

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	
)	GTA DOCKET 12-04
TELEGUAM HOLDINGS LLC)	
INDIVIDUAL CASE BASIS FILING)	ORDER
)	
)	

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the filing of TeleGuam Holdings LLC ["GTA"] to establish an Individual Case Basis arrangement with Holiday Resort Guam ["HRG"] pursuant to GTA's ICB Tariff.¹
2. GTA's tariff for ICB arrangements was previously approved by the PUC in Docket 05-03. The Individual Case Basis Tariff, originally filed by GTA as Tariff Transmittal No. 11 on December 1, 2008, contains three conditions which must be satisfied before an ICB can be approved: a] ICBs will be offered only to business or government customers having or ordering more than 10 access lines; b] Rates for services provided under competitive bids shall not exceed the tariff prices where specific charges are provided in the tariff; c] The ICB prices contained in any contract should be available to any similarly situated customer.²
3. In addition, GTA must submit an "LRIC-like" analysis which establishes that the contract prices offered to HRG exceed GTA's incremental cost.³

BACKGROUND

4. GTA has proposed to enter into an agreement with HRG pursuant to which it will provide HRG certain telecommunications services and facilities.⁴ Thereunder, among other services, GTA intends to provide HRG with seven Analog business lines. In addition, GTA is providing 1 ISDN-PRI (Primary Rate Interface) to HRG. The ISDN product offered to HRG has 24 channels, 23 of which are "voice" and one of which is "data." GTA submits that because the ISDN-PRI has 23 channels,

¹ GTA Telecom LLC filing for an Individual Case Basis arrangement, GTA Docket 12-04, filed June 28, 2012.

² GTA Telecom LLC Filing of Individual Case Basis Tariff, filed December 1, 2008.

³ PUC Order, Docket 05-03, filed October 3, 2008, at p. 2.

⁴ GTA Filing, GTA Docket 12-04, Master Services Agreement, filed June 28, 2012.

which can equate to lines, this satisfies the 10 or more business lines requirement for the ICB pricing.⁵

5. GTA will also provide DID number assignments for Block DID (100) to HRG.⁶
6. Along with its filing, GTA has provided a confidential cost study which indicates its incremental cost for ISDN-PRI. GTA has also provided a confidential cost study which indicates its incremental cost for DID Number Assignment.⁷
7. The background is further set forth in the PUC Counsel Report dated July 26, 2012, which is adopted herein.

DETERMINATIONS

8. In this case, GTA seeks to offer ICB pricing to a business customer with more than 10 lines. GTA offers seven business lines to HRG. In addition GTA offers an ISDN-PRI service to HRG with 23 voice channels. The channels can equate to lines.
9. The PUC has previously accepted the interpretation that the 23 voice channels in ISDN-PRI equate to lines.⁸ GTA's offering of business lines to HRG and the ISDN product satisfies the 10 or more business line requirement for ICB pricing.
10. The cost per channel (line) offered by GTA to HRG does not exceed the tariff prices provided in GTA's General Exchange Tariff No. 1.⁹ Furthermore, the cost per month for Block DID offered by GTA to HRG does not exceed the tariff prices provided in GTA's General Exchange Tariff No. 1.¹⁰

⁵ See GTA Filing, GTA Docket 12-04, filed June 28, 2012 [Exhibit A –Certification of Adherence with Docket 05-02] [“Specifically, the attached agreement in Exhibit C is being offered to a business or government customer with more than 10 lines...”].

⁶ See GTA Filing, GTA Docket 12-04, filed June 28, 2012 [Exhibit C – Supplemental Information].

⁷ Id., at Exhibit B.

⁸ See GTA Confidential Filing in GTA Docket 11-07, filed August 15, 2011, and GCG Report Re: GTA Individual Case Basis Tariff for Services Provided to Bank of Hawaii, GTA Docket 11-07, filed July 31, 2011; PUC Order, GTA Docket 11-08, dated September 16, 2011 at Determination 7, p. 2 [“GTA offers an ISDN-PRI service to Tristar with 24 channels (lines). The channels can equate to lines”].

⁹ See GTA General Exchange Tariff No. 1; and GTA Filing for Individual Case Basis, GTA Docket 12-04, Exhibit B [ISDN/PRI Revenue Requirement Summary and DID Number Assignment to HRG] and Exhibit C, Supplemental Information.

¹⁰ Id.

11. The LRIC study filed by GTA [ISDN/PRI Revenue Requirement Summary], and the Proposed Agreement [Exhibit "C"], indicate that the cost for ISDN-PRI (Channelized T1 Costs) is above the average cost of ISDN-PRI developed in the LRIC study. The offered contract price for ISDN-PRI exceeds the incremental cost as determined using the LRIC-like standard.¹¹
12. The LRIC study filed by GTA [DID Number Assignment and Translation], and the Proposed Agreement [Exhibit "C"], also indicate that the cost for Block DID (100) is above the average cost developed in the LRIC study. The offered contract price for DID Number Assignment exceeds the incremental cost as determined using the LRIC-like standard.¹²
13. In this Docket, GTA has used the same methodology that GCG proposed in 2008 and the PUC approved.
14. The ICB charges for ISDN/PRI and DID Number assignment are below the normal tariff rates of \$600.00 per month and \$150 per Block DID, respectively.

ORDERING PROVISIONS

Upon consideration of the record herein, GTA's ICB filing for Holiday Resort Guam, and the PUC Legal Counsel Report, for good cause shown and on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS that:

1. GTA's Individual Case Basis Filing dated June 28, 2012, properly satisfies the three ICB Tariff conditions set forth in the PUC Order dated February 15, 2008 and is hereby approved.
2. The findings and recommendations in the PUC Counsel Report dated July 12, 2012 are hereby adopted and approved.
3. GTA's ICB filing properly establishes, through its LRIC-like study, that the prices for ISDN-PRI and DID Number Assignment offered to HRG exceed incremental cost as determined using the LRIC studies.

¹¹ Id.

¹² Id.

4. The ICB prices contained in the contract with HRG as ICB prices for ISDN/PRI, and DID Number Assignment shall be available to any similarly situated customer.
5. GTA is ordered to pay for the PUC's regulatory fees and expenses incurred in this Docket, including, without limitations, consulting and counsel fees and expenses. Assessments of the PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §12002(b) and 12024(b), 12104, 12103, the Rules Governing Regulatory fees for Telecommunications Companies, and Rule 40 of the Rules of Practice and Procedure before the PUC.

Dated this 30th day of July, 2012.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan