

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:)	GTA DOCKET 11-07
)	
GTA TELECOM LLC INDIVIDUAL CASE BASIS FILING)	ORDER
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)	

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 with the Bank of Hawaii [BOH] pursuant to GTA's ICB Tariff.¹
2. GTA's proposed 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: a] ICB's 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 situation customer.²
3. In addition, GTA must submit an "LRIC-like" analysis which establishes that the contract price offered to BOH exceeds GTA's incremental cost.³

BACKGROUND

4. GTA Telecom LLC entered into an agreement with Bank of Hawaii on July 1, 2011 pursuant to which it will provide BOH certain telecommunications services and facilities.⁴ Thereunder, GTA intends to provide 35 Business Telephone Lines. In addition, GTA offers "ISDN-PRI [Primary Rate Interface)] service to BOH at an agreed monthly rate for PRI.⁵ GTA only seeks an ICB tariff for its ISDN-PRI service.

¹ GTA Telecom LLC filing for an Individual Case Basis arrangement, GTA Docket 11-07, filed July 11, 2011.

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 11-07, Master Services Agreement, filed July 11, 2011.

⁵ Attachment A to Master Agreement; the monthly charges by GTA to BOH for ISDN-PRI will not be disclosed herein. All cost information for this private contract has been submitted under a claim of confidentiality.

5. Along with its filing, GTA has provided a confidential cost study which indicates its incremental cost for ISDN-PRI. GTA seeks an ICB for its ISDN-PRI service.
6. The background is further set forth in the PUC Counsel Report dated August 8, 2011, which is adopted herein.
7. At the PUC meeting on August 10, 2011, Pacific Data Systems, through its representative John Day, raised concerns that GTA was attempting to provide a new type of ISDN-PRI service with 35 channels that was not covered by the existing tariff.
8. At the meeting, the Commissioners instructed PUC Counsel to obtain an opinion from its consultant Georgetown Consulting Group as to whether GTA was providing a new ISDN-PRI service.
9. On August 15, 2011, GTA submitted a confidential letter filing indicating that it is not offering a 35 channel ISDN-PRI because this type of service does not exist.⁶
10. On August 26, 2011, Georgetown (GCG) filed its Report indicating that a 35 channel version of ISDN “does not exist”. GTA is not offering such service, but is providing an ISDN-PRI service with 23 voice grade channels as an ICB under its General Exchange Tariff.⁷

DETERMINATIONS

11. In this case, GTA seeks to offer ICB pricing to a business customer with more than 10 lines. GTA is offering 35 business telephone lines to BOH, at the regular tariff price, and ISDN-PRI service for which it seeks an ICB tariff. The per line cost offered by GTA to BOH for ISDN-PRI does not exceed the tariff prices provided in GTA’s General Exchange Tariff No. 1.⁸
12. GTA has filed Exhibit B to its Petition, the GTA LRIC methodology for GTA’s offering of ISDN-PRI to BOH.⁹

⁶ GTA Confidential Letter Filing, GTA Docket 11-07, filed August 15, 2011.

⁷ GCG Report, GTA Docket 11-07, filed August 26, 2011.

⁸ Georgetown Consulting Group Inc. Report Re: GTA Individual Case Basis Tariff for Services provided to Bank of Hawaii, GTA Docket 11-07, filed July 31, 2011, at p. 2.

⁹ GTA Filing for Individual Case Basis, GTA Docket 11-07, Exhibit B.

13. 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.¹⁰
14. PUC adopts the conclusion of GCG that the per month charge proposed by GTA is above the incremental cost of providing ISDN-PRI service. The ICB charge is below the normal tariff rate of \$600.00 per month.¹¹
15. GTA is not offering an ISDN service with 35 channels, as such service does not exist.

ORDERING PROVISIONS

Upon consideration of the record herein, GTA's ICB filing for BOH, GCG Report, 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 July 11, 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 GCG and PUC Counsel Reports dated July 31, 2011, August 8, 2011 and August 26, 2011, are hereby adopted and approved.
3. GTA's ICB filing properly establishes, through its LRIC-like study that the prices for ISDN-PRI offered to BOH exceed incremental cost as determined using LRIC study.
4. The ICB prices contained in the contract with BOH as ICB prices for ISDN-PRI, 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.

¹⁰ Id.

¹¹ Id.

ORDER
In Re: GTA Individual Case Basis Filing
GTA Docket 11-07
September 19, 2011

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 19th day of September, 2011.

Jeffrey C. Johnson
Chairman

Joseph M. McDonald
Commissioner

Rowena E. Perez
Commissioner

Filomena M. Cantoria
Commissioner

Michael A. Pangelinan
Commissioner