July 28, 2017. Although GWA failed to submit timely requests for approval of the purchases or the contract extension, the ALJ found that GWA's need for chlorine was essential and indispensable to its daily operations for purifying Guam's water. GWA is required to purchase liquid chlorine for the treatment of drinking water to disinfect impurities, and to satisfy both local and federal standards with respect to water quality. The PUC ratified GWA's contract with Island Equipment and authorized the purchases made under said contract in the amount of $2,460,984. It further approved GWA's request to exercise two (2) one-year options for renewal.
9/12/2017	GWA 17-10	GWA petitioned the PUC for authority to issue bonds for the purpose of redeeming or retiring all or a portion of GWA's outstanding Water and Wastewater System Revenue Bonds, Series 2010. GWA submitted that it was authorized under Public Law 33-69 to refund the 2010 bond series, provided that the refunding produces at least a 2% present value savings. In this instance, the percentage of savings exceeded the statutory threshold. The PUC Consultant Daymark Energy Advisors found that there would be gross savings from the refunding of $10.6M, which would benefit ratepayers. GWA indicated that the All-in TIC would be approximately 4.15%. The PUC authorized GWA to incur long term debt and to redeem or retire the Prior Bonds. The form of the Bond Indenture and other Bond documents were approved.
9/28/17	GWA 17-06	The PUC addressed GWA's annual "true-up" for its FY2018 rates. In its 2013 Rate Decision, PUC approved a

		rate increase of four percent (4%) for fiscal year 2018. GWA submitted its Report to the PUC, which included documentation regarding its operating expenses for FY2018, revenue requirements, debt service, O&M expenses, and others. Based upon the documentation provided by GWA, the ALJ recommended that the PUC authorize GWA to implement the four percent (4%) rate increase for FY2018. The PUC authorized GWA to implement the four percent (4%) rate increase for FY 2018, excluding its Lifeline rates, effective October 1, 2017. GWA was also authorized to increase its Legislative Surcharge to 3.75% for retirement fund obligations. GWA was also required to submit reports to the PUC detailing the status of all Federal Stipulated Order Projects, and a report detailing the status of Capital Improvement Projects.
9/28/17	GWA 17-11	GWA petitioned PUC for approval of its Multi-Year Contract with JMI-Edison for Drinking Water Membrane Modules. GWA issued a procurement in early 2016 for membrane filtration devices for the Ugum Water Treatment Plant. JMI-Edison was selected for the bid, at a unit price of $1,420.00. In July 2016 the parties entered into a contract for the purchase of 400 membrane modules at a total contract price of $568,000. The term of the contract was for three years, with two one-year options to renew. The PUC ratified the procurement and GWA's contract with JMI-Edison for the purchase of membrane modules; GWA was authorized to proceed with the purchase of an additional 464 membrane modules at a cost of $658,880.00, for a total cost of $1,226,880.00.

Port Authority of Guam

Date	*Docket*	*Action*
4/27/17	PAG 17-01	The Port Authority of Guam filed its "5 Year Tariff Petition" with the PUC. Therein it proposed general rate increases of the 7% for years 1 & 2, and a 1% increase for years 3 through 5. The Port indicated that the rate increases proposed were "vital for the generation of sufficient revenues to cover operating costs of the Port Authority, debt services and capital programs for modernization and sustainability." Port

		officials, including the General Manager and Deputy General Manager of Operations, testified that various repairs were critical to the Port. The Port anticipated that a Bond Indenture and issuance would require sufficient revenues for cash reserves and debt service. The PUC Consultant, Slater Nakamura, examined the PAG Rate Petition and determined that its request was "just and reasonable." The proposed rates were consistent with the Consumer Price Index. The increases would have a "marginal impact on consumer prices." Other Ports, such as Hawaii, had increased rates to a significantly greater extent than PAG. Slater Nakamura found that the proposed rate increases would provide sufficient cash flow to support operating and non-operating expenses and the funding of a CIP. Slater recommended that the PUC approve the rate plan as petitioned by PAG. At the public hearings on the proposed Rate Increases, there was testimony both in support and against the rate increases. Based upon his examination, the ALJ also found that the proposed rates were reasonable, prudent and necessary to generate sufficient revenues to cover operating costs of the Port Authority, debt services, and capital programs for modernization and sustainability. In accordance with the recommendations of the ALJ and the Consultant, the PUC authorized PAG to implement the proposed rate increases: a 7% general increase effective June 1, 2017, an additional 7% on January 1, 2018, and 1% increases effective each October 1st for Fiscal Years 2019, 2020, and 2021. PAG was also required to submit to the various reports concerning financial requirements, future rate needs, and timelines related to its plans for debt issuance.
9/12/17	PAG 16-01	This matter came before the PUC upon a complaint filed by Cementon Micronesia LLC against the Port Authority of Guam. Cementon leases a parcel of property at the Port. It operates a cement exporting facility on the property. The property contains two silos for storage of its cement, as well as its office buildings. Cementon is required to pay a "dry bulk rate" fee to its shipping agent for release of cargo upon arrival at Golf Pier. Cementon's basic complaint is that its competitor in the cement business, Hansen, does not pay Wharfage

		fees. Cementon claimed that it was unfair and discriminatory for it to pay wharfage fees, but not its competitor Hansen. Cementon raised several arguments: imposition of wharfage fees for Cementon's private use of Gold Pier violated 12 GCA §10104(j), as Golf Pier was not a "public facility of the Port." In addition, the Port's imposition of wharfage fees to Cementon constituted "an unlawful taking under the Organic Act of Guam and the Fifth Amendment of the United States Constitution." The ALJ found that Golf Pier was a public facility of the Port. It is owned by the Port. Further, Cementon signed an agreement recognizing that Mobil operates Gold Pier on behalf of the Port. The Port's imposition of wharfage fees for shipments arriving at Gold Pier was lawful. The ALJ also found that the charging of wharfage fees to Cementon did not constitute "an unlawful taking." Charging a wharfage fee does not constitute an "unlawful taking." Cementon's original Lease Agreement required it to pay all charges covering the use of wharves, docks and other facilities controlled or operated by the Port. Hansen, unlike Cementon, did not pay wharfage because Hansen had built its own wharf. Also, a court case had held that Hansen was not required to pay wharfage. The ALJ determined that the charging of wharfage to Cementon was not "anti-competitive." Based upon the ALJ Report, the PUC dismissed Cementon's Complaint.
9/28/17	PAG 17-02	PAG requested that PUC approve certain new lease rates for its facilities: for office space, $1.97 per square foot; warehouse space at $0.92 per square foot; and open space at $0.56 per square foot. Public Law 30-19 required PAG, once every three years, to assess the value of its real properties. The statute further required that PAG's Board of Directors to set rates "at a ten percent (10%) increase over the previously charged rate, *or* the amount determined by the recent assessment, whichever is greater." The Port had published Notice to the general public indicating a ten percent (10%) increase in the existing rates. The updated Appraisal by the PAG Consultant, Captain & Associates, determined that the PAG's existing rates were "above market." The ALJ determined that the PAG's Board of Directors was

		statutorily mandated to either set a ten percent (10%) increase over the previously charged rate, or an amount determined by a recent market assessment, **whichever is greater**. In this case, the ten percent (10%) increase was greater than the recent market assessment conducted by Captain & Associates. Based upon the record and the recommendations of the ALJ, the PUC approved PAG's petition and authorized it to implement the following lease rates: $1.97 per square foot for office space; $0.92 per square foot for warehouse space; and $0.56 per square foot for open space.

Telecommunications

TeleGuam Holdings, LLC, dba GTA

Date	*Docket*	*Action*
10/27/16	GTA 16-03	This matter came before the PUC upon the submission of Tariff Transmittal No. 26 by GTA. A telecommunications company may not make a change in its rates or charges without approval by the PUC. Tariff Transmittal No. 26 created three basic changes in the current General Exchange Tariff No. 1: (1) establishment of a new rate element, Local Network Interphase Charge ("LNIC"); (2) removal of the applicability of the National Exchange Carrier Association ("NECA") Tariff FCC No. 5 to GTA Ethernet Transport Service rates and substitution of its own proposed tariffed rates for GTA Metro Ethernet Transportation Services; and (3) deletion of Telegraph Grade Service. The Local Network Interphase Charge ("LNIC") was developed with the assistance of GTA's Consultant to recover the cost of local private line transport previously recovered through channel mileage charges. The LNIC recovers the cost associated with the communications path between a customers' designated premises and GTA's serving wire center. Overall, implementation of the new LNIC rate structure in place of the prior tariff would result in a 2.208% decrease in company revenues going forward. GTA also sought to replace the NECA Tariff with proposed rates from Metro Ethernet Services. A local GTA tariff better suits the needs of customers and avoids fluctuations associated with the NECA tariff filings. Finally, GTA

		was deleting Telegraph Grade Service. There are no existing customers for such service and no demand. The PUC determined that GTA and its Consultant had demonstrated a need to change the current General Exchange Tariff regarding Special Access Service. Given the consolidation of GTA's network infrastructure to a single serving wire center, rates or mileage-related rate elements of channel mileage termination, channel mileage facility, bridging hubs, and inter-switch and interoffice should be removed from the Tariff. GTA and its consultant clarified that the Amended Tariff Transmittal No. 26 would not have any impact upon existing services provided to its competitor Pacific Data Systems Inc. The proposed Tariff for Special Access Circuits was revenue neutral and did not affect any current services received. In accordance with the provisions of 12 GCA §12206(b), the PUC approved GTA's proposed Tariff Transmittal No. 26. The LNIC charge was held to be reasonable. GTA 's request to replace the NECA Tariff proposed rates for the Metro Ethernet Services was also approved. Since there was no present demand for Telegraph Grade Service, such service was deleted in accordance with Tariff Transmittal No. 26. GTA was required to include provisions in its Tariff for Individual Case Basis and special discounted services (modeled after the NECA Tariff) for its customers.
1/26/17	GTA 16-03	GTA submitted an Amendment to Tariff Transmittal No. 26 for approval. This Amendment provided Individual Case Basis (ICB) arrangements for customers utilizing certain special access services which were approved by the Commission in Tariff Transmittal No. 26. The Parties agreed that ICB rates should potentially be available to customers of GTA that acquire special access services/Metro Ethernet Services. The PUC determined that GTA had modeled its ICB provisions related to Special Access/Metro Ethernet Service provisions after similar ICB provisions in NECA Tariff No. 5. ICB Rates are determined on case-by-case basis. The PUC approved GTA's Amendment to Tariff Transmittal No. 26, ICB provisions for special access services including Metro Ethernet Services.
4/27/17	GTA 17-02	GTA and Forager Holdings Corp. filed a Joint

Application for approval by the PUC of the transfer of control of GTA to Forager Holdings Corp. The parties proposed that Forager Holdings Corp. would purchase all of the ownership interest in GTA of the AP Funds and AP Teleguam Holdings LLC. A Public Hearing was conducted on the proposed sale, and the Administrative Law Judge issued his Report approving the sale subject to conditions. Forager is owned by Mariana Holdings, which is in turn owned by various investment entities of the Huntsman Family from Utah. The Huntsman family is well known and respected. Before it can approve a sale or transfer of telecommunications companies, the PUC must make a determination that the proposed sale or transfer satisfies the requirements for granting a certificate of authority, as set forth in 12 GCA §12203(c). The PUC found that GTA and Forager would continue to have sufficient technical, financial and managerial resources to provide telecommunications services after the transfer of control of GTA. This determination was made based upon the Consolidated Financial Records of AP TeleGuam Holdings for 2013, 2014 and 2015. There were consistent increases in GTA's revenue's from 2013 to 2015. Its debt was decreasing. Forager Holdings Corp. had adopted GTA's Five Year Build-Out Plan, where under approximately $17M per year would be spent on Telecom Investments in Guam. Purchaser Forager had committed to an expansion in build-out plan for the GTA network. The financial statements of the parent companies of Forager indicated that they have substantial financial assets. As for technical and managerial resources, the same management team which has guided GTA would continue to manage GTA after the transfer of control of TeleGuam Holdings, LLC to Forager. The PUC also found that approval of the sale/transfer of control of GTA to Forager would not be "contrary to the Public Interest." There was no evidence in the record that the transfer of control of GTA to Forager was "contrary to the Public Interest." No evidence or testimony had been submitted claiming that the transfer would be contrary to Public Interest. To the contrary, applicants presented information indicating that the sale was in the Public Interest. Following the proposed transaction, GTA would continue to offer

		services with no change in the rates and conditions of service. The customers of Guam would benefit from new services and an expanded global network facilities and capabilities offered by the collaboration between GTA and Forager. Forager would continue to make substantial capital investments in Guam. The Guam Telecommunications Act of 2004 provides that it is in the Public Interest to provide the people of Guam with modern, innovative, accessible and affordable telecommunication services and products. The PUC adopted the Report of the ALJ and authorized GTA and Forager to proceed ahead with the completion of the sale transaction. All of the statutory requirements had been satisfied by applicants. Even after the sale, GTA would continue to provide telecommunication services under its Certificates of Authority. However, the sale was conditioned upon approval by the Federal Communications Commission and the receipt of all necessary authorizations from the FCC. Applicants committed to complying with all applicable statutes, PUC rules, regulations and orders. The Applicants were required to continue to comply with all terms and conditions of the Certificates of Authority presently held by GTA.
7/27/17	GTA 17-03	The PUC had issued an Order establishing a docket for the creation of an E-911 Surcharge for Voice Over Internet [VOIP] Protocol Calls. Public Law No. 32-096 had amended the existing law regarding the Collection of the 911 Surcharge to include Voice Over Internet Protocol (VOIP) Providers. The Administrative Law Judge was authorized by the PUC to conduct appropriate proceedings and to recommend a procedure for the implementation of the E-911 Surcharge on VOIP calls. The ALJ and the telecom parties met and collectively developed an implementation protocol for the creation of an E-911 Surcharge for VOIP calls. The PUC adopted the protocol proposed by the ALJ and the telecom parties. The Collection Agents for each company were required to set up procedures for reporting and collection of the E-911 Surcharge on VOIP calls by December 30, 2017. Beginning on January 1, 2018, each VOIP provider was required to begin remitting amounts collected from the

		VOIP E-911 Surcharge to the Department of Administration. PUC Consultant Slater Nakamura was ordered to amend the Collection Agent Reporting worksheet to include VOIP under the landline spreadsheet as a separate row.
7/27/17	GTA 17-04	GTA filed a Petition with the PUC seeking an Order denying Pacific Data Systems' claim that Dark Fiber service must continue until a new Interconnection Agreement becomes affective, and for a finding that GTA is within its rights under the PUC Order in the Dark Fiber Docket (GTA Docket 15-06) to terminate Dark Fiber services to PDS on August 28, 2017. PDS opposed termination of Dark Fiber services and contends that such service must continue while the parties are negotiating a new Interconnection Agreement. The PUC determined that its prior Order already determined that Dark Fiber rates would remain in effect until the expiration of the current ICA in August 2017 or unless otherwise changed or altered by the PUC. The termination date of the current ICA is August 28, 2017. Its prior Order indicated the clear intent of the PUC that Dark Fiber Service to PDS would terminate on August 28, 2017. The exercise by a party of renegotiation did not extend the period during which Dark Fiber was required to be in effect. In the PUC Final Arbitration Order in GTA Docket 15-06, dated July 28, 2016, a provision was included which indicated that the Order shall not be binding upon the parties in their negotiations concerning the Fourth ICA. Therefore, the PUC granted the relief sought in GTA's formal Complaint; GTA was entitled to terminate Dark Fiber Services to PDS on August 28, 2017.
8/31/17	GTA 17-05	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that TeleGuam Holdings, LLC, is eligible to receive federal high-cost support for program year 2018. PUC certified that TeleGuam Holdings, LLC, used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.

8/31/17	GTA 17-06	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that TeleGuam Holdings, LLC, f/k/a Pulse Holdings LLC, is eligible to receive federal high-cost support for program year 2018. PUC certified that TeleGuam Holdings, LLC, f/k/a Pulse Holdings LLC used such support in the preceding calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.

Pacific Data System, Inc.

Date	*Docket*	*Action*
4/13/17	PDS 14-01	This Arbitration Proceeding concerns a dispute between TeleGuam Holdings LLC ["GTA"] and Pacific Data Systems Inc. ["PDS"] regarding the establishments of rates for 10 loops and 2 sub-loops (Unbundled Network Elements or "UNEs"), pursuant to the Interconnection Agreement ["ICA"] between the parties. This proceeding arose out of the negotiations between the parties for their third Interconnection Agreement. In its August 28, 2014 Order, the PUC approved the third ICA between GTA and PDS. However, pricing for 12 Unbundled Network Elements remained in dispute. The then current ICA rates were to remain in effect as "interim rates", until new rates were developed in the continuing arbitration proceeding. On March 17, 2015, the ALJ ordered GTA to prepare and develop a TELRIC ["Total Element Long Run Incremental Cost"] study concerning the 12 UNE loop rates in arbitration. GTA completed its TELRIC study on November 30, 2015. The parties held a number of meetings to discuss the methodology for the TELRIC study and Model. The parties then participated with the ALJ in a series of testimony submissions, exchange of extensive discovery, and hearings. Formal evidentiary hearings were conducted on December 1, 2, 3 and 5, 2016 before the ALJ. Numerous witnesses testified at the hearing, the parties thereafter submitted proposed Findings and Fact and Conclusions of Law. The ALJ issued his Recommendations to the PUC on April 3, 2017, which incorporated the Consultant Slater Nakamura's

Recommendations. On April 13, 2017, the Commission issued its ARBITRATION ORDER. The Order contained over 100 findings. The PUC upheld the Recommendations of the ALJ and the Consultants. The TELRIC study had determined final rates for 10 loops and 2 sub-loops. Basically, the PUC found that the PDS proposed model was more compliant with the network architecture recommended by the FCC. GTA wished to use only homerun copper loops from the 19 locations identified in the Commission's Orders. However, PDS proposed a fiber-to-the-node ("FTTN"), a DSL capable network that assumed fiber feeder would replace copper feeder for loops longer than 12k feet. The PUC found that the PDS proposed model was more compliant with regard to the proposed fiber-to-the-node (FTTN) structure. Replacing large copper cables with smaller fiber cables would reduce costs allowing for more micro trenching. The PUC approved the ALJ recommendation that micro trenching should be used for up to 100 pair copper cables. As to labor rates, the PUC found that GTA labor rates were consistent with Guam's specific labor rates for the US Department of Labor and use such rates for an input in to the TELRIC study. The PUC also adopted GTA's calculation of labor costs. The PUC held that the "binder group separation" recommended by GTA was not required in the model. For the rate of return on the "true-up" period, the PUC adopted GTA's proposed rates for an 11.25% rate of return up to May 25, 2016, and a rate of return of 9.75% for the remainder of the true-up period and going forward. GTA copper cable costs were used in the TELRIC model. The Commission also adopted the GTA proposed Non Recurring Charge rates as "acceptable TELRIC-based estimates for the tasks performed." In its Order, the PUC found that it has "wide latitude in applying the 'most efficient technology' standard." In accordance with the ALJ recommendation, GTA changed its model from 3 Zones to now reflect 19 Remote Equipment Center rates. The PUC adopted the revised model which reflected 19 REC Rates. The PUC rejected PDS' request that there be a reduction from the rates indicated in the TELRIC study to promote competition on Guam. The PUC determined

		that the basing of the UNE loop prices on a hybrid fiber/copper TIME DIVISION MULTIPLEXING (TDM) network was transparent and easily adapted to fiber feeder in loops greater than 12,000 feet. GTA's estimate of 27 inches for the repair of a 6-inch trench was adopted. The PUC approved the 12 UNE rates for ten loops and two sub-loops as set forth in Exhibit "3" to the Order. It found that such rates were "just and reasonable." The PUC also ordered that the parties "true-up" the amounts paid by PDS for loops under the "interim rates" starting August 28, 2014 in accordance with the formulas adopted.
5/25/17	PDS 14-01	GTA applied for a "Reopening and Rehearing" of the Arbitration Order Approving UNE Rates. The PUC concurred with the Report of the ALJ and denied GTA's Application for Reopening and Rehearing. It found that there was no legal basis to "reopen" this proceeding, and that GTA had failed to state any proper basis for "rehearing". GTA had failed to demonstrate that its claims concerning Asphalt Repair required rehearing. With regard to Hybrid Loop Inputs, GTA had a full and fair opportunity to present any information and position statements concerning TDM equipment and the "forward-looking model" in the proceedings earlier in this matter. In this application, GTA claimed that it sought to present new evidence in a rehearing concerning the cost inputs for TDM technology and would obtain "a complete set of bids or estimates for equipment and site preparation." At the same time, however, GTA claimed that it had no cost information concerning TDM. A rehearing should not be an opportunity for an expedition to discover new evidence. GTA presented no "newly discovered evidence" justifying a rehearing. PUC adopted the ALJ report dated May 23, 2017 in its entirety. While denying the Application for Reopening and Rehearing, the PUC held that its Arbitration Order dated April 13, 2017 was a "final Arbitration Order" pursuant to Rule 4(h) of the Interconnection Implementation Rules. GTA was required to bear the regulatory fees and expenses incurred with regard to its Application for Reopening and Rehearing.

Date	*Docket*	*Action*
9/28/17	PTI 17-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that PTI Pacifica Inc., is eligible to receive federal high-cost support for program year 2018. PUC certified that PTI Pacifica Inc. used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.

Docomo Pacific Inc.

Date	*Docket*	*Action*
9/28/17	Docomo 17-01	The PUC issued its annual certification to the Federal Communications Commission and the Universal Services Administration Company that Docomo Pacific Inc., is eligible to receive federal high-cost support for program year 2018. PUC certified that Docomo Pacific Inc., used such support in the preceding calendar year and would use such support in the coming calendar year for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent in section 254(e) of the Communications Act.

PUC Administrative Matters

Date	*Action*
11/28/16	GTA filed a request with the PUC to reduce its Administrative Assessment involving the E911 Surcharge. GTA pointed out that, in April 2016, regulatory fees in the amount of $26,459.17 had been allocated to it. However, this amount was a charge of the PUC consultants in preparing the E911 report. This was not work done for GTA, but a report concerning the E911 receipts of all of the telecom companies. After reviewing the matter and applicable law, PUC Counsel concluded that it was not fair to calculate GTA's assessment based upon the regulatory fees for the E911 Report. These consultant fees are paid from E911 receipts. The PUC adopted Counsel's Recommendation and ordered that GTA could apply the amount of $39,058.33 to its FY2017 annual assessment from its E911 surcharge receipts. GTA would pay its share of the assessment $38,116.42, from its own funds.
4/27/17	The PUC extended its Contract for Administrative and Bookkeeping services for an additional year.

7/27/17	The PUC reviewed it FY2016 PUC Citizen Centric Report; it also reviewed the testimony of Chairman Jeff Johnson on Bill No. 139-34.
9/28/17	The PUC approved its Administrative Budget for FY2017 and its Administrative Assessment Order for the utilities and telecom companies. The PUC also approved Contracts for FY2018 Legal Counsel, Administrative Law Judge, and PUC Consultant. The PUC renewed the contract for the PUC Administrator. It also reviewed the Testimony of Chairman Jeff Johnson on Bill No. 157-34 (COR) (Authorization for Issuance of Revenue Bonds by the Port Authority of Guam).