

GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
March 28, 2019  
Suite 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:35 p.m. on March 28, 2019, pursuant to due and lawful notice. Commissioners Johnson, Perez, McDonald, Cantoria, and Miller were in attendance. The following matters were considered at the meeting under the agenda included as *Attachment "A"* hereto.

**1. Approval of Minutes**

The Chairperson announced that the first item of business on the agenda was approval of the minutes of January 31, 2019. Upon motion duly made, seconded, and unanimously carried, the Commission approved the minutes subject to correction.

**2. Guam Power Authority**

The Chairperson announced that the next item of business on the agenda was the request of Acting Speaker Nelson dated March 12, 2019, that the PUC conduct a Feasibility Study regarding the potential impact of Bill No. 37-35 upon the Guam Power Authority [GPA] and its ratepayers, relative to the development and implementation of comparable rate schedule R charges for residential multifamily accommodation, and the Petition of Senators and the Guam Association of Realtors for Allocation of Residential Rate Schedule for Residential Multi-family accommodations. ALJ Horecky stated that Bill No. 37-35 mandates that GPA change the power rates of multi-family buildings, apartments, and condos from commercial to residential. ALJ Horecky stated that the PUC has reviewed the testimony he presented to the legislature regarding Bill No. 37-35 setting forth the PUC's concerns that the bill concerns rate matters which are something that the PUC determines and not the legislature, the bill diminishes the PUC's powers in violation of the Bond Covenants, and that the PUC should review this issue and not the legislature.

ALJ Horecky stated that on March 12, 2019 the PUC received a letter addressed to the Chairperson from Acting Speaker Telena C. Nelson requesting that the PUC conduct a feasibility study about the impact Bill No. 37-35 would have on the cost of power for other GPA customers, whether the bill would impact GPA's operations and if so, at what cost, and what additional resources, such as personnel and equipment, would be needed to accommodate the rate change proposed by the bill. ALJ Horecky stated that

the Chairperson requested that he respond to the letter and ALJ Horecky stated that he informed the acting speaker that at tonight's meeting, he would request the PUC authorize him to establish a docket regarding the matters set forth in Bill No. 37-35 and commercial power charges to multifamily buildings accommodations and the cost and operational impact they may have.

ALJ Horecky stated that on March 20, 2019, Senators Ridgell and Taitague, and members of the Guam Association of Realtors, and members of the media, came to the PUC and filed a petition requesting the allocation of a residential rate schedule for residential multifamily accommodations and which stated their belief that it is equitable that persons living in multifamily residential accommodations pay residential and not commercial power rates. ALJ Horecky stated that the commissioners have been provided copies of the acting speaker's letter and the petition. ALJ Horecky stated that he believes its appropriate to set up a docket to examine the matter because that is what the PUC's legislative testimony stated should be done. ALJ Horecky requested to establish such a docket and proceed with the matter and that it would likely require a consultant study of the rate impact and that he informed GPA that he would be making this request.

The Chairperson asked if any of the Commissioners had any questions or whether there was a motion to authorize the docket. Commissioner Miller moved to approve the request to authorize a docket, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

The Chairperson announced the next GPA item is GPA Docket 19-08, Petition to Extend Contract for Fuel Bulk Storage Facility, PUC Counsel Report, and Proposed Order. Legal Counsel Camacho stated that the PUC had previously approved the Professional Management Contract [PMC] between GPA and IP&E for managing GPA's bulk fuel storage facility and this contract had an initial term of two years which expires on September 30, 2019. Legal Counsel Camacho stated that the contract has three options to extend for one year periods and GPA is requesting to exercise the first option to extend the contract for a one year period beginning on October 1, 2019 and expiring on September 30, 2019 and that GPA estimates the cost for exercising the option is \$859,320, only \$25,020 more than the last year of the initial term of the contract, and that the Consolidated Commission on Utilities [CCU] has previously approved this request. Legal Counsel Camacho stated that the only issue is that GPA did not specify what source of funding GPA would use to pay for the exercise of the one year option and that he assumed it would be GPA's operational revenues and GPA's Cora Montillano and GPA GM Benavente stated that the funds would come from revenues generated from GPA's Levelized Energy Adjustment Clause [LEAC]. Legal Counsel Camacho stated that GPA's request was reasonable, prudent and necessary, and that the PUC should approve the request.

The Chairperson inquired as to whether the commissioners has any questions and Commissioner Miller asked why GPA was using LEAC instead of operational funds for the contract. GPA GM Benavente stated that the contract was within the LEAC Protocol because it included anything related to the fuel facilities and the storage tank lease because these were related to the cost of fuel for the power plants. GPA GM Benavente stated that GPA did put this out to bid but exercising the option was better and it was preferable to have a team with expertise manage the facility because it not only involves running the pumps and transferring oil, but also spill prevention control. A discussion ensued between Commissioner Miller and GPA GM Benavente concerning the LEAC and renewable energy, the location of the bulk fuel storage facility, and its age of 46 years. GPA's Cora Montilano stated that any capitol improvements to GPA's bulk fuel storage facility had to come from GPA's operating revenues and that GPA owned the storage tanks. A discussion then ensued between the Chairperson and GPA GM Benavente concerning the location of the GPA's bulk fuel storage facility, preparing the storage tanks for ultra-low sulfur diesel fuel and the ten-year maintenance requirements of the tanks and the use of insurance proceeds from the Cabras 3 and 4 settlement to fund that maintenance. Commissioner Miller moved to approve GPA Docket 19-08, Petition to Extend Contract for Fuel Bulk Storage Facility, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

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

The Chairperson announced that the next item of business on the agenda was PTI Pacifica Inc.'s [PTI] Docket No. 19-01, Petition for Approval of CMRS Interconnection Agreement, ALJ Report, and Proposed Order. ALJ Horecky stated that the federal Telecommunications Act of 1996 requires that when telecommunications companies in a jurisdiction enter into a cooperative agreement to interconnect their telecommunications services to operate with each other, the state public utility commission, such as the PUC, must review the agreement. ALJ Horecky stated that the PUC must review the agreement to determine whether it discriminates against any third parties, and to determine whether the agreement is in the public interest, convenience, and necessity. ALJ Horecky stated that the parties to the agreement are PTI and the Guam Telephone Authority [GTA], the agreement has a three-year term, it provides for the interconnection of PTI's wireless connection to GTA's landline network, it enables reciprocal compensation solely for the exchange of CMRS, non-access traffic with GTA's wire-line non-access traffic, and it has provisions governing payment requirements, dispute resolution, the handling of confidential information, default, good faith performance, indemnification, insurance, liabilities, and other matters. ALJ Horecky stated that if there are any disputes between these companies concerning the interconnection agreement, they must come before the PUC pursuant to the interconnection rules and procedures. ALJ Horecky stated that the agreement contains standard definitions and many of these definitions have been reviewed by the

PUC in past dockets. ALJ Horecky stated that the Parties also negotiated an ICA agreement by eliminating mileage-based charges and tariffs, and by defining a mid-span fiber meet for the point of interconnection, which is where the Parties physically interconnect their networks using an optical fiber interface and a pricing attachment. ALJ Horecky stated that there is also a basis for the PUC to find that the agreement does not discriminate against third parties because it's language states that neither party will use any of the provided services to destroy the normal quality of service to other carriers or their customers. ALJ Horecky stated that the Telecommunications Act of 2004 states that it is in the public interest to provide the people of Guam with modern, innovative, accessible, and affordable telecommunications services and products and it appears that the agreement's services are for the benefit of the Parties' customers which satisfies the definition of public interest in the act. ALJ Horecky stated that the agreement's pricing, set forth in GTA's General Exchange Tariff, was agreed to by the Parties and appears to be reasonable. ALJ Horecky stated that the draft order he provided to the PUC makes the necessary findings, that it's in the public interest, that there is no discrimination, required by the Telecommunications Act, it finds that the pricing is reasonable, it approves the agreement, and it orders the Parties to fulfill the agreement's obligations, and requires that any modifications of the agreement be reviewed by the PUC.

The Chairperson asked if any of the Commissioners had questions. Commissioner Perez moved to approve PTI Docket 19-01, Petition for Approval of CMRS Interconnection Agreement, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

The Chairperson announced that the next item of business on the agenda was PTI Docket No. 19-02, Petition for Approval of Wireline Interconnection Agreement, ALJ Report, and Proposed Order. ALJ Horecky stated that the requirement for the review and the necessary findings he previously described were the same for this agreement, which involves the wireline connection between the Parties' facilities and equipment for the transmission of wireline telecommunications traffic between the Parties' end-user customers and do not involve CMRS telecommunications services. ALJ Horecky stated that all the provisions described in the previous agreement are present in this agreement, there are no remaining disputes between the Parties, the agreement is the final agreement between the Parties, the agreement does not discriminate against third parties, and the draft order's findings and provisions are the same as in the draft order for the previous agreement. The Chairperson asked if PTI had any comments and PTI Legal Counsel Carrara stated he had none. The Chairperson asked if any of the Commissioners had any questions. Commissioners Perez and Miller moved to approve PTI Docket 19-02, Petition for Approval of Wireline Interconnection Agreement, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

#### 4. Administrative Matters

The Chairperson announced that the next item of business was the PUC Travel Policy. ALJ Horecky stated pursuant to a suggested amendment by Commissioner Miller, he added a provision in Section 6 stating that for proposed travel by the Chairperson, advanced approval by the Vice-Chairperson shall be required and that he would like to proceed with updating the policy. The Chairperson stated his preference to postpone this matter until the two Commissioner who were not present could have the opportunity to comment on the revised policy and a discussion ensued in which it was agreed to revisit this matter at the PUC's next meeting.

The Chairperson announced that the next item of business was Gershman, Brickner, and Bratton, Inc.'s, [GBB] overview of the Guam Solid Waste Authority [GSWA] receivership. ALJ Horecky stated that the GBB receivership was still in effect and because of it the PUC has not had any GSWA duties to undertake for the last ten years. ALJ Horecky stated that in March, 2019, Judge Gatewood indicated that the receivership might end in thirty days and that ALJ Horecky attended a tour of GSWA's facilities, and he provided the PUC with a copy of the GBB's overview of the GSWA that he was provided as part of the tour so that the Commissioners would have a greater understanding of the receivership and the current state of the GSWA. ALJ Horecky also stated that the PUC has already selected a consultant for GSWA matters. ALJ Horecky stated that the PUC must conduct a management audit of the GSWA and the PUC's consultant completed a proposal for this audit which must be approved by the PUC. ALJ Horecky stated that the next court hearing regarding the receivership was scheduled for April 12, 2019 and the matters of whether to continue the receivership and a long-term plan for the Ordot Dump, and the GBB's closeout plan would be discussed at that hearing. ALJ Horecky stated that the PUC was supposed to do the management audit in 2017, and that he brought up this issue with GSWA's GM Gayle who requested that the PUC present its plan for the management audit after the receivership has ended. ALJ Horecky stated that it would cost approximately \$300,000 to do the proposal which he believed was reasonable, and that he cut out the consultant's proposal for bond issuance advisement for GSWA because we have the Guam Economic Development Authority to fulfill that service, and because it is not the PUC's role to provide such advice to GSWA. ALJ Horecky stated that once the receivership ends, he would present the plan to GSWA GM Gayle and the GSWA board to obtain their buy-on on the consultant's audit plan and bring the final audit plan before the PUC to obtain its approval.

Commissioner Miller inquired whether GSWA's fees are based on a per-capita ration of trash that GSWA's customer's produce and he stated that there was no slide regarding this subject in the GBB overview. ALJ Horecky confirmed that GBB had those figures but they were not included in the overview. A discussion then ensued between the Commissioner concerning GBB's belief that all residences on Guam should have GSWA trash collection service and how various jurisdictions deal with this issue.

The Chairperson stated that the next item of business was the Article on the End of Recycling. ALJ Horecky stated that one of the places they visited on the tour of GSWA was Mr. Rubbishman's Recycling facility in Harmon to explain how recycling on Guam was done and that although it's a well-built facility, recycling is a complex and labor-intensive process. ALJ Horecky stated that recycling on Guam is threatened by a steadily decreasing demand for Guam's recycled materials in China, the main market for those materials, and by the issue of how to financially sustain recycling on Guam without this market. ALJ Horecky also briefly described GSWA hazardous waste recycling facility and GSWA's Agat, Malojloj, and Harmon waste transfer stations. ALJ Horecky stated that he wanted the PUC to be aware of these issues because they will likely come before the PUC once the receivership ends.

The Chairperson announced that the next item of business was the Notice of Navy Transfer of Apra Heights Sub-Station to GPA. ALJ Horecky stated that the notice was merely informational and that this process began in 2006 and took a long time to complete.

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



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Rowena E. Perez  
Acting Chairwoman

ATTACHMENT A

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
SUITE 202, GCIC BUILDING  
414 W. SOLEDAD AVE., HAGATNA, GUAM  
6:30 p.m., March 28, 2019

Agenda

1. Approval of Minutes of January 31, 2019
2. PTI Pacifica Inc.
  - PTI Docket 19-01, Petition for Approval of CMRS Interconnection Agreement, ALJ Report, and Proposed Order
  - PTI Docket 19-02, Petition for Approval of Wireline Interconnection Agreement, ALJ Report, and Proposed Order
3. Guam Power Authority
  - GPA Docket 19-08, Petition to Extend Contract for Fuel Bulk Storage Facility, PUC Counsel Report, and Proposed Order
4. Administrative Matters
  - PUC Travel Policy
  - GBB Overview of GSWA Receivership
  - Article on the End of Recycling
  - Notice of Navy Transfer of Apra Heights Substation to GPA
  - Request of Acting Speaker Nelson dated March 12, 2019, that the PUC conduct a Feasibility Study regarding the potential impact of Bill No. 37-35 upon GPA and its ratepayers, relative to the development and implementation of comparable rate schedule R charges for residential multifamily accommodation
    - Petition of Guam Senators and the Guam Association of Realtors For "Allocation of Residential Rate Schedule for Residential Multifamily Accommodations"
5. Other Business



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: )  
 ) PTI Docket 19-01  
 )  
PETITION OF TELEGUAM HOLDINGS LLC )  
AND PTI PACIFICA INC. d/b/a IT&E FOR ) **ORDER**  
APPROVAL OF INTERCONNECTION )  
AGREEMENT )  
\_\_\_\_\_ )

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of TeleGuam Holdings LLC ["GTA"] and PTI Pacifica Inc. d/b/a IT&E ["PTI"] (jointly "the Parties").<sup>1</sup>
2. The Parties submit their Interconnection Agreement for approval by the PUC in accordance with the terms of Section 252(e) of the Telecommunications Act of 1996. They request that the PUC approve the Agreement in accordance with the requirements of Section 252(e).<sup>2</sup>

BACKGROUND

3. On August 13, 2007, the PUC approved an Interconnection Agreement between IT&E Overseas Inc. [the Predecessor to PTI] and GTA Telecom LLC.<sup>3</sup>
4. On December 13, 2011, the PUC approved the Interconnection Agreement between GTA Telecom LLC and PTI as filed. At that time, the Parties adopted an Interconnection Agreement previously approved by the PUC for GTA and Pacific Data Systems Inc.<sup>4</sup>

<sup>1</sup> Petition of GTA and IT&E, PTI Docket 19-01, filed February 27, 2019; although the Petition is only signed by the Representative of PTI, the ALJ confirmed in a telephone conversation on March 8, 2019, with GTA Vice President Dan Tydingco, that GTA supports and joins in the Petition.

<sup>2</sup> Representatives of both Parties executed the Interconnection Agreement on February 26, 2019.

<sup>3</sup> PUC Order, Docket 07-06, dated August 13, 2007.

<sup>4</sup> PUC Order, GTA Docket 11-13, dated December 13, 2011, at pg. 2.



5. On September 25, 2012, the PUC approved the Assignment of the Interconnection Agreement between GTA Telecom LLC and PTI to TeleGuam Holdings LLC.<sup>5</sup>
6. In the instant docket, after discussion and negotiations, on February 27, 2019, GTA and PTI filed their final, executed Interconnection Agreement with the PUC. The Administrative Law Judge [ALJ] filed his Report herein dated March 11, 2019.

#### DETERMINATIONS

7. The Interconnection Agreement provides for a term of three (3) years.<sup>6</sup>
8. PTI's wireless network is interconnected to GTA's landline network through PTI's wireline network and the parties mutually exchange traffic.<sup>7</sup>
9. The Agreement describes and enables specific Interconnection and Reciprocal Compensation arrangements between the Parties solely for the exchange of CMRS Non-Access Traffic with GTA's wireline Non-Access Traffic between their networks.<sup>8</sup>
10. The exchange of fixed wireless services and exchange of Local Traffic between fixed wireless subscribers of PTI's network and the end users of GTA's network is deemed to fit within the definition of "interconnection" for purposes of the Agreement.<sup>9</sup>
11. The Agreement provides detailed provisions concerning services to be provided, payment requirements, dispute resolution, handling of confidential information, default, good faith performance, indemnification, insurance, liabilities, and other matters.
12. In the view of the ALJ, the provisions of the ICA incorporate some of the updated definitions and provisions of the recently negotiated ICA between GTA and Pacific Data Systems, Inc. in GTA Docket 18-01 on March 28, 2018.

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<sup>5</sup> PUC Order, GTA Docket 12-09, dated September 25, 2012, at p. 3.

<sup>6</sup> Agreement by and between PTI Pacifica, Inc., and TeleGuam Holdings, LLC, for Guam, dated February 26, 2019, at p. 2.

<sup>7</sup> Id. at p. 1.

<sup>8</sup> Id.

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

13. PTI Counsel has indicated that the Parties were able to successfully negotiate an ICA Agreement by eliminating certain mileage-based charges and tariffs that were previously included, and successfully defining a "Mid-Span Fiber Meet" for the Point of Interconnection.<sup>10</sup> Such fiber meet point is the interconnection arrangement whereby the Parties physically interconnect their networks via an optical fiber interface at a point of interconnection.<sup>11</sup>
14. The Parties also negotiated an Interconnection Attachment and a Pricing Attachment.<sup>12</sup>
15. The Parties have successfully negotiated all necessary revisions to the Agreement and have resolved pending issues. The execution of the Agreement by PTI and GTA indicates that they have reached final and complete resolution of any issue concerning the acceptability of their new Interconnection Agreement. The provisions of the Agreement appear to have resulted in a final product which adequately protects the interests of both.
16. The Agreement does not discriminate against a telecommunications carrier not a party to the Interconnection Agreement pursuant to the standards set forth in 47 USC §252[e]2[A]. In the Agreement, it is specified that neither party will use any service provided which in any manner prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's customers.<sup>13</sup>
17. The Agreement is consistent with the public interest, convenience and necessity. In accordance with the Guam Telecommunications act of 2004, it is in the public interest to provide the people of Guam with modern, innovative, accessible, and affordable telecommunication services and products.<sup>14</sup>
18. The rates in the Pricing appear to be "just and reasonable" as they are based upon the pricing set forth in GTA's General Exchange Tariff (GET).

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<sup>10</sup> Phone Conversation between PUC ALJ Horecky and IT&E Counsel Steve Carrera on March 8, 2019.

<sup>11</sup> Id. at p. 40.

<sup>12</sup> Id. at pgs. 40 and 46.

<sup>13</sup> Id. at p. 38.

<sup>14</sup> See Guam Telecommunications Act of 2004, 12 GCA §12101(2).

### ORDERING PROVISIONS

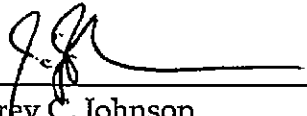
After careful review of the record herein, the proposed Interconnection Agreement of GTA and PTI, and considering the recommendations of the ALJ, for good cause shown, on motion duly made, seconded and unanimously carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:


1. The Interconnection Agreement between GTA and PTI, executed on February 27, 2019, is approved pursuant to 47 USC 252[e][4].
2. The Parties are ordered to carry out their duties and obligations as set forth in the Interconnection Agreement and in the Determinations and Ordering Provisions herein.
3. The PUC approves the "Pricing Attachment" attached to the ICA, finding that the rate set forth therein are just and reasonable, and in accordance with GTA's General Exchange Tariff [GET].
4. In the event that the Parties revise, modify, or amend the Interconnection Agreement approved herein, the revised, modified or amended Interconnection Agreement shall be submitted to the PUC for approval pursuant to 47 USC 252[e][1] prior to taking affect.
5. Pursuant to agreement by the Parties, PTI is ordered and directed to pay the PUC's regulatory expenses and fees in this Docket.


Order  
In Re: Petition of GTA & PTI  
For Approval of ICA  
PTI Docket 19-01  
March 28, 2019

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Dated this 28<sup>th</sup> day of March, 2019.


  
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Jeffrey C. Johnson  
Chairman

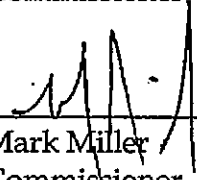
  
\_\_\_\_\_  
Rowena E. Perez  
Commissioner

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

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Michael A. Pangelinan  
Commissioner

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Peter Montinola  
Commissioner

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

  
\_\_\_\_\_  
Mark Miller  
Commissioner



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: )  
 ) PTI Docket 19-02  
 )  
PETITION OF TELEGUAM HOLDINGS LLC )  
AND PTI PACIFICA INC. d/b/a IT&E FOR ) ORDER  
APPROVAL OF WIRELINE )  
INTERCONNECTION AGREEMENT )  
\_\_\_\_\_ )

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of TeleGuam Holdings LLC ["GTA"] and PTI Pacifica Inc. d/b/a IT&E ["PTI"] (jointly "the Parties").<sup>1</sup>
2. The Parties submit their Wireline Interconnection Agreement for approval by the PUC in accordance with the terms of Section 252(e) of the Telecommunications Act of 1996. They request that the PUC approve the Agreement in accordance with the requirements of Section 252(e).<sup>2</sup>

BACKGROUND

3. On August 13, 2007, the PUC approved an Interconnection Agreement between IT&E Overseas Inc. [the Predecessor to PTI] and GTA Telecom LLC.<sup>3</sup>
4. On December 13, 2011, the PUC approved the Interconnection Agreement between GTA Telecom LLC and PTI as filed. At that time, the Parties adopted an Interconnection Agreement previously approved by the PUC for GTA and Pacific Data Systems Inc.<sup>4</sup>

<sup>1</sup> Petition of GTA and IT&E, PTI Docket 19-02, filed February 25, 2019; although the Petition is only signed by the Representative of PTI, the ALJ confirmed in a telephone conversation on March 8, 2019, with GTA Vice President Dan Tydingco, that GTA supports and joins in the Petition.

<sup>2</sup> Representatives of both Parties executed the Interconnection Agreement on February 20 and 21, 2019.

<sup>3</sup> PUC Order, Docket 07-06, dated August 13, 2007.

<sup>4</sup> PUC Order, GTA Docket 11-13, dated December 13, 2011, at pg. 2.

5. On September 25, 2012, the PUC approved the Assignment of the Interconnection Agreement between GTA Telecom LLC and PTI to TeleGuam Holdings LLC.<sup>5</sup>
6. After discussion and negotiations, on February 25, 2019, GTA and PTI filed their final, executed Wireline Interconnection Agreement with the PUC. In the instant docket and PTI Docket 19-01, PTI seeks approval of two Interconnection Agreements: one for CMRS and one for Wireline. The Administrative Law Judge [ALJ] filed his Report herein dated March 21, 2019.

### DETERMINATIONS

7. The Wireline Interconnection Agreement provides for a term of three (3) years.<sup>6</sup>
8. The Agreement establishes the interconnection of the Parties facilities and equipment for the transmission and routing of wireline telecommunications traffic between the respective End User Customers of the Parties and the compensation for such facilities and traffic exchanged.<sup>7</sup>
9. The parties provide Non-CMRS Telecommunications Services under this Agreement to End User Customers and Wholesale Telecommunications Services to other entities that provide retail service to End User Customers.<sup>8</sup>
10. The parties physically connect their respective networks at "Points of Interconnection" through -one or more Mid-Span Fiber Meet points; so as to furnish Non-Access Reciprocal Compensation traffic between PTI or PTI Retail Provider End User Customers and GTA End User Customers and Transit Traffic between PTI or Retail Provider End User Customers transiting to other local carriers.<sup>9</sup>
11. The Agreement provides detailed provisions concerning services to be provided, payment requirements, dispute resolution, handling of confidential information, default, good faith performance, indemnification, insurance, liabilities, and other matters.

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<sup>5</sup> PUC Order, GTA Docket 12-09, dated September 25, 2012, at p. 3.

<sup>6</sup> Wireline Interconnection Agreement by and between PTI Pacifica, Inc., and TeleGuam Holdings, LLC, for Guam, dated February 21, 2019, at p. 2.

<sup>7</sup> Id. at Interconnection Attachment, p. 44.

<sup>8</sup> Id.

<sup>9</sup> Id. at p. 46.

12. The provisions of the ICA incorporate some of the updated definitions and provisions of the recently negotiated ICA between GTA and Pacific Data Systems, Inc. in GTA Docket 18-01 on March 28, 2018.
13. PTI Counsel has indicated that the Parties were able to successfully negotiate an ICA Agreement by eliminating certain mileage-based charges and tariffs that were previously included.<sup>10</sup> The recognition of Points of Interconnection at one or more Mid-Span Fiber Meet points had significant benefit to both Parties in the reduction of the cost of interconnection.
14. The Parties also negotiated an Interconnection Attachment and a Pricing Attachment.<sup>11</sup>
15. The Parties have successfully negotiated all necessary revisions to the Agreement and have resolved pending issues. The execution of the Agreement by PTI and GTA indicates that they have reached final and complete resolution of any issue concerning the acceptability of their new Wireless Interconnection Agreement. The provisions of the Agreement appear to have resulted in a final product which adequately protects the interests of both.
16. The Agreement does not discriminate against a telecommunications carrier not a party to the Interconnection Agreement pursuant to the standards set forth in 47 USC §252[e][2][A]. In the Agreement, it is specified that neither party will use any service provided which in any manner prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's customers.<sup>12</sup>
17. The Agreement is consistent with the public interest, convenience and necessity. In accordance with the Guam Telecommunications act of 2004, it is in the public interest to provide the people of Guam with modern, innovative, accessible, and affordable telecommunication services and products.<sup>13</sup>

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<sup>10</sup> Phone Conversation between PUC ALJ Horecky and IT&E Counsel Steve Carrera on March 8, 2019.

<sup>11</sup> Id. at pgs. 43 and 56.

<sup>12</sup> Id. at p. 52.

<sup>13</sup> See Guam Telecommunications Act of 2004, 12 GCA §12101(2).

18. The rates in the Pricing appear to be “just and reasonable” as they are based upon the pricing set forth in GTA’s General Exchange Tariff (GET).

### ORDERING PROVISIONS

After careful review of the record herein, the proposed Interconnection Agreement of GTA and PTI, and considering the recommendations of the ALJ, for good cause shown, on motion duly made, seconded and unanimously carried by the undersigned Commissioners, the Guam Public Utilities Commission hereby **ORDERS** that:

1. The Wireline Interconnection Agreement between GTA and PTI, executed on February 21, 2019, is approved pursuant to 47 USC 252[e][4].
2. The Parties are ordered to carry out their duties and obligations as set forth in the Interconnection Agreement and in the Determinations and Ordering Provisions herein.
3. The PUC approves the “Pricing Attachment” attached to the Wireline ICA, finding that the rate set forth therein are just and reasonable, and in accordance with GTA’s General Exchange Tariff [GET].
4. In the event that the Parties revise, modify, or amend the Wireline Interconnection Agreement approved herein, the revised, modified or amended Wireline Interconnection Agreement shall be submitted to the PUC for approval pursuant to 47 USC 252[e][1] prior to taking affect.
5. Pursuant to agreement by the Parties, PTI is ordered and directed to pay the PUC’s regulatory expenses and fees in this Docket.

[SIGNATURES TO FOLLOW ON NEXT PAGE]



Order  
In Re: Petition of GTA & PTI  
For Approval of ICA  
PTI Docket 19-02  
March 28, 2019

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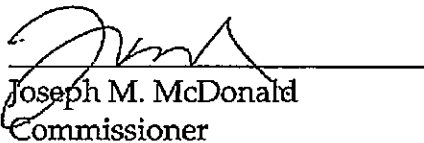
Dated this 28<sup>th</sup> day of March, 2019.



Jeffrey C. Johnson  
Chairman




Rowena E. Perez  
Commissioner



Joseph M. McDonald  
Commissioner

Michael A. Pangelinan  
Commissioner

Peter Montinola  
Commissioner

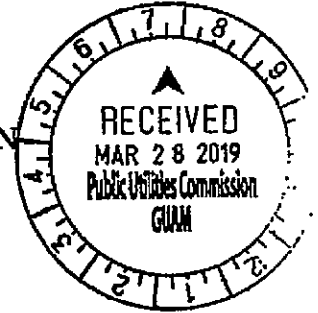


Filomena M. Cantoria  
Commissioner



Mark Miller  
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:	)	GPA DOCKET 19-08
	)	
THE APPLICATION OF THE GUAM	)	
POWER AUTHORITY TO EXERCISE	)	ORDER
EXTENSION OPTION UNDER THE	)	
MANAGEMENT, OPERATION, AND	)	
MAINTENANCE OF GPA'S FUEL	)	
BULK STORAGE FACILITY	)	
CONTRACT WITH ISLA PETROLEUM )	)	
<u>AND ENERGY, LLC (IP&amp;E GUAM)</u>	)	

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] to Exercise the First Extension Option under the Management, Operation, and Maintenance of GPA's Fuel Bulk Storage Facility Contract ["PMC"] with IP&E.<sup>1</sup>

BACKGROUND

2. On April 27, 2017, the PUC authorized GPA to enter into the PMC with IP&E for an initial two (2) year term and ordered GPA to seek approval for any extension of the PMC with the PUC.<sup>2</sup>
3. Under this contract, IP&E manages, operates, and maintains GPA's Fuel Bulk Storage Facility.<sup>3</sup>
4. The initial two (2) year term of the PMC expires on September 30, 2019.<sup>4</sup>
5. The PUC authorized GPA to expend up to a total amount of \$1,644,300.00 for the PMC's two-year initial term.<sup>5</sup>

<sup>1</sup> GPA Petition to Exercise Extension Option under the PMC with IP&E, GPA Docket 19-08, dated March 10, 2019.

<sup>2</sup> PUC Order, GPA Docket 17-04, dated April 27, 2017, at 3.

<sup>3</sup> GPA Petition at page 1.

<sup>4</sup> PUC Order at 3.

<sup>5</sup> GPA Petition at 1.

6. GPA estimates the cost of exercising the first option to extend the PMC for a one (1) period from October 1, 2019 to September 30, 2020 will be approximately \$859,320.<sup>6</sup>
7. On January 22, 2019, the Guam Consolidated Commission on Utilities ["CCU"], subject to the PUC's approval, authorized GPA to exercise the first one-year contract extension of the PMC with IP&E.<sup>7</sup>

### DETERMINATIONS

8. The PUC previously determined that the PMC for the Fuel Bulk Storage Facility should be adequate to require proper performance by the contractor, and that a PMC for that facility is responsible, prudent and necessary.<sup>8</sup>
9. GPA's estimated \$859,320 cost for the first option to extend the PMC is \$25,020 more than the estimated \$834,300 cost of the second year of the PMC's initial two-year term. This increase in cost does not appear to be excessive considering inflation and other rising cost factors.

### ORDERING PROVISIONS

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

1. GPA's exercise of the first option to extend the Performance Management Contact to IP&E Guam LLC., for the management, operation and maintenance of the GPA Fuel Farm Bulk Storage Facility, from October 1, 2019 to September 30, 2020 is approved.

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<sup>6</sup> Id., at 1.

<sup>7</sup>CCU Resolution No. 2019-01 at 1.

<sup>8</sup> PUC Order at 2.

2. GPA is authorized to expend up the amount of \$859,320 for the first option to extend the PMC.
3. GPA shall seek approval for any other extensions of the PMC with the PUC.
4. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

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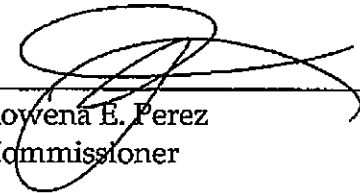
Order  
Approval of First Extension  
Option for PMC for GPA's  
Fuel Bulk Storage Facility  
with IP&E  
GPA Docket 19-08  
March 28, 2019


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Dated this 28th day of March, 2019.

  
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Jeffrey G. Johnson  
Chairman

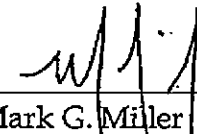
  
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Joseph M. McDonald  
Commissioner

  
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Rowena E. Perez  
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Filomena M. Cantoria  
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Michael A. Pangelinan  
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Peter Montinola  
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