

GUAM PUBLIC UTILITIES COMMISSION
REGULAR MEETING
September 26, 2019
Suite 202, GCIC BUILDING, HAGATNA



MINUTES

The Guam Public Utilities Commission [PUC] conducted a regular meeting commencing at 6:38 p.m. on September 26, 2019, pursuant to due and lawful notice. Commissioners Johnson, Perez, Montinola, Pangelinan, 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 August 29, 2019. Upon motion duly made, seconded, and unanimously carried, the Commission approved the minutes subject to correction.

2. Docomo Pacific, Inc.

The Chairperson announced that the next item of business was Docomo Pacific, Inc. [Docomo] Docket 19-02, Petition for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that the federal government provides a universal support fund for Guam telecom companies and before the telecom companies can receive monies from this fund the Commission must certify that the telecommunications company is performing nine types of services and ALJ Horecky went on to describe each of these nine services and stated that Docomo has certified that it provides all of them. ALJ Horecky stated that the Commission must also certify that the telecommunications company will use the universal support funds for their intended purposes under the law and he stated that Docomo certified that it uses its universal support funds for those purposes only. ALJ Horecky stated that the Commission also considers the telecom company's build out plan and that Docomo has submitted its 2016 to 2020 build out plan which indicates that Docomo has been constructing its fiber optic infrastructure throughout Guam and that Docomo will begin connecting its customer's phones directly to its fiber optic network in 2020. ALJ Horecky recommended that the Commission approve Docomo's USAC Certification. Commissioner Pangelinan recused himself from this matter because his law firm represents Docomo. Commissioner Montinola moved to approve Docomo's USAC Certification, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

3. PTI Pacifica, Inc.

The Chairperson announced that the next item of business was PTI Pacifica [PTI] Docket 19-03, Petition for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that this petition was similar to Docomo's petition for USAC Certification. ALJ Horecky stated that PTI has certified that it provides all of the nine types of services required for USAC Certification and that PTI has certified that it uses its universal support funds for their intended purposes under the law. ALJ Horecky stated that PTI filed a five-year build out plan which indicates that PTI's additional carrier capacity added long-term evolution to PTI's WCDMA sites and it has upgraded its technology and it has improved its IP core, and it will continue to expand coverage, add coverage, and it will implement its 5G network. ALJ Horecky recommended that the Commission approve PTI's USAC Certification. Commissioner Montinola moved to approve PTI's USAC Certification, which motion was seconded by Commissioner Pangelinan. The motion carried unanimously.

4. TeleGuam Holdings, LLC.

The Chairperson announced that the next item of business was TeleGuam Holdings, LLC, [GTA] Docket 19-01, Petition for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that GTA has certified that it provides the nine required services for USAC support and that all of the universal support funds will be used for the purposes under the Act, and that GTA has certified that it provides broadband services and that it meets certain technical requirements. ALJ Horecky stated that GTA's five-year plan indicates that its investing in new technology and that between 2020 to 2026 GTA will install VDSL, which is a very high data digital subscriber line, and that it will also expand its fiber. ALJ Horecky recommended that the Commission approve GTA's USAC Certification. Commissioner Pangelinan moved to approve GTA's USAC Certification, which motion was seconded by Commissioners Cantoria and Montinola. The motion carried unanimously.

The Chairperson announced that the next item of business was GTA Docket 19-02, GTA/Pulse Mobile's Petition for Annual USAC Certification, ALJ Report, and USAC Certification. ALJ Horecky stated that GTA has certified that it provides the nine required services for USAC support and that all of the universal support funds will be used for the purposes under the act. ALJ Horecky stated that Pulse used to be a separate entity and that it is now a division of GTA, and that Pulse's five-year plan includes projects for the expansion and support of its 5G, additional site construction, and core upgrade, and to increase its technological capacities. ALJ Horecky recommended that the Commission approve GTA/Pulse Mobile's USAC Certification. Commissioner Montinola moved to approve GTA/Pulse Mobile's USAC Certification,

which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

GTA Executive Vice President Tydingco inquired as to whether the Commission could transmit the approvals to the USAC and the FCC by September 27, 2019 and ALJ Horecky stated that he would do so with the assistance of Ms. Palomo.

5. Guam Power Authority

The Chairperson announced that the next item of business was the Guam Power Authority's [GPA] Docket No. 19-14, GPA Petition to Approve FY2020 CIP Ceiling Cap, ALJ Report, and Proposed Order. ALJ Horecky stated that GPA's contract review protocol requires the Commission to approve GPA's project ceiling cap prior to November 15 annually, and that GPA is requesting that the Commission approve its current \$23,780,278 project ceiling cap. ALJ Horecky stated that since 2018, GPA has been increasing its project ceiling cap each year; however, for each of these years including this year, a portion of the current project ceiling cap has included funds for projects that were not spent in the previous year and this year's project ceiling cap contains \$7,113,000 of such carry-over funds from last year. ALJ Horecky also stated that a large portion of the projects that are set forth in the GPA's are for Cabras 1 and 2 and the Tenjo units which are GPA's oldest plant assets that require greater maintenance and upkeep costs due to their age. ALJ Horecky stated that GPA's budget and GPA's proposed projects appear to be reasonable and he recommended that the Commission approve GPA's project ceiling cap at \$23,780,278. GPA General Manager [GM] Benavente stated that the projects for Cabras 1 and 2 are necessary to keep it going for another three years and that one of the projects concerns GPA's acquisition of twenty-five new bucket trucks to ensure GPA has enough of them to restore the island-wide power systems after a storm. Commissioner Perez inquired where GPA's disaster recovery building was located and GPA GM Benavente stated that GPA currently does not have a disaster recovery building and is trying to rent space for it temporarily and that GPA plans on constructing one behind its existing offices and he confirmed that the \$300,000 in the project ceiling cap was for the design of the disaster recovery building only. Commissioner Montinola inquires what GPA's progress was on its LED Streetlight conversion project and GPA GM Benavente stated that GPA has converted 9,000 out of 16,000 streetlights to LED and that GPA hopes to complete this project by 2020 and that there are currently no plans to add additional streetlights due to DPW's budget for them being decreased each year. Commissioner Miller moved to approve the proposed Order, which motion was seconded by Commissioner Perez. The motion carried unanimously.

The Chairperson announced that the next item of business was GPA Docket 19-15, Filing of the FY2020-2022 Construction Budget. ALJ Horecky stated that this was an informational filing because GPA is required to file its construction budget under GPA's Contract Review Protocol and that is a summary of GPA's use of its bond funds for its construction projects and that no Commission action was required. The Chairperson inquired as to whether GPA GM Benavente or any of the Commissioners had any comments and there were none.

6. Administrative Matters.

The Chairperson announced that the next item of business was the FY2020 Administrative Budget/Annual Assessment Order. ALJ Horecky stated that the FY2020 Administrative Budget is \$40,000 less than the FY2019 budget due to a budgeted decrease in professional fees. Commissioner Montinola moved to approve the FY2020 Administrative Budget, which motion was seconded by Commissioner Pangelinan. The motion carried unanimously.

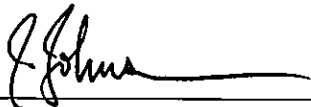
ALJ Horecky stated that the Annual Assessment Order includes an assessment for the Guam Solid Waste Authority [GSWA] for \$60,000 because they have not paid for the last two years due to being under receivership, and the assessment includes, roughly, for the Telecom companies, over \$34,000 for GTA, \$28,000 for PTI, \$23,000 for Docomo, under \$10,000 for PDS, and over \$4,000 for IConnect and he recommended that the Commission approve the Annual Assessment Order. Commissioner McDonald inquired whether any utilities were behind in paying their assessments and ALJ Horecky stated that GSWA and PDS were behind in paying their assessments and that he was working with Administrator Palomo to get them caught up. Commissioner Pangelinan inquired whether there were any GSWA dockets for the years that the Commission was assessing them and ALJ Horecky stated that there were a few minor ones for those years. Commissioner Perez inquired as to why GSWA fell behind in paying their assessments and the Chairperson stated that GSWA felt that because they were a smaller agency than the other utilities that they should not pay as much and ALJ Horecky stated that GSWA should pay despite this but that a lesser amount for GSWA is likely justified because it requires less Commission work than the larger agencies. A discussion then ensued between the Commissioners and ALJ Horecky concerning GSWA's assessment and GSWA's surcharges in comparison with the other agencies being assessed. Commissioner Montinola moved to approve the Annual Assessment Order, which motion was seconded by Commissioner Pangelinan. The motion carried unanimously.

The Chairperson announced that the next item of business was the Extension of Consultant Agreements, and Resolution 19-01. ALJ Horecky stated that the resolution

covers the Commission's nine consultants, the Commission's two Administrative Law Judges, and its one Legal Counsel, and that the contracts give the Commission the right to terminate the contracts prior to the expiration of the contract term, and that if the contracts are not terminated, they are renewed annually, and that the resolution would renew the contracts for the next year unless the Commission desired to terminate any of them. Commissioner Montinola moved to approve Resolution 19-01 for the extension of the contracts, which motion was seconded by Commissioner Cantoria. The motion carried unanimously.

The Chairperson announced that the next item of business was the Extension of the PUC Contract for the PUC's Administrator. ALJ Horecky stated that the Commission's Administrator is always on an annual contract which the Commission may renew every year, and that this renewal increases her annual salary from \$52,000 to \$54,000, that Administrator Palomo has diligently worked for the Commission for the last seventeen years, and that he recommends renewing her contract. A discussion ensued wherein the Commissioners congratulated and thanked Administrator Palomo for her long and faithful service to the Commission. Commissioner Montinola moved to approve Resolution 19-02 for the extension of the Administrator's Contract, which motion was seconded by Commissioner Pangelinan. The motion carried unanimously.

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



Jeffrey C. Johnson
Chairperson

ATTACHMENT A
THE GUAM PUBLIC UTILITIES COMMISSION
NOTICE OF PUBLIC MEETING

NOTICE IS HEREBY GIVEN that the Guam Public Utilities Commission [PUC] will conduct a regular business meeting, commencing at 6:30 p.m. on September 26, 2019, at Suite 202 GCIC Building, 414 W. Soledad Ave., Hagatna.

The following business will be transacted:

Agenda

1. Approval of Minutes of August 29, 2019
2. Docomo Pacific Inc.
 - Docomo Docket 19-02, Petition for Annual USAC Certification, ALJ Report, and USAC Certification
3. PTI Pacifica Inc.
 - PTI Docket 19-03, PTI Petition for Annual USAC Certification, ALJ Report, and USAC Certification
4. TeleGuam Holdings LLC
 - GTA Docket 19-01, Petition of GTA for Annual USAC Certification, ALJ Report, and USAC Certification
 - GTA Docket 19-02, Petition of GTA/Pulse Mobile for Annual USAC Certification, ALJ Report, and USAC Certification
5. Guam Power Authority
 - GPA Docket 19-14, GPA Petition to Approve FY2020 CIP Ceiling Cap, ALJ Report, and Proposed Order
 - GPA Docket 19-15, Filing of the FY2020-2022 Construction Budget
6. Administrative Matters
 - FY2020 Administrative Budget/Annual Assessment Order
 - Extension of Consultant Agreements, Resolution 19-01
 - Extension of PUC Contract for PUC Administrator
7.
 - Other Business

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

This Notice is paid for by the Guam Public Utilities Commission



DOCOMO DOCKET 19-02

ALJ REPORT

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

It is now Docomo Pacific's obligation to file its annual USAC Certification for study area code 669005. On August 23, 2019, Docomo Pacific, Inc. ["Docomo"] petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that Docomo will use federal universal service support funds for purposes in compliance with Section 254(e) of the Telecommunications Act.³ Docomo seeks a finding by the PUC that Docomo will comply with §254(e), which states that universal service funds ("USF"), may be used only for the purposes designated in the Federal Act. Based upon such a finding by the PUC, Docomo will be eligible to receive support pursuant to 47 C.F.R. §§54.301, 54.305, and/or 54.307, in the first, second, third and fourth quarters of the upcoming year.⁴

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

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

- (a) A carrier that receives federal universal service support must use that support only for the provision, maintenance and upgrading of facilities and services for which the support is intended.⁶ Attached as Exhibit A to Docomo's Petition is the certification and declaration by James W. Hofman II, the Chief Legal Officer of Docomo, that Docomo will use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with §254(e) of the Communications Act. This certification is for study area 669005.⁷
- (b) Pursuant to 47 C.F.R. §54.101(a), an eligible telecommunications carrier must offer each of the designated services in order to receive federal universal service support.⁸ In particular, an ETC is required to provide the following services in order to be supported by Federal Universal Service Support mechanisms:
 - (1) Voice grade access to the public switched network;
 - (2) Local Usage;
 - (3) Dual tone multi-frequency or its functional equivalent;
 - (4) Single-party service or its functional equivalent;
 - (5) Access to emergency services (such as 911 and enhanced 911);
 - (6) Access to operator services;
 - (7) Access to interexchange service;
 - (8) Access to directory assistance; and

⁶ 47 C.F.R. §54.7.

⁷ Docomo Pacific Inc. Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), Docomo Docket 19-02, filed August 23, 2019, Exhibit A [Declaration of James W. Hofman II], at p. 5.

⁸ 47 C.F.R. §54.101(a).

(9) Toll limitation for qualifying low-income consumers.⁹

2. Docomo has certified that it complies with its ETC Designation Order Requirements as set forth in 47 C.F.R. §54.101(a).¹⁰
 - (a) Local Usage. Docomo certifies that it currently provides throughout Guam all of the services and functionality supported by the federal universal service program enumerated in 47 C.F.R. §54.101(a).¹¹
 - (b) E911 Service. Docomo has certified that it currently provides its subscribers with 911 and enhanced 911 through arrangements with the incumbent local exchange carrier, GTA, which has the sole connection to the government of Guam's PSAP in the service area.¹²
 - (c) Certification of Service. Docomo has provided a certification that it offers all of the services designated by the FCC for support pursuant to §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale. It further certifies that it advertises the availability of supported services through general television advertisements and on radio stations, and will continue to expand such advertising. Lifeline Assistance Service and Operator Assisted Services are included in its General Exchange Tariff No. 1.¹³
 - (d) Notification of Inability to Provide Service to a Requesting Customer. An ETC such as Docomo is required to report "the number of requests for service from potential customers within the eligible telecommunication carrier's service areas that were unfulfilled during the past year."¹⁴ Docomo certifies that, for the period of January 1, 2018 to December 31, 2018, it had no unfulfilled requests for voice service interconnected with the public phone network.¹⁵

⁹ Id.

¹⁰ Docomo Pacific Inc. Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), Docomo Docket 19-02, filed August 23, 2019, at pgs. 2-4.

¹¹ Id. at p. 2.

¹² Id.

¹³ Id.

¹⁴ 47 C.F.R. §54.209(a)(3).

¹⁵ Docomo Pacific Inc. Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), Docomo Docket 19-02, filed August 23, 2019, at pg. 2.

- (e) Filing of a Detailed Build-Out Plan Satisfying the FCC's Requirements. Docomo is required to submit a five-year plan that describes with specificity proposed improvements or upgrades in its network.¹⁶ Docomo's Five Year Network Improvement Plan is set forth as Exhibit B to its Petition, filed under a claim of confidentiality with the PUC, on August 23, 2019.¹⁷ The Plan provides a description of the detailed improvements to its network structure over a five year period from 2016 through 2020, which improvements are ongoing for periods of up to eight years and which Docomo has made or intends to make to its network.¹⁸ Docomo completed its underground fiber placement project from the Route 10 Tri-Intersection to Route 4 and Route 4 to Dero Road.¹⁹ It completed the fiber placement project between Route 3 and Route 9.²⁰ In 2019, Docomo will continue to place underground fiber infrastructure in southern villages of Guam.²¹ In 2020, Docomo plans to begin connecting local residents' homes with direct fiber connections.²² Since 2016, Docomo has made improvements in expanding its Network and placing its aerial network in protected, underground conduits in stages throughout the Island.²³
- (f) Filing of Annual Certification under 47 C.F.R. §54.314(b). As required, Docomo has certified that all federal high-cost support provided to it in the Territory of Guam will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended. It will file with the PUC, by August 31 of each year, an annual certification verifying that high cost support will only be used for those facilities and services for which the support is intended.²⁴

¹⁶ 47 C.F.R. §54.202(a)(1)(ii).

¹⁷ Confidential Submission of Exhibit B to Petition for Annual Certification from the Guam Public Utilities Commission [Docomo's Five Year Network Improvement Plan Progress Report], Docomo Docket 19-02, filed August 23, 2019.

¹⁸ Id. at pgs. 4-8.

¹⁹ Id. at p. 5.

²⁰ Id. at p. 8.

²¹ Id. at p. 8.

²² Id.

²³ Id. at p. 4.

²⁴ Docomo Pacific Inc. Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), Docomo Docket 19-02, filed August 23, 2019, at p. 3.

- (g) Required Documentation. In accordance with the FCC ETC Designation Order²⁵ and Order Approving ETC Designation for GT²⁶, Docomo is required to file certain documentation to maintain its ETC Designation Status and to obtain an Order from the PUC approving its annual USAC Certification.
- (1) Five Year Network Plan. As outlined above, Docomo has demonstrated substantial progress in meeting its 5-year network improvement plan.²⁷ Once it receives the universal support funds anticipated, it will more likely be able to achieve its goals in the plan.
- (2) Information on any outages. For the period of January 1, 2018, to December 31, 2018, Docomo does not have any outages to report.²⁸
- (3) Unfulfilled Requests for Service. For the period of January 1, 2018 to December 31, 2018, Docomo did not have any unfulfilled requests for service from potential customers within Docomo's service area.²⁹
- (4) Complaints per 1,000 lines. For the period of January 1, 2018, to December 31, 2018, Docomo is not aware of any complaints filed with the PUC or any other regulatory body.³⁰
- (5) Service Quality Standards and Consumer Protection Rules. Docomo certifies that it is complying with applicable service quality standards and consumer protection rules.³¹
- (6) Ability to Function in Emergency Situations. Docomo certifies that it is able to function in emergency situations.³² It currently deploys battery backup units to its network nodes in addition to co-locating

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

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

²⁷ Docomo Pacific Inc. Petition for Annual Certification from the Guam Public Utilities Commission Re: Universal Service Funds (47 C.F.R. §54.314), Docomo Docket 19-02, filed August 23, 2019, at pgs. 2-3; see also Exhibit B.

²⁸ *Id.* at p. 3.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at p. 4.

network hub equipment in commercial buildings that have back up power generators in case of power outages.³³

- (7) Certification of Local Usage Plan. Docomo includes unlimited local usage in its service rate plans and certifies that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier, GTA TeleGuam.³⁴
- (8) Equal Access Certification. Docomo acknowledges and certifies that the PUC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.³⁵

RECOMMENDATION

Docomo indicates that, during the calendar year 2018, it received \$347,676.00 from USAC's High Cost support program.³⁶ Based upon the Petition and supporting exhibits submitted by Docomo, it appears that the USF received in calendar year 2018 has been used as intended. It is the Administrative Law Judge's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to Docomo in calendar year 2020 will be used in accord with the purposes and requirements stated in the Federal Act and Code of Federal Regulations. The Administrative Law Judge recommends that Docomo's request for USAC certification be GRANTED.

The Administrative Law Judge has not become aware of any contrary evidence which would contradict any of the above certifications by Docomo. The ALJ believes that Docomo has satisfied all of the requirements set forth in the Code of Federal Regulations, the Docomo ETC Designation Order, and the FCC's requirements. There is no basis upon which it would be expected that Docomo would use USF support for other than the intended purposes.

Therefore, the Administrative Law Judge recommends approval of Docomo's request for USAC certification.

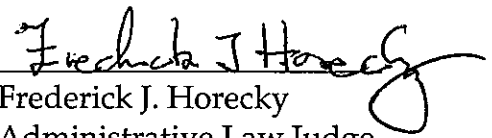
³³ Id.

³⁴ Id.

³⁵ Id.

³⁶ Confidential Submission of Exhibit B to Petition for Annual Certification from the Guam Public Utilities Commission [Docomo's Five Year Network Improvement Plan Progress Report], Docomo Docket 19-02, filed August 24, 2019, at p. 4.

Dated this 13th day of September, 2019.


Frederick J. Horecky
Administrative Law Judge

Guam Public Utilities Commission

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

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

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

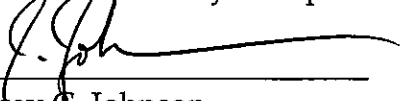
Pursuant to the requirements of 47 C.F.R §54.314, the Guam Public Utilities Commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that Docomo Pacific, Inc. is eligible to receive federal high-cost support for the program years cited.

On March 31, 2016, the Guam Public Utilities Commission transferred Guam Telecom LLC's Eligible Telecommunications Carrier ["ETC"] Designation and its Certificates of Authority to Docomo Pacific Inc.

The Guam Public Utilities Commission certifies for Docomo Pacific, Inc., that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2018) and will be used in the coming calendar year (2020) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

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

Dated this 26th day of September, 2019.



Jeffrey C. Johnson
Chairperson, Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



In the Matter of:

PTI PACIFICA INC.
USAC CERTIFICATION

) PTI Docket 19-03
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ALJ REPORT

BACKGROUND

On September 12, 2019, PTI Pacifica Inc. ("PTI") petitioned the Guam Public Utilities Commission ("PUC") to issue a certification that PTI will use federal universal service support funds for purposes in compliance with Section 254(e) of the Telecommunications Act.¹ PTI seeks a finding by the PUC that it will comply with §254(e), which states that universal service funds ("USF"), may be used only for the purposes designated in the Federal Act.

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

On January 7, 2008, the PUC granted PTI's Petition for Designation as an ETC throughout the Territory of Guam.² In accord with such Order, PTI's annual designation as an ETC is subject to its provision of annual certifications and data submissions to the PUC. PUC requires such information so that it can ensure that funds received by PTI will be expended in accordance with the requirements of the Telecommunications Act. Based upon the certifications and documentation provided by PTI in its 2019 Annual Compliance Filing, it is the Administrative Law Judge's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to PTI in calendar year 2020 will be used in accord with the purposes and requirements designated in the Federal Act. The Administrative Law Judge recommends that PTI's request for USAC certification be GRANTED with respect to wireless services. A draft letter to the FCC is submitted herewith.

¹ PTI 2019 Annual Compliance Filing, PTI Docket 19-03, filed September 12, 2019.

² PUC Order Approving Designation, Docket 08-05, issued January 7, 2008.

RECENT DEVELOPMENTS IN PTI OPERATION

On May 2, 2008, PTI acquired the telecommunications assets of IT&E, a carrier that had been certified as an ETC by the FCC. This transaction included all of IT&E's wireless and wire line operations, including its CLEC operations. In addition, on May 28, 2009, the PUC issued an ORDER approving the assignment and transfer of the Certificate of Authority of IT&E to PTI.³

In 2009, PTI decided to retain its official corporate name but to use IT&E as a trade name on both Guam and in the CNMI so that subscribers on all four of the islands PTI serves realize they are being provided service by the same company.⁴

This is the eleventh annual USAC filing by PTI. In 2009 through 2018, the PUC Chairman, on behalf of the PUC, issued USAC Certifications for each year that PTI Pacifica Inc. would use federal high cost support funds only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with §254(e) of the Communications Act.⁵

Along with its Filing, PTI is required to include a detailed build-out plan satisfying the FCC's requirements as part of its annual submission (Five Year Quality Service Improvement Plan). PTI has filed an updated build out plan, in satisfaction of the FCC requirements.⁶ The plan provides site by site descriptions of the improvements that have been made and those planned in the next few years, through 2024. In compliance with the requirements of 47 C.F.R. §54.209 (a) (1), PTI has filed actual expenditures for 2018 and a listing of expenditures on a site by site basis by wire centers.⁷ PTI states that it has invested funds in excess of payments received from the Universal Support Fund in improving the service quality of its network to provide the supported services in Guam.⁸

³ PUC Order Approving Assignment and Transfer of IT&E Overseas Inc. Certificate of Authority to PTI Pacifica Inc., issued May 28, 2009.

⁴ PTI 2011 Annual Compliance Filing, PTI Docket 11-01, Exhibit 3 [Five Year Service Quality Improvement Plan, Guam, August 2011], filed August 19, 2011.

⁵ PUC "Use" Certification, CC Docket 96-45, dated September 15, 2009; PUC "Use" Certification, CC Docket 96-45, dated September 15, 2010; PUC "Use" Certification, CC Docket 96-45, dated September 19, 2011; PUC "Use" Certification, CC Docket 96-45, dated September 1, 2012; PUC "Use" Certification, CC Docket 96-45, dated November 26, 2013, as amended January 9, 2014; PUC "Use" Certification, CC Docket 96-45, dated September 26, 2014; PUC "Use" Certification, CC Docket 96-45, dated September 24, 2015; PUC "Use" Certification, CC Docket 96-45, dated September 29, 2016; PUC "Use" Certification, CC Docket 96-45, dated September 28, 2017; and PUC "Use" Certification, CC Docket 96-45, dated September 27, 2018.

⁶ PTI 2019 Annual Compliance Filing, PTI Docket 19-03, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed September 12, 2019; The Five-Year Service Quality Improvement Plan is filed under a Claim of Confidentiality pursuant to the PUC Rules governing Telecommunications Companies.

⁷ Id. at pgs. 1-4.

⁸ Id. at p. 1.

During the present reporting period, PTI made a considerable number of improvements to existing sites. In 2018, PTI installed additional new sites in Guam, installed additional carrier capacity at sites, added LTE to previously WCDMA sites, and upgraded the IP Core for both the wireline and wireless networks.⁹

In 2018, PTI installed eight new sites. It intends to add between 3 to 4 new cell sites per year for the next five years to improve coverage and add capacity.¹⁰ It will begin 5G implementation in 2019 and to deliver ultra-fast fixed wireless services to many neighborhoods in Guam.¹¹ End user data speeds will be significantly faster with the addition of 4 x 4 MIMO.¹² Voice over LTE will provide users with crystal clear voice calls.¹³ Over the five-year period, there will be an expansion of coverage and capacity throughout the island's office buildings and hotels.¹⁴

REQUIREMENTS

The PTI ETC Designation Order contains the following requirements:

- (a) PTI must comply with any local usage requirements prescribed by the FCC;
- (b) PTI must comply with any FCC requirements concerning E911 services when implemented in the Territory of Guam;
- (c) PTI must certify to the Commission that PTI (i) offers all of the services designated by the FCC for support pursuant to §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale and (ii) advertises the availability of supported services and related charges using media of general distribution;
- (d) PTI must notify the Commission within thirty (30) days of any determination that it cannot provide service to a requesting customer in accordance with the FCC's requirements;
- (e) PTI must file a detailed build-out plan satisfying the FCC's requirements;

⁹ Id. at pg. 3.

¹⁰ Id. at p. 4.

¹¹ Id.

¹² Id.

¹³ Id.

¹⁴ Id.

- (f) PTI must file with the Commission by August 31 of each year an annual certification in substantially the form required by §314(b) of the Act and §54.314(c) of the FCC's rules to verify that PTI will use federal high-cost support only for those facilities and services for which the support is intended;
- (g) PTI must annually submit to the Commission by August 31 of each year the following records and documentation:
 - (i) PTI's progress towards meeting its build-out plans;
 - (ii) information on any outage lasting at least 30 minutes and potentially affecting either at least 10 percent of the end users served or 911 facilities;
 - (iii) the number of requests for service from potential customers within PTI's service area that were unfulfilled for the past year;
 - (iv) the number of complaints per 1,000 handsets;
 - (v) PTI's compliance with the CTIA Consumer Code;
 - (vi) PTI's certification that it is able to function in emergency situations;
 - (vii) PTI's certification that it is offering a local usage plan comparable to that offered by the incumbent local exchange carrier; and
 - (viii) PTI's certification that it acknowledges that the Commission may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.
- (h) PTI must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time.

COMPLIANCE WITH REQUIREMENTS

- (a) *Local usage requirements—*

PTI certified that it does offer all of the core services identified for USF.¹⁵

¹⁵ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, Exhibit 1 [CERTIFICATION REGARDING

(b) *E911 service-*

In its application for ETC designation, PTI indicated that it would support 911 service and E911 once implemented by the Government of Guam. PTI continues to support 911 services by forwarding such calls to the applicable government agencies. If and when E911 is adopted in Guam, PTI will comply with such requirements.¹⁶

(c) *Certification of services-*

PTI has provided a certification that it offers all of the services designated by the FCC for support pursuant to §254(c) of the Federal Act either using its own facilities or a combination of its own facilities and resale. It further certified that it advertises the availability of supported services in media of general distribution.¹⁷

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

PTI reports that for the period of July 1, 2018, through June 30, 2019, it had no unfulfilled requests for voice service interconnected with the public telephone network.¹⁸

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

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

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

PROVISION AND ADVERTISING OF SUPPORTED SERVICES, DECLARATION OF STEVEN CARRARA, GENERAL COUNSEL].

¹⁶ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, Exhibit 3, FILED September 12, 2019.

[CERTIFICATION REGARDING PROVISION OF 911 SERVICES, DECLARATION OF STEVEN CARRARA, GENERAL COUNSEL].

¹⁷ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, Exhibit 1 [CERTIFICATION REGARDING PROVISION AND ADVERTISING OF SUPPORTED SERVICES, DECLARATION OF STEVEN CARRARA, GENERAL COUNSEL].

¹⁸ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, at p. 3.

PTI has certified that all federal high-cost support provided to it in the Territory of Guam will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.¹⁹

(g) *Documentation-*

(i) PTI's progress towards meeting its build-out plans – PTI made progress in 2018 in adding new sites in Guam, installing additional carrier capacity at sites, adding LTE to previously WCDMA sites, and upgrading the IP Core for both the wireline and wireless networks.²⁰ The improvements for 2019-2023 are set forth in the *Recent Developments* section above. PTI will continue to deploy specific network improvement projects dependent upon the actual amount of support that has been received.²¹ It continues to appear that PTI has demonstrated substantial progress in achieving the service improvements envisioned by the Federal USF programs.²²

(ii) Information on any outages – PTI reported that it did not have any outages lasting at least 30 minutes and potentially affecting either at least 10 percent of the end users served or 911 facilities within the period of July 1, 2018, through June 31, 2019.²³

(iii) Unfulfilled requests for service – PTI indicates that it had no unfulfilled requests for voice service interconnected with the public telephone network for the period of July 1, 2018, through June 31, 2019.²⁴

(iv) Complaints per 1,000 handsets - PTI reports that for the period of July 1, 2018, through June 30, 2019, that 1 complaint per 1,000 handsets was filed.²⁵

(v) Compliance with the CTIA Consumer Code - PTI certifies that it is in compliance with the CTIA Consumer Code during the reporting period.²⁶

¹⁹ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, Exhibit 2 [CERTIFICATION SUPPORTING FILING UNDER FCC RULE 54.314, DECLARATION OF STEVEN CARRARA, GENERAL COUNSEL].

²⁰ PTI 2019 Annual Compliance Filing, PTI Docket 19-03, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed September 12, 2019, at pgs. 3-4.

²¹ *Id.* at p. 2.

²² PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed September 12, 2019, at pgs. 3-4.

²³ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, at p. 2.

²⁴ *Id.* at p. 3.

²⁵ *Id.*

²⁶ *Id.*

(vi) Ability to function in emergency situations – PTI certified that it has the ability to remain functional in emergency situations. There is a reasonable amount of backup power to ensure functionality without an external power source. PTI indicated that it can reroute traffic around damaged facilities and is capable of managing traffic spikes resulting from emergency situations.²⁷

(vii) Certification of local usage plan – PTI presently offers an unlimited usage local calling plan available to all customers. It currently offers various local usage plans that provide consumer value that are reasonably comparable to the plans offered by the ILEC, GTA Telecom. It is continuing to assess its rate plans in Guam, and will report to the Commission at least annually on its offerings, consistent with its ETC reporting requirement.²⁸

(viii) Equal access certification - PTI has certified that the PUC may require it to provide it equal access to long distance carriers in the event that no other ETC is providing equal access in the service area.²⁹

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

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

PTI indicates that, during the calendar year 2018, it received \$1,814,172 in USF support funds. It further states that these funds have all been used to improve the service quality of PTI's network in Guam.³⁰ The Administrative Law Judge has not become aware of any contrary evidence which would contradict the above certifications by PTI. It is his belief that PTI has satisfied all of the criteria set forth in the PTI ETC Designation Order and the FCC's requirements. PTI has already made major and substantial progress on its network and service improvement plans. There is no basis upon which it would be expected that

²⁷ Letter Certification dated September 12, 2019, from Steven Carrara, General Counsel, IT&E, to Federal Communications Commission and USAC, filed September 12, 2019; attached to PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03.

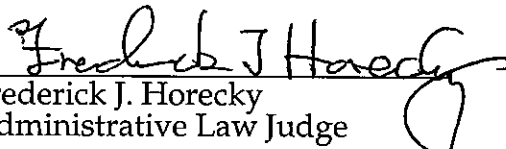
²⁸ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, at pgs. 3-4.

²⁹ Id. at p 4.

³⁰ PTI 2019 Annual ETC Compliance Filing, PTI Docket 19-03, FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN, filed September 12, 2019, at p. 1.

PTI will use future USF support for other than the intended purposes. Therefore, the Administrative Law Judge recommends approval of PTI's request for USAC certification

Dated this 16th day of September, 2019.


Frederick J. Horecky
Administrative Law Judge

Guam Public Utilities Commission

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

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

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

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

The Guam Public Utilities Commission certifies for PTI Pacifica Inc. that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2018) and will be used in the coming calendar year (2020) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

I am authorized to make this certification on behalf of the Guam Public Utilities Commission. This certification is for study area 669004 for the Territory of Guam.

Dated this 26th day of September, 2019.



Jeffrey C. Johnson
Chairperson, Guam Public Utilities Commission

GTA Docket 19-01

ALJ REPORT

On September 23, 2019, TeleGuam Holdings LLC (“GTA”) filed its 2019 Annual USAC filing. It petitioned the PUC to issue a Certification that GTA will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.¹ GTA receives monies from interstate universal service funds [“USF”] that are designated to support local services, build needed infrastructure and improve service quality.

GTA's Petition states that universal support funds received by it are all being used to support core services that are designated for USF support.³ The Chief Executive Officer of GTA, Roland S. Certeza, has certified that all federal high-cost support received will be used only for the provision, maintenance, and upgrading of facilities and services for which support is intended.⁴

All federal high cost funds received are used to support core services.⁵ GTA indicates that the cost of providing these core services is covered by federal federal high cost fund support as intended by the federal USF programs.⁶

² Georgetown Consulting Group Report on USAC Certification – GTA Telecom, dated September 12, 2008.

⁴ GTA Petition, *supra*, attached 2019 High Cost Support Use Certification of TeleGuam Holdings, LLC (Roland S. Certeza, Chief Executive Officer).

⁶ Id. at p. 5.

On March 17, 2005, the FCC released its ETC (“Eligible Telecommunications Carrier”) Designation Order, which adopted specific requirements for ETCs granted designation pursuant to Section 214(e)(6) of the Federal Act.⁷ The FCC designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services, access to directory assistance; and toll limitation service for qualifying low-income consumers.⁸

COMPLIANCE WITH FCC AND ETC DESIGNATION ORDER REQUIREMENTS

In its Petition, GTA certifies that, in accordance with 47 C.F.R. §54.101, GTA provides all of the core services that are designated for USF support. It offered all of the services designated by the FCC for support pursuant to Section 254 (c) of the Federal Act during calendar year 2018 and to date in 2019.⁹ It provides those services as part of its basic residential and business local line service under its General Exchange Tariff approved by the PUC.¹⁰ Through GTA’s tariff, its customers are able to purchase single party, unlimited local usage telephone services that utilize dual tone multifrequency signaling. In addition, GTA provides access to 911 as well as access to operator services, directory assistance and access to interexchange services. It provides toll limitation for domestic and international toll calls.¹¹

The federal support received by GTA is Broadband Loop Support.¹² GTA further certifies that, as a recipient of Connect America Fund-Broadband Loop Support “throughout 2018, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/ 1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time.”¹³

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

⁷ *In the Matter of Federal –State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (released March 17, 2005) (the “ETC Designation Order”).

⁸ *Id.*

⁹ GTA Petition, *supra*, at p.5.

¹⁰ GTA Petition, *supra*, at p. 2.

¹¹ *Id.*

¹² *Id.* at p. 5.

¹³ Attachment to GTA Petition, Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i)).

1. Progress report on the ETC's five-year Service Quality Improvement Plan. The Federal Communications Commission requires ETCs to submit a five-year build-out plan in a manner consistent with Section 54.202(a)(1)(c) of the Commission's Rules by July 1, 2014 and to submit annual progress reports thereafter.¹⁴ Section 54.202(a)(1)(ii) requires the ETCs to submit a five-year plan that describes with specificity proposed improvements or upgrades to the ETC's network throughout its proposed service area, including an estimate of the area and population that will be served as a result of the improvements.¹⁵

In particular, the FCC March 5, 2013 Order specified that, for rate-of-return carriers [i.e. "GTA"], the five-year plans "should describe the carrier's network improvement plan, which should provide greater visibility into current plans to extend broadband service to unserved locations in rate-of-return service territories."¹⁶ The FCC has indicated that a key component of the certification issued by entities such as the Guam PUC under Section 254(e) is whether USF support is being used to maintain and extend modern networks capable of providing voice and broadband service.¹⁷

The FCC's five-year plan requirements require the ETC to describe with "specificity" the proposed improvements or upgrades to the ETC's network throughout its service area: (1) how signal quality, coverage, or capacity will improve due to the receipt of high-cost support throughout the area for which the ETC seeks designation; (2) the projected start date and completion date for each improvement and the estimated amount of investment for each project that is funded by high-cost support; (3) the specific geographic areas where the improvements will be made; and (4) the estimated population that will be served as a result of the

¹⁴ See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Inter-carrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*; WC Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-61 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*) at Para. 587; *Connect America Fund et al.*, WC Docket 10-90 *et al.*, Order, DA 13-332 (rel. Mar. 5, 2013) ("*March 5, 2013 Order*") at Para's. 4, 6-9. Delaying Five Year Plan until July 1, 2014 see WC Docket No. 10-90, Order, DA 13-1115, Para 8 (released May 16, 2013).

¹⁵ 47 C.F.R. §54.202(a)(1)(ii).

¹⁶ March 5, 2013 Order at Par. 9 citing Section 54.202(a)(1)(ii).

¹⁷ USF/ICC Transformation Order at Par. 612.

improvements.¹⁸

GTA has submitted, under seal, its Five-Year Service Quality Improvement Plan.¹⁹ Appendix A, GTA's Five-Year Buildout Plan, sets forth GTA's major network improvement projects for the six calendar years 2020 through 2025, along with the start and completion dates, capital costs, project type, and areas and populations associated with those projects.²⁰

GTA indicates that use of eligible funds for these projects will enhance its network and invest in new technology.²¹ Numerous projects are listed for 2020-2026, including: installation of VDSL and fiber expansion.²² VDSL is "Very high data rate Digital Subscriber Line." It is a "hybrid loop scenario", with Fiber to the Neighborhood, providing distribution from the central office to the neighborhood, which carries the signal the last leg to the residential premises.²³ GTA has also indicated a breakdown of the estimated capital expenditures associated with the projects and operating expenses.²⁴

Submitted as an Attachment to its Petition are certifications by Teleguam Holdings LLC that it is able to function in emergency situations.²⁵ GTA also certifies that it complies with applicable service quality standards.²⁶

2. Detailed information on any outage lasting at least 30 minutes. GTA had no outages that affected landline service in 2018. In 2019, GTA has three (3) outages that affected the landline service.²⁷ On May 16, 2019, there was a wireless outage in Tumon for 1.5 hours. Approximately 384 ports and 427 landlines were affected. The cause was an Occam transport issue, and the fix was the reload of Occam blade software. On June 29, 2019, there

¹⁸ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("2005 ETC Order").

¹⁹ GTA Petition, *supra*, GTA Docket 19-01, EVIDENTIARY SUBMISSION, Appendix A, GTA's Five-Year Buildout Plan.

²⁰ *Id.*

²¹ GTA Petition, *supra*, at pg. 5.

²² GTA Petition, *supra*, EVIDENTIARY SUBMISSION, Appendix A, GTA's Five-Year Buildout Plan.

²³ Newton's Telecom Dictionary (25th Anniversary Edition 2009), definition of VDSL.

²⁴ Appendix A, GTA's Five-Year Buildout Plan; see also EVIDENTIARY SUBMISSION, GTA Audited Financial Plan.

²⁵ GTA Petition, *supra*, Attachment, and also at GTA Petition, pg. 4.

²⁶ GTA Petition, *supra*, at pg. 4.

²⁷ GTA Petition, *supra*, at p. 3.

was an Agat REC outage for four hours, impacting 133 landlines. The cause was RCC card failure, and the fix was replacement and reload of RCC cards. On September 7, 2019, there were wireline outages of the Yigo REC for four hours, impacting 96 landline subscribers and 3,168 Adtran customers (assuming all ports were provisioned). The cause was a backup power failure at the Yigo remote.

3. The number of requests for service from potential customers that were unfulfilled for the past year. There were no requests for service from potential customers that were unfulfilled for the past year, other than requests that GTA was unable to fulfill due to the subscriber's inability to pay the required deposits for delivery of service or service drops for new subscribers.²⁸
4. The number of complaints per 1,000 handsets or lines. During calendar year 2018 and to date 2019, GTA was not aware of any end user complaints filed with the PUC or any other regulatory body.²⁹
5. Certification that the ETC is complying with applicable service quality standards. GTA certifies that it adheres to all applicable PUC service quality standards.³⁰
6. Certification that ETC is able to function in emergency situations. GTA certifies that it has the ability to remain functional in emergency situations. Through the use of its backup electricity generators, buried copper and fiber plant, and backup battery power at its Central Office and Remote Equipment Centers, GTA has the necessary infrastructure and equipment to remain functional in situations that include fires, earthquakes or typhoons.³¹
7. Certification that the ETC is offering a local usage plan that is comparable to the incumbent LEC. GTA is the incumbent LEC and offers an unlimited local usage plan to its subscribers.³²

²⁸ Id.

²⁹ Id. at p. 4.

³⁰ Id.

³¹ Id.

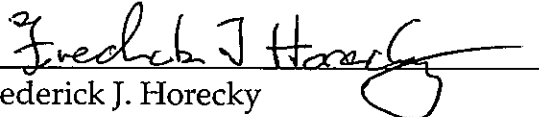
³² Id.

8. Certification that the carrier acknowledges that the Commission may require it to provide equal access. GTA currently offers equal access to all of its subscribers and therefore is in compliance with this requirement.³³

GTA has also provided the required certification that it has advertised the availability of the supported services and charges through general media distribution, including direct mailing, Internet, newspaper advertising, and radio.³⁴

GTA indicates that, for calendar year 2018, it received \$6,273,522.00 in Broadband Loop Support.³⁵ For the 2019 calendar year to date, GTA received a total of \$4,623,377.00 in Broadband Loop Support.³⁶ GTA has also submitted audited financial data for 2018 as an attachment to its Petition to demonstrate that all funds are being used to support core services.³⁷ Based upon the Petition and supporting exhibits submitted by GTA, it appears that the USF received in calendar year 2018 has been used as intended. The Administrative Law Judge is not aware of any evidence which contradicts the above certifications by GTA and believes that such certifications should be accepted. It is the Administrative Law Judge's recommendation that GTA's request for USAC Certification be granted. The Commission may reasonably certify that future USF received by GTA will be appropriately used. A draft letter to the FCC approving Teleguam Holdings LLC "Use" certification is submitted herewith.

Dated this 24th day of September, 2019.


Frederick J. Horecky
Administrative Law Judge

³³ Id.

³⁴ Id.

³⁵ Id. at p. 5

³⁶ Id.

³⁷ EVIDENTIARY SUBMISSION, GTA Audited Financial Statements, attached to GTA Petition (GTA Audited Financial Data).

Guam Public Utilities Commission

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

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


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

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

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, that all federal high cost support/ broadband loop support provided to such carrier within Guam was used in the preceding calendar year (2018) and will be used in the coming calendar year (2020) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

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

Dated this 26th day of September, 2019.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

GTA Docket 19-02

ALJ REPORT

On September 23, 2019, TeleGuam Holdings LLC, f/k/a Pulse Mobile, filed its 2019 Annual USAC filing.¹ Although TeleGuam Holdings LLC is the technical holder of the ETC designation, it operates as a CMRS carrier under the name of Pulse Mobile. Thus, “Pulse Mobile”, as used herein, will interchangeably refer to TeleGuam Holdings.

Pulse Mobile has petitioned the PUC to issue a Certification that Pulse Mobile will use federal universal service support funds for purposes in compliance with Section 254(e) of the Communications Act.² It receives monies from interstate universal service funds [“USF”] that are designated to support local services, build needed infrastructure and improve service quality.

Each year the PUC is required to certify to the FCC and the Universal Service Administrative Company (USAC) that those universal service funds will be used only for the purposes designated in the Federal Act. Absent such a Certification by PUC, TeleGuam Holdings LLC would be denied funds for each quarter of the year that certification is delayed.³ Pulse receives monies from interstate universal service funds (USF) that are designated to accomplish the purposes set forth in Section 254(e) of the Communications Act.

On February 1, 2007, the PUC granted Pulse Mobile LLC's Petition for designation as an ETC.⁴ By virtue of PUC Order in GTA Docket 11-14 issued on May 25, 2012, Pulse Mobile's ETC Designation was transferred to TeleGuam Holdings LLC.⁵ ETCs are service providers eligible to receive federal support for local services from Universal Service Funds. In accordance with such Order, TeleGuam Holdings LLC annual designation as an ETC, d/b/a Pulse Mobile, is subject to its provision of annual certifications and data submissions to the PUC. The PUC requires such information so

¹ Pulse Mobile Petition for Annual USAC Certification, Docket No. 19-02, filed September 23, 2019, at p. 1.

2 Id.

³ Pulse Mobile Petition for Annual USAC Certification, Docket No. 12-08, filed September 12, 2012.

⁴ Application of Pulse Mobile, LLC for Designation as an Eligible Telecommunications Carrier (Order Approving Designation, Docket No. 06-8, issued February 1, 2007).

⁵ PUC Order, GTA Docket 11-14, dated May 25, 2012.

that it can ensure that funds received by Pulse will be expended in accord with the requirements of the Communications Act.

RECENT DEVELOPMENTS

Pulse has continued to make capital improvements to its wireless networks on Guam.⁶ Pulse has built out various aspects of its wireless network over the past year.⁷ During 2018, Pulse continued its LTE Site Coverage Expansion with coverage and capacity enhancements, upgrade of the wireless core backhaul, 3G Site Coverage Expansion, and Tower Maintenance.⁸ In 2019, there has been an expansion of in-building coverage, cell site expansion, preparation for VoLTE/VoWifi, and continued coverage/capacity expansion of LTE. With its Petition, GPA has submitted its planned expansion plan for 2015 through 2021. Appendix A, Five Year Build Out Plan, sets forth GTA's major network improvement projects, along with the start and completion dates, capital costs, progress status, and areas impacted with those projects.⁹ Numerous projects are listed for 2019-2021, including expansion and support of 5G (with handset and speed), additional site construction, and core upgrade.¹⁰ GTA's Plan indicates capital expenditures in excess of \$12M.¹¹

REQUIREMENTS

The Pulse ETC Designation Order contains the following requirements:

- (a) Pulse Mobile must comply with any local usage requirements prescribed by the FCC;
- (b) Pulse Mobile must comply with any FCC requirements concerning E911 service when implemented in the Territory of Guam;
- (c) Pulse Mobile must certify to the Commission on or before August 31 of each year, that Pulse Mobile (i) offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act either using its own

⁶ Pulse Mobile Petition for Annual USAC Certification, GTA Docket 19-02, EVIDENTIARY SUBMISSION, Appendix A to Pulse's Petition, Pulse Mobile's Five-Year Network Improvement Plan.

⁷ Id.

⁸ Id., Appendix A to Pulse's Petition, Pulse Mobile's Five-Year Buildout Plan.

⁹ Pulse Mobile Petition for Annual USAC Certification, Docket No. 19-02, filed September 23, 2019, Appendix A, Five Year Buildout Plan.

¹⁰ Id.

¹¹ Id.

facilities or a combination of its own facilities and resale and (ii) advertises the availability of supported services and the charges there for using media of general distribution as described in its petition;

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

COMPLIANCE WITH REQUIREMENTS

(a) *FCC Local usage requirements-*

The FCC has designated nine core services that are eligible for Universal Service Fund (USF) support: single party service; local usage; voice grade access to the public switched telephone network; dual tone multifrequency signaling; access to emergency services; access to operator services; access to interexchange services; access to directory assistance; and toll limitation service for qualifying low-income consumers.¹² In its Petition, Pulse states that, in accordance with 47 C.F.R. §54.101, it provides all of the core services that are designated for support for USF throughout its licensed service territory.¹³

(b) *E911 Service-*

Pulse indicates that it currently offers its customers access to operators throughout Guam to provide the requested services.¹⁴ Pulse certifies that it continues to support 911 services and supports E911 services including providing the automatic numbering information throughout the territory of Guam.¹⁵ In accordance with the ORDER APPROVING DESIGNATION, Pulse is required, to the extent that a governmental authority in Guam implements E911 systems, to provide E911 service. Pulse's designation as an ETC is also conditioned on its compliance with any FCC requirements concerning E911 service when implemented in Guam.¹⁶

(c) *Certification of services -*

In compliance with Pulse's ETC Designation Order, and FCC 05-46, it certifies to the PUC that it offers all of the services designated by the FCC for support pursuant to Section 254(c) of the Federal Act by using its own facilities and advertising the availability of supported services and charges using media distribution available on Guam.¹⁷ Pulse also advertises its services on its website and through direct mail. It

¹² 47 U.S.C. §214(e).

¹³ Pulse Petition for Annual USAC Certification, Cover page.

¹⁴ Id at p. 2.

¹⁵ Id.

¹⁶ ORDER APPROVING DESIGNATION, Docket No. 06-8, p. 3.

¹⁷ Pulse Petition for Annual USAC Certification, supra, at p. 3.

provides advertising and education of lifeline services through its website to eligible low-income subscribers.¹⁸

(d) Notification of inability to provide service -

Pulse Mobile certified that it “has been able to fulfill services to all requesting customers in accordance with FCC requirements.”¹⁹

(e) Filing of detailed build-out plan-

Pulse Mobile filed its detailed five-year build-out plan, under confidentiality, as an appendix to its Petition.²⁰ The projects described in the plan support the provision of the core services for which service was intended.

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

Pulse, through its Chief Executive Officer, Roland S. Certeza, has certified that all Federal High-Cost support provided to it will be used only for the provision, maintenance and upgrading of facilities and services for which support is intended.²¹

(g) Filing Documentation-

(i) Pulse’s progress toward meeting its build-out plans – Pulse’s five-year plan indicates that it has made substantial improvements to its wireless networks and plans to continue to make such improvements over the next few years.²²

(ii) Information on any outages – Pulse had nine outages that affected wireless service.²³

1. 4/22/2018 - 5 Hours Voice/Data Network outage on 4/22/18

Duration: 5 hours. Cause: Net Number Masters servers database corruption. Master server populated edge STP nodes with outdated configuration. This configuration that was the STP edges did not have the proper routing tables (SNN entries) data filled for

¹⁸ Id. at pgs. 3.

¹⁹ Id. at p. 5.

²⁰ Id. at p. 3; Appendix A to Pulse’s Petition, Pulse Mobile’s Five-Year Buildout Plan.

²¹ 2019 High Cost Support Use Certification of TeleGuam Holdings, LLC, “Pulse Mobile”, attached to Pulse Petition for Annual USAC Certification, dated September 23, 2019.

²² Appendix A to Pulse’s Petition, Pulse Mobile’s Five-Year Buildout Plan.

²³ Pulse Petition for Annual USAC Certification, at p. 3-5.

the required signaling between the Wireless MSC/MME/SMSC. Fix: Net number Master servers migrated onto new hardware with software fixes as recommended by Vendor/Support

2. 11/17/18 to 11/19/18 - 2 Hours - Wireless EPG Migration/Upgrade (planned) 11/17/18 Wireless Data outage: 6 hours I. Impacted Wireless Data customers; II. Time impacted: 2 maintenance windows 3hrs each night. Total 6 hours

3. 12/6/2018 - 11 hours Data Network outage on 12/06/18 duration: 11 hours. Cause: Ericsson MME software issue with embedded electronic certificate on software 1.14EP Fix: Upgrade of MME software to 1.20EP

4. 3/22/2019 - 7 Hours 3G Data outage on 03/24/19 Duration: 7 hours Cause: Net number STP nodes failure to route GTT's between the MME and HLR. Fix: Net number created additional attributes on the data-fill in the STP's to restore routing functionality between The MME and HLR.

5. 3/24/2019 - 5 Hours LTE/3G data outage on 03/24/19 Duration: 1 hour postpaid data/5 hours prepaid data). Cause: Cisco ASR IOS bug caused the NAT IP pool to appear exhausted. Fix: reboot of Cisco ASR restored services and cleared the NAT IP pool errors

6. 7/15/2019 - 1.5 Hours LTE & 3G site outage on 07/15/19. Duration: 1 ½ hours Gibson, Days Inn.Ypao, Dusit Thani, Hornet. Cause: Gibson OCCAM blade outage Fix: Reload of blade software.

7. 7/25/2019 - 30 Mins -Northern 3G site outage on 07/25/19. Duration: Start/End time: 30 mins. Cause: 3750 in Dededo. Fix: replaced 3750 with ME3400

8. 8/15/2019 - 7 Hours Maintenance: EPG upgrade from 1.9 to 1.10. on 8/15/19. LTE/3G Data outage 2am to 9am. Duration: 7 hours Upon investigation, ARP entries on EPG are expiring after every 30-40mins. Cause: Cisco 3850 ARP feature issue. Fix: Manual ARP entries added on EPG. Cisco 3850 replacement planned.

9. 9/7/2019 - 4 Hours LTE & 3G Site outages on 9/7/19 Duration: 4 hours Santa Rosa Yigo RSC, Upi Cow, AAFB, Machanaonao, Yigo Raceway. Cause: Backup power failure at Yigo remote

(iii) Unfulfilled requests for service – Pulse indicates that, to date, it has been able to fulfill services to all requesting customers in accordance with FCC requirements.²⁴

(iv) Complaints per 1,000 handsets – During calendar year 2018, Pulse has not received any end user informal complaint from the FCC. To date in calendar year 2019, GTA has not received end user complaints from the FCC.²⁵

(v) Compliance with CTIA Consumer Code – Pulse certifies that it is in compliance with the CTIA Consumer Code and all applicable service quality standards within the reporting period.²⁶ These include: disclosure of rates and terms of service to consumers; making maps available showing where service is generally available; providing contract terms to customers and confirming changes in services; allowing a trial period for new service; providing specific disclosures in advertising; separately identifying carrier charges from taxes on billing statements; providing customers the right to terminate service for changes in contract terms; providing ready access to customer service, promptly responding to consumer inquiries and complaints received from government agencies; abiding by policies for protection of customer privacy; and providing consumers with free notifications for voice, data and message usage and international roaming.²⁷

(vi) Ability to function in emergency situations – Pulse has certified that it has the ability to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required. It can change call routing translations as needed to reroute traffic around damaged facilities.²⁸

(vii) Certification of local usage plan – Pulse offers a comparable local usage plan that offers unlimited minutes for local calling.²⁹

²⁴ Id. at p. 5.

²⁵ Id.

²⁶ Pulse Petition for Annual USAC Certification, at pgs. 5-9.

²⁷ Id.

²⁸ Id. at pgs. 9-10.

²⁹ Id. at pg. 10.

(viii) Equal access certification – Pulse acknowledges that it currently is not required to offer equal access to long distance carriers but acknowledges that it may be required to do so in the event that no other ETC is providing equal access in service area.³⁰

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

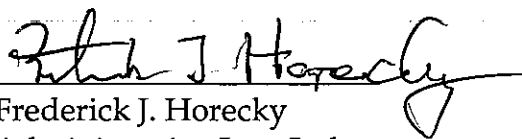
Pulse must promptly submit to the Commission any additional information or reports that the Commission may reasonably request from time to time. Pulse has been responsive in providing any additional information requested by the Administrative Law Judge. The Administrative Law Judge has not become aware of any contrary evidence which would contradict the above certifications by Pulse.

RECOMMENDATION

Pulse indicates that, for calendar year 2018, it received \$1,183,224.00 in USF.³¹ To date in 2019, it has received \$493,010.00.³² It is the Administrative Law Judge's belief that Pulse has satisfied all of the criteria set forth in the Pulse ETC Designation Order and the FCC's requirements. Pulse Mobile's Five-Year Plan has demonstrated a commitment to further build-out and upgrade its wireless local networks.

Based upon the certifications and documentation provided by Pulse in its Petition for Annual USAC Certification, it is the ALJ's opinion that there is a sufficient factual and evidentiary basis upon which the Commission can reasonably certify that the USF distributed to Pulse in calendar year 2020 will be used in accordance with the purposes and requirements designated in the Federal Act. The Administrative Law Judge recommends that Pulse's Petition for USAC certification be GRANTED. A draft Certification to the FCC is submitted herewith.

Dated this 24th day of September, 2019.



Frederick J. Horecky
Administrative Law Judge

³⁰ Id. at pg. 10.

³¹ Id.

³² Id.

Guam Public Utilities Commission

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

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

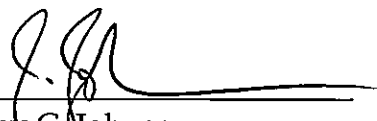
**RE: CC Docket 96-45/WC Docket No. 10-90 – Annual State-Certification of
Support for Eligible Telecommunications Carriers Pursuant to 47 C.F.R.
§54.314**

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

The Guam Public Utilities Commission certifies for Teleguam Holdings, LLC, f/k/a Pulse Mobile, LLC, that all federal high cost support provided to such carrier within Guam was used in the preceding calendar year (2018) and will be used in the coming calendar year (2020) only for the provisioning, maintenance and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Communications Act.

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

Dated this 26th day of September, 2019.



Jeffrey C. Johnson
Chairman
Guam Public Utilities Commission

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

) GPA Docket 19-14

)
)
) The Application of the Guam Power
) Authority to Approve the FY2020 GPA
) CIP Ceiling Cap
)

) ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission [PUC] upon GPA's Petition for Request for Approval of the FY2020 GPA CIP Ceiling Cap.¹ Therein, GPA requests PUC approval of its FY2020 Capital Improvement Project Cap in the amount of \$23,780,278, which consists of General Plant (\$20,311,663) and Engineering (\$3,468,615).² GPA's proposed FY2020 Ceiling Cap also includes \$3,840,293 for Line Extensions. However, pursuant to the GPA Contract Review Protocol, regulatory review is not required for blanket job orders and line extensions.³ The Guam Consolidated Commission on Utilities [CCU] approved the FY2020 Capital Improvement Project Ceiling Cap.⁴

BACKGROUND

The Background of this matter is fully addressed in the ALJ Report dated September 16, 2019. The Commission adopts the ALJ Report and the recommendations set forth therein.

DETERMINATIONS

This year's requested cap includes some large "plant" items: (1) E1 Software Upgrade (Implementation), \$953,336; (2) Major Overhaul Tenjo Units #3, #4, #6, \$839,032; (3) 55 Ft. Bucket Trucks, \$771, 897; (4) 120 Bucket Truck (4x4), \$696,429; Portable Generators on trailers to support existing stationary generators Island-wide on deep well/booster

¹ GPA Petition for Contract Review (Application to Approve the FY2020 GPA CIP Ceiling Budget), GPA Docket 19-14, filed September 15, 2019.

² Id. at p. 1.

³ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec. 1a.

⁴ Guam Consolidated Commission on Utilities (CCU) Resolution No. 2019-12, Relative to the Adoption of a Budget for the Guam Power Authority for Fiscal Year 2020, adopted September 4, 2019.

& sewer stations, \$678,169; (5) Unit 1, Replacement of Burner A 2 Throat Water Tube and Boiler Water Wall Tube, \$550,000; (6) Digger, \$550,000; and (7) Unit 2 Burner front components renovation.⁵

The prior year cap levels were as follows:

FY2019 Cap: \$22,022,011
FY2018 Cap: \$20,959,813
FY2017 Cap: \$18,798,120
FY2016 Cap: \$12,067,780
FY2015 Cap: \$9,974,000
FY2014 Cap: \$7,363,110.
FY2013 Cap: \$10,135,760.
FY2012 Cap: \$13.581M.⁶
FY2011 Cap: \$5M.⁷
FY2010 Cap: \$16,390,707.⁸

The proposed FY2020 CIP cap, \$23,780,278, exceeds the FY2019 cap by nearly \$1.8 M. The FY2019 cap, \$22,022,011, exceeded the FY2018 cap, \$20,959,813, by over \$1M. The FY2018 cap, \$20,959,813, exceeded the FY2017 cap (\$18,798,120) by over \$2M. Thus, it would appear that the amount of the CIP cap has been increasing considerably in recent years.

However, a closer examination of the numbers indicates that, in fact, the cap has not really been increasing much, if at all. Four of the six most expensive items in the Proposed CIP Ceiling Cap for FY 2020, an amount of \$3,938,683, are **carryover** amounts from the FY2019 cap. The total carryover amount from the FY2019 cap is \$7,113,298. What this means is that the budgeted amounts for numerous projects were simply carried over in the FY2020 CIP budget from the prior year ceiling cap. GPA's Attachment A to its Petition, which lists the General Plant expenditures, includes 17 projects which were carried over to 2020 from 2019.

⁵ GPA Petition for Contract Review (Application to Approve the FY2020 GPA CIP Ceiling Budget), GPA Docket 19-14, filed September 15, 2019, Attachment A.

⁶ PUC Order, GPA Docket 18-17, dated September 27, 2018, at pgs. 1-2.

⁷ PUC Order, GPA Docket 13-16, dated October 29, 2013, at pgs. 1-2.

⁸ PUC Order, GPA Docket 10-05, dated October 29, 2010, at pg. 1.

It is also noteworthy that a number of expenditures in the FY2020 cap are for replacement items for the Cabras 1 & 2 plants, and the Tenjo plants. These costs could be expected as those plants age and their life spans shorten.

With regard to the proposed engineering projects for FY2020, with a cap of \$3,468,615, \$1,168,615 is from FY2019 carryover projects. The FY2019 budget cap was \$2,407,924. The large number of carryover projects could indicate that some projects are taking longer to complete than anticipated.

The proposed Engineering CIP projects appear reasonable and should improve the IWPS. Major projects include: GBNPSB – 2nd UPS System, \$400,000; LED Streetlight Conversion and T & D Line Maintenance Support, \$400,000; Tank Farm Pipeline Upgrade, \$301,969; Disaster Recovery Office Building, \$300,000; Network Communication, Fiber to All Substations, \$214,000; Kaiser Hybrid Conversion, \$200,000; and Talofoto ESS (Upgrade), \$200,000.⁹

GPA needs to seek approval under the Contract Review Protocol for procurement of any items included within the CIP cap which exceed the \$1.5M threshold. No specific items appear to exceed the \$1.5M threshold, but there could be amounts under multi-year contracts which, in total, do exceed the threshold.

Based upon the recognition that the FY2020 general plant budget is consistent with that of prior fiscal years, subject to GPA's ability to carry out the capital improvement projects using internally-funded dollars, the PUC should approve the proposed FY2020 \$23,780,278 Ceiling Cap. Such CIP cap is reasonable, prudent and in the interest of the ratepayers.

ORDERING PROVISIONS

Upon consideration of the record herein, the Petition of GPA, and the ALJ Report, and for good cause shown, on motion duly made, seconded, and carried by the affirmative vote of the undersigned Commissioners, the Commission ~~HEREBY ORDERS that:~~

1. The GPA FY2020 internally funded CIP ceiling cap, which consists of General Plant and Engineering, is approved in the amount of \$23,780,278.

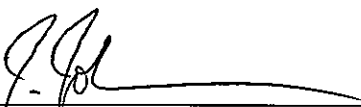
⁹ GPA FY2020 Approved Engineering Projects, Attachment A.1.

2. The General Plant and Engineering budgets are consistent with prior budgets and appears reasonable; no prudency concerns are noted.
3. GPA shall file a complete reconciliation of the FY2019 expenditures on or before December 15, 2019, as required by the Contract Review Protocol.
4. GPA must obtain Contract Review approval from the PUC before it expends amounts for those projects which exceed the contract review threshold of \$1.5M.
5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

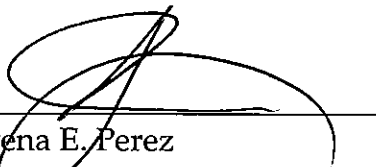
[SIGNATURES TO FOLLOW ON NEXT PAGE]

Order
Request of GPA to
Approve FY2020 CIP Ceiling Cap
GPA Docket 19-14
September 26, 2019

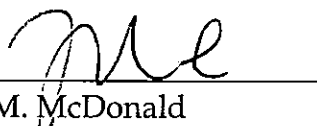
Dated this 26th day of September, 2019.




Jeffrey C. Johnson
Chairman



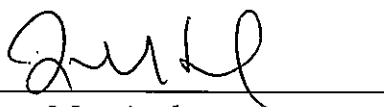
Rowena E. Perez
Commissioner



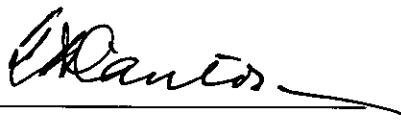
Joseph M. McDonald
Commissioner



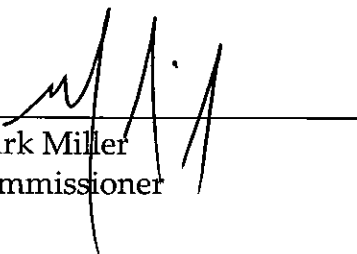
Michael A. Pangelinan
Commissioner



Peter Montinola
Commissioner



Filomena M. Cantore
Commissioner



Mark Miller
Commissioner

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION



IN THE MATTER OF:

) GPA Docket 19-14

)
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) The Application of the Guam Power
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_____)

) ALJ REPORT

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BACKGROUND

The Contract Review Protocol for the Guam Power Authority requires that GPA's annual level ("cap") of internally funded Capital Improvement Projects ("CIP") be set by the PUC before November 15th of each fiscal year.⁵

The CIPs included within the Cap are for "general plant" and "engineering." The "general plant" expenditures include such items as plant improvements/equipment, renovation, computer hardware and software, vehicles (excavator, digger, trucks),

¹ GPA Petition for Contract Review (Application to Approve the FY2020 GPA CIP Ceiling Budget), GPA Docket 19-14, filed September 15, 2019.

² Id. at p. 1.

³ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec. 1a.

⁴ Guam Consolidated Commission on Utilities (CCU) Resolution No. 2019-12, Relative to the Adoption of a Budget for the Guam Power Authority for Fiscal Year 2020, adopted September 4, 2019.

⁵ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec 1f.

and other miscellaneous items.⁶ The “engineering” expenditures are for projects such as UPS System, LED Streetlight Conversion and T & D Line Maintenance Support, Disaster Recovery Office Building, Tank Farm Pipeline Upgrade, Network Communication, Fiber to All Substations, Kaiser Hybrid Conversion, and Talofoto ESS Upgrade.

The Contract Review Protocol does not require that GPA provide justifications for the items listed under General Plant.⁷ GPA indicates that what it has provided is a General Plant (CIP) Approved Budget; it has often been the case that GPA does not expend all amounts indicated in the budget for the stated items.⁸

ANALYSIS

This year’s requested cap includes some large “plant” items: (1) E1 Software Upgrade (Implementation), \$953,336; (2) Major Overhaul Tenjo Units #3, #4, #6, \$839,032; (3) 55 Ft. Bucket Trucks, \$771, 897; (4) 120 Bucket Truck (4x4), \$696,429; Portable Generators on trailers to support existing stationary generators Island-wide on deep well/booster & sewer stations, \$678,169; (5) Unit 1, Replacement of Burner A 2 Throat Water Tube and Boiler Water Wall Tube, \$550,000; (6) Digger, \$550,000; and (7) Unit 2 Burner front components renovation.⁹

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⁶ GPA Petition for Contract Review (Application to Approve the FY2020 GPA CIP Ceiling Budget), GPA Docket 19-14, filed September 15, 2019, ATTACHMENT A.

⁷ Contract Review Protocol for GPA, Administrative Docket, February 15, 2008, Sec. 1f.

⁸ Discussion between PUC Counsel and GPA Legal Counsel on September 15, 2017.

⁹ GPA Petition for Contract Review (Application to Approve the FY2020 GPA CIP Ceiling Budget), GPA Docket 19-14, filed September 15, 2019, Attachment A.

¹⁰ PUC Order, GPA Docket 18-17, dated September 27, 2018, at pgs. 1-2.

FY2011 Cap: \$5M.¹¹

FY2010 Cap: \$16,390,707.¹²

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¹¹ PUC Order, GPA Docket 13-16, dated October 29, 2013, at pgs. 1-2.

¹² PUC Order, GPA Docket 10-05, dated October 29, 2010, at pg. 1.

¹³ GPA FY2020 Approved Engineering Projects, Attachment A.1.

GPA needs to seek approval under the Contract Review Protocol for procurement of any items included within the CIP cap which exceed the \$1.5M threshold. No specific items appear to exceed the \$1.5M threshold, but there could be amounts under multi-year contracts which, in total, do exceed the threshold.

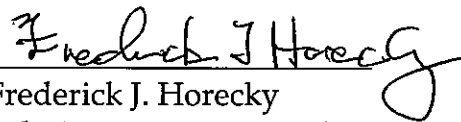
RECOMMENDATION

Based upon the recognition that the FY2020 general plant budget is consistent with that of prior fiscal years, subject to GPA's ability to carry out the capital improvement projects using internally-funded dollars, the Administrative Law Judge recommends that the PUC approve the proposed FY2020 \$23,780,278 Ceiling Cap.

GPA's FY2020 Internally funded CIP ceiling cap, consisting of general plant and engineering projects in the amount of \$23,780,278, should be approved. Such CIP cap is reasonable, prudent and in the interest of the ratepayers.

A Proposed Order is submitted herewith for the consideration of the Commissioners.

Dated this 16th day of September, 2019.


Frederick J. Horecky
Administrative Law Judge