

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF: ) GPA Docket 23-09  
)  
The Application of the Guam Power )  
Authority Requesting Approval to Adjust ) **ALJ REPORT**  
the Power Pole Attachment Rate. )  
)  
\_\_\_\_\_ )



INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"], and the STIPULATION of the Parties hereto, for an Adjustment to the Power Pole Attachment Rate.<sup>1</sup> The Parties request that Power Pole Attachment Rate be adjusted by \$1.80 per pole per year over the next five years, from \$6.00 to \$15.00. This Docket is a companion docket to GTA Docket 09-04 and resolves issues that were first addressed therein.

JURISDICTION

The PUC is empowered to establish the rates and charges for services for the Guam Power Authority. 12 GCA §12105(e); all rates and charges must be "just and reasonable", and "shall be filed with the Commission." No rate, charge or assessment shall be modified without the "prior approval of the Commission." 12 GCA §12116(a).

<sup>1</sup> GPA Petition to Adjust the Power Pole Attachment Rate, GPA Docket 23-09, dated February 16, 2023; STIPULATION IN SUPPORT OF GPA'S FEBRUARY 6, 2023 PETITION, dated August 15, 2023, and attached hereto as Exhibit "1".



## **BACKGROUND**

1. On October 30, 2009, GTA Teleguam LLC ["GTA"] filed a complaint alleging that GPA was assessing rates or charges for pole attachments without a formal tariff, in violation of 12 GCA §§12109 and 12015(a).<sup>2</sup> The Complaint also alleged that the rates charged by GTA for pole attachments were discriminatory.
2. "Pole attachments" are "wires, cables, antenna's, or other equipment usually owned by private company that is attached to a pole owned by GPA."<sup>3</sup>
3. On January 31, 2011, the PUC issued an Order which established an "interim pole attachment rate" to be charged by GPA to all telecommunications companies in the amount of \$6.00 per pole per year.<sup>4</sup> The "interim pole attachment rate" was "binding", "until such time is a permanent pole attachment rate is set by the PUC."<sup>5</sup>
4. The PUC kept GTA Docket 09-04 "open" to conduct further proceedings as stipulated to by the parties. Such proceedings were required to be scheduled "upon the FCC's revision of its pole attachment rate..."<sup>6</sup>
5. In GPA's Petition in the present docket, it indicates that the Federal Communications Commission updated the pole attachment rate in 2015.<sup>7</sup> The FCC

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<sup>2</sup> GTA Formal Complaint, GTA Docket 09-04, filed October 30, 2009, at p. 1.

<sup>3</sup> Id.

<sup>4</sup> PUC Order, GTA Docket 09-04, dated January 31, 2011, at p. 2.

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>7</sup> GPA Petition at p. 1.



established formulas for determining pole attachment rates for cable and telecommunications attachments. The attachment rate per attachment for the “Telecom Formula” was \$17.13 per year; the “Cable Formula” was \$14.82 per year per attachment.<sup>8</sup>

6. At the PUC conference between GPA and the Telecom companies on August 11, 2023, GPA CFO John Kim indicated that GPA selected the less expensive “cable formula” rather than the “telecom formula” to apply to attachments to its poles.<sup>9</sup>

### ANALYSIS

7. Since 2011, the Commission, GPA, and the telecom parties have been aware that the FCC would establish permanent pole attachment rates. There was a common understanding that the rate enacted in 2011 was only an “interim” rate.
8. The parties have expended time and effort to negotiate a reasonable charge for permanent pole attachment rates. Although GPA had requested in its Petition that the annual rate for pole attachments be increased from \$6.00 per year to \$15.00 per year over a three-year period, all parties have ultimately agreed that the pole attachment rate per attachment may be increased over a period of five years at the rate of \$1.80 per year.

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<sup>8</sup> UFS (Utility Financial Solutions, LLC), Pole Attachments, Rate Calculations, dated March, 2022 and attached to GPA’s Petition.

<sup>9</sup> Conferences was conducted by the ALJ with GPA and the telecom companies on June 20, 2023, and August 11, 2023, at the PUC Office.



9. A true and correct copy of the parties' STIPULATION IN SUPPORT OF GPA'S FEBRUARY 6, 2023 PETITION is attached hereto as Exhibit "1". The five-year schedule for the implementation of the \$1.80 per year increases commenced immediately upon execution of the STIPULATION by all parties.
10. A table prepared by USF indicated the number of pole attachments that each telecom company has, and the monthly increase projected for a \$3.00 increase in the first year attached hereto as Exhibit "2". The annual increases will now be spread out over five years rather than three years. Over the five-year period, for example, the charge for Docomo Pacific will increase from the current monthly amount of \$12,500.00 to \$31,250.00.
11. Based upon the FCC determinations, the increase to \$15.00 per attachment per year is consistent with the standard that the FCC established for the cable formula rate. The proposed pole attachment rate appears to be "just and reasonable" pursuant to 12 GCA §12116(a).

### **RECOMMENDATION**

12. There is a present need to establish a permanent pole attachment rate in accordance with 12 GCA §12116.
13. The proposed increase in the pole attachment rate by \$1.80 per pole per year over the next five years, from \$6.00 to \$15.00, is prudent, just and reasonable, and within the existing range of rates set nationally by the FCC.



14. The parties' STIPULATION IN SUPPORT OF GPA'S FEBRUARY 6, 2023 PETITION should be binding upon the parties to the stipulation and to all other companies which presently have, or subsequently will obtain, attachments to GPA poles.
15. The ALJ recommends that the Stipulation be approved by the PUC. Any outstanding PUC expenses or costs related to the hearing and consideration of this matter should be borne by the Guam Power Authority.

A proposed order is submitted herewith for the consideration of the Commissioners.

Dated this 17<sup>th</sup> day of August, 2023.

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Frederick J. Horecky  
Chief Administrative Law Judge



**THERESA G. ROJAS, ESQ.**

Interim Counsel

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**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF:

) GPA DOCKET NO. 23-09

The Application of the Guam Power Authority  
Requesting Approval to Adjust the Power Pole  
Attachment Rate

) **STIPULATION IN SUPPORT OF  
GPA'S FEBRUARY 6, 2023 PETITION**

In support of GPA's February 6, 2023 Petition, GPA, together with the undersigned representatives, now stipulates and requests the PUC: (1) Adjust the pole attachment rate by \$1.80 per pole per year over the next five years from \$6.00 to \$15.00 and (2) Approve the five-year term to take effect immediately. **SO STIPULATED** this **15<sup>th</sup>** day of August 2023.

**GUAM POWER AUTHORITY**

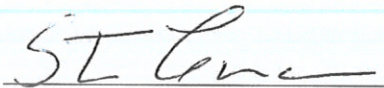
**DOCOMO PACIFIC, INC.**

  
THERESA G. ROJAS, ESQ.  
Interim Counsel

James Hofman  
Digitally signed by James  
Hofman  
Date: 2023.08.16 10:22:10  
+10'00'  
JAMES W. HOFMAN, II, ESQ.  
Chief Legal Officer

**IT&E GUAM**

**TELEGUAM HOLDINGS, LLC**

  
STEVEN CARRARA, ESQ.  
General Counsel

DANIEL J. TYDINGCO  
Executive Vice President of Legal,  
Regulatory and External Affairs

**PACIFIC DATA SYSTEMS**

**JOHN DAY**

President and Chief Operations Officer

GPA Docket 23-09

Stipulation in Support of Petition for Approval to Adjust GPA's Power Pole Attachment Rate  
Page 1 of 1



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10 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

11 IN THE MATTER OF:

12 ) GPA DOCKET NO. 23-09

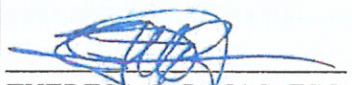
13 The Application of the Guam Power Authority  
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22 **GUAM POWER AUTHORITY**

23 **DOCOMO PACIFIC, INC.**

24   
25 THERESA G. ROJAS, ESQ.  
26 Interim Counsel

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28 Chief Legal Officer

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34 Executive Vice President of Legal,  
35 Regulatory and External Affairs

36 **PACIFIC DATA SYSTEMS**

37   
38 JOHN DAY  
39 President and Chief Operations Officer



**From:** [tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org)  
**To:** [Theresa G. Rojas](#)  
**Cc:** [tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org)  
**Subject:** FW: : Pole Attachment Rates, GTA Docket 09-04 and GPA Docket 23-09  
**Date:** Thursday, August 24, 2023 3:36:05 PM

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**From:** Daniel J. Tydingco <[djtydingco@gta.net](mailto:djtydingco@gta.net)>  
**Sent:** Wednesday, August 23, 2023 6:51 AM  
**To:** [tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org); 'John Day' <[john@pdsguam.com](mailto:john@pdsguam.com)>; John J.E. Kim <[jjekim@gpagwa.com](mailto:jjekim@gpagwa.com)>; 'Steven Carrara' <[Steven.Carrara@itechq.net](mailto:Steven.Carrara@itechq.net)>; 'Theresa G. Rojas' <[tgrojas@guamwaterworks.net](mailto:tgrojas@guamwaterworks.net)>; 'James W. Hofman' <[jhofman@docomopacific.com](mailto:jhofman@docomopacific.com)>  
**Subject:** RE: : Pole Attachment Rates, GTA Docket 09-04 and GPA Docket 23-09

ALJ Horecky:  
TeleGuam Holdings, LLC dba GTA stipulates to the Guam Power Authority Pole attachment rate schedule.  
Thank you.  
Dan

**From:** [tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org) <[tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org)>  
**Sent:** Tuesday, August 15, 2023 12:39 PM  
**To:** 'John Day' <[john@pdsguam.com](mailto:john@pdsguam.com)>; John J.E. Kim <[jjekim@gpagwa.com](mailto:jjekim@gpagwa.com)>; 'Steven Carrara' <[Steven.Carrara@itechq.net](mailto:Steven.Carrara@itechq.net)>; 'Theresa G. Rojas' <[tgrojas@guamwaterworks.net](mailto:tgrojas@guamwaterworks.net)>; 'James W. Hofman' <[jhofman@docomopacific.com](mailto:jhofman@docomopacific.com)>; Daniel J. Tydingco <[djtydingco@gta.net](mailto:djtydingco@gta.net)>  
**Cc:** [tgrojas@guamwaterworks.org](mailto:tgrojas@guamwaterworks.org)  
**Subject:** RE: : Pole Attachment Rates, GTA Docket 09-04 and GPA Docket 23-09

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Hi All,

Attached is the stipulation referenced below. If all agree and there are no changes, please sign the pdf in the order provided within the Stip from left to right and then top to bottom. The word doc is also attached if substantial edits are needed / recommended. Apologies for sending these concurrently for review and signature – but the August PUC meeting is in two weeks and I understand the PUC is willing to list this Petition on the August Agenda if the attached is signed and submitted timely. We hope to receive all signatures within the next couple days.

Thank you for your consideration. James / Docomo is next for signature.

Theresa  
Acting counsel for GPA

  
**GUAM WATERWORKS AUTHORITY**  
*Theresa G. Rojas, Esq.*



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Depreciation carrying charge:

Depreciation Adder

Pole Life (years)

Depreciation Rate

43.06
2.3%

Rate of Return carrying charge from COS:

Rate of Return

5%
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Total carrying charge = 10.2% (Admin) + 2% (Maintenance) + 2.3% (Depreciation) + 5% (Return)

Total carrying charge = 19.5%

Annual Carrying Cost = \$1,364 (Net Bare Pole Cost) \* 19.5% (Total carrying charge) = \$266

From the pole database the average pole height was identified as 42.1' which equates to 17.9' of usable space for attachments.

The calculated rate per foot is \$14.82 (\$266 (carrying cost)/17.9' (usable space)), this rate increases to \$17.13 under the telecom rate.

## Recommendations

GPA currently charges attachers \$6.00 annually per attachment. We recommend that GPA increases the pole attachment rate by \$3 (25 cents per month) annually for the next 3 years.

The following table details the dollar effect for current attachers in the first year.

	IT&E	Guam Cell	MCV	DMR	GTA	PDS
Attachments	800	47	24,893	20	139	18
Monthly Charge Current	\$ 400.00	\$ 23.50	\$ 12,446.50	\$ 10.00	\$ 69.50	\$ 9.00
Monthly Increase (\$0.25)	\$ 200.00	\$ 11.75	\$ 6,223.25	\$ 5.00	\$ 34.75	\$ 4.50
Proposed Monthly Charge	\$ 600.00	\$ 35.25	\$ 18,669.75	\$ 15.00	\$ 104.25	\$ 13.50