

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

| | | |
|---------------------------------------------------------|---|-------------------------|
| IN THE MATTER OF: |) | GTA DOCKET 11-04 |
| |) | |
| GTA TELECOM LLC INDIVIDUAL CASE BASIS FILING |) | ORDER |
| |) | |
| <hr/> | | |

INTRODUCTION

1. This matter comes before the Guam Public Utilities Commission [PUC] upon the filing of GTA Telecom LLC [GTA] to establish an Individual Case Basis arrangement [ICB] pursuant to its General Exchange Tariff No. 1.¹ A portion of the documentation, particularly that involving the GTA LRIC Methodology, has been filed under seal pursuant to a claim of confidentiality.
2. GTA's proposed tariff for ICB arrangements was approved by the PUC in Docket 05-3.² There the PUC established the conditions for the filing of an ICB arrangement and the required analysis.³

BACKGROUND

3. The background is set forth in the PUC Counsel Report dated April 13, 2011, which is adopted herein.
4. The PUC has adopted three conditions for the approval of an ICB Filing:
 - a) ICB pricing shall be offered only to business or government customers with more than 10 lines and shall not exceed the tariff prices, where specific charges are provided in GTA's tariff;
 - b) GTA should be consistent with PUC's confidentiality rules, file with PUC each ICB contract upon execution together with analysis, which establishes that the contract prices exceed incremental cost as determined using the long run incremental cost [LRIC] standard; and

¹ GTA Telecom LLC filing for an Individual Case Basis Arrangement, Docket No. 05-3 [Renamed GTA Docket 11-04] filed on March 31, 2011.

² See PUC Orders, Docket 05-3, dated February 15, 2008 and October 03, 2008.

³ Id.

c] ICB prices contained in any contract shall be available to any similarly situated customer.⁴

5. In addition, GTA is required to file, with each ICB contract, an analysis which is consistent with the guidelines set forth in the Report issued by the Georgetown Consulting Group on March 10, 2008.⁵

DETERMINATIONS

6. In this case, GTA seeks to offer ICB pricing to a government customer with more than 10 lines. GTA offers 1,032 Centrex lines to DOE. The per line cost offered by GTA to DOE does not exceed the tariff prices provided in GTA's General Exchange Tariff No. 1.
7. Consistent with the PUC's confidentiality rules, GTA is required to file with PUC each ICB contract an analysis which establishes that the contract prices exceed incremental cost as determined using the long-run incremental cost [LRIC] standard. In compliance with this requirement, GTA has filed Exhibit B to its Petition, the GTA LRIC methodology for GTA's offering of Centrex services to DOE.⁶
8. The LRIC study filed by GTA [Centrex Revenue Requirement Summary/School Proposal], and Exhibit 2B Supplemental to the Petition, indicate that the average cost per loop offered by GTA to DOE is above the average cost per line developed in the LRIC study. The offered contract prices exceed the incremental cost as determined using the LRIC standard.⁷
9. The GTA consultant that prepared the LRIC analysis certifies that it is in compliance with the formula set forth by GCG in its report filed March 10, 2008.⁸
10. GTA has certified that the Individual Case Basis Contracted Price with DOE "will be available to any similarly situated customer should that customer request a similar arrangement."⁹

⁴ PUC Order Docket 05-3, filed October 3, 2008, at p. 2.

⁵ Id. at p. 3.

⁶ GTA Petition for Individual Case Basis filing, GTA Docket 11-04, Exhibit B.

⁷ Id., Exhibit 2B Supplemental.

⁸ JSI Letter dated April 12, 2011, certifying compliance with GCG LRIC analysis.

⁹ Id. at Exhibit A, Certification of Adherence with Docket 05-3.

ORDERING PROVISIONS

Upon consideration of the record herein, GTA's ICB filing for DOE, 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 March 31, 2011, 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 April 11, 2011, are hereby approved.
3. GTA's ICB filing properly establishes, through its LRIC study, that the prices per line for Centrex services offered to DOE exceed incremental costs as determined using the LRIC study.
4. The ICB prices contained the in contract with the Guam Department of Education shall be available to any similarly situated customer.
5. This Order is conditioned upon filing by GTA of its final contract or purchase order with PUC, subject to any claim of confidentiality.
6. 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 18th day of April, 2011.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

ORDER
GTA Individual Case Basis Filing
GTA Docket 11-04
April 18, 2011

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner